



ASX

## Who we are

More than a stockmarket, we support a sustainable financial ecosystem by providing an unmatched range of services and expertise so people can access the right opportunity for them



Integrated offering



Largest interest rate market in Asia Pacific; fourth largest globally<sup>1</sup>



Diversified revenue streams



Supported by 5th largest pool of pension fund capital in the world<sup>2</sup>



## What we do matters

There is beauty in a connected marketplace

Where people can share risk and reward securely

Where everyone can benefit from a level playing field

We are driven to power a stronger economic future by providing a fair and dynamic marketplace

Bringing clarity to complex issues

Bringing people together to make a meaningful difference

Deeply considering the intended and unintended consequences of change

Putting the integrity of the marketplace and needs of the many before the few

Supporting sustainability in all its forms

Complacency and resistance to change will only get in the way of our ability to create enduring value

We will be energised by the high expectations placed on us

Dedicated to doing what it takes to keep the markets running

Passionate about standing up for what's right, because

What we do matters.

1. WFE Derivatives Report 2021, published April 2022.

2. Willis Towers Watson Global Pension Assets Study, 2022.



## Contents

|     |                                    |
|-----|------------------------------------|
| ii  | Who we are                         |
| 02  | FY23 highlights                    |
| 04  | Our purpose, vision and strategy   |
| 06  | Chair's letter                     |
| 08  | CEO's year in review               |
| 10  | Operating and financial review     |
| 24  | Sustainability report              |
| 38  | Governance                         |
| 47  | Remuneration report                |
| 69  | Directors' report                  |
| 71  | Auditor's independence declaration |
| 72  | Financial report                   |
| 128 | Key financial ratios               |
| 129 | Transaction levels and statistics  |
| 133 | Shareholder information            |
| 135 | Glossary and Directory             |

ASX will hold its Annual General Meeting at 10.00am (Sydney time) on 19 October 2023.

Shareholders can participate online at:  
<https://meetings.linkgroup.com/ASX23>

Further details are available at [www.asx.com.au/agm](http://www.asx.com.au/agm)

ASX Limited ABN 98 008 624 691

[asx.com.au](http://asx.com.au)



ASX acknowledges the Traditional Owners of Country throughout Australia. We pay our respects to Elders past and present.

Artwork By: Lee Anne Hall, My Country My People

# ASX overview

Four businesses supported  
by enabling functions



Listings



Markets



Technology  
and Data



Securities and  
Payments

## Enabling functions

- > Enterprise Customer and Operations
- > Enterprise Technology
- > Finance and Corporate Affairs
- > Compliance
- > Risk
- > People and Culture
- > Legal

# FY23 highlights



## For our customers

150,000+

company announcements  
published on our platform

360m+

total cash market trades

140m+

total futures and options on  
futures contracts



## For our people

86%

of our people feel proud  
to work at ASX

89%

of our people believe  
that their direct manager  
genuinely cares about  
their wellbeing

90%

of our people believe that  
they have the flexibility  
needed to manage their  
work, caring responsibilities  
and other commitments



## For our shareholders

\$1.0b

Operating revenue<sup>1</sup>,  
down 1.2%

\$635.6m

earnings before interest  
and tax (EBIT)<sup>2</sup>, down 7.8%

228.3

cents per share:  
FY23 total dividend,  
down 3.4%

\$317.3m

Statutory net profit after tax,  
down 37.6% (impacted by  
significant items including the  
derecognition of the CHES  
replacement project costs)

1. Operating revenue as per Group segment reporting.

2. Excludes significant items.

## Our strengths set us apart



### Unmatched connectivity and liquidity

Our listed and derivatives markets, deep liquidity, extensive data, breadth of services and deep expertise set us apart



### Trusted regional champion

We have a regional focus with a global customer base



### Deep experience in regulated environments

Our license obligations require excellence. We have a track record in delivering value within highly regulated markets

## Strong tailwinds present distinct opportunities for ASX



### Growing Australian capital base

Fifth-largest and fastest growing pension pool in the world – \$3.5 trillion asset base with a 20-year growth rate of 11.3% pa<sup>1</sup>



### Increasing demand for technology and data

Exchanges are a data rich environment. Analytical tools that leverage data to create opportunities across business models, asset classes, products and services



### Decarbonisation

Australian Government's target of 43% emissions reduction by 2030 and net zero by 2050 will require action across multiple fronts

1. Willis Towers Watson Global Pension Assets Study 2022.



## Our purpose

To power a stronger economic future by enabling a fair and dynamic marketplace for all

## Our vision

ASX is in a new era. We are the market's choice, inspiring confidence and trust

# Five year strategy

supported by four strategic pillars

|  |   |  |   |
|--|---|--|---|
|  <p><b>ONE ASX</b></p> <p><b>FY28 outcomes</b></p> <ul style="list-style-type: none"> <li>&gt; New era ASX values, capabilities and career development</li> <li>&gt; Empowering people with clear accountability for great outcomes</li> </ul> <p><b>Key results</b></p> <ul style="list-style-type: none"> <li>&gt; Employer brand</li> <li>&gt; Engagement score</li> </ul> |  <p><b>GREAT FUNDAMENTALS</b></p> <p><b>FY28 outcomes</b></p> <ul style="list-style-type: none"> <li>&gt; Simplified, modern technology stack</li> <li>&gt; Risk, compliance and operating frameworks maintained at an appropriately high standard</li> <li>&gt; Sustainable shareholder value</li> </ul> <p><b>Key results</b></p> <ul style="list-style-type: none"> <li>&gt; Risk and operating frameworks consistently meet target state</li> <li>&gt; Return on Equity</li> </ul> |  <p><b>CUSTOMER DRIVEN</b></p> <p><b>FY28 outcomes</b></p> <ul style="list-style-type: none"> <li>&gt; Working effectively with our customers, solving challenges and delivering solutions.</li> <li>&gt; Growth and improved market quality delivered for the market</li> </ul> <p><b>Key results</b></p> <ul style="list-style-type: none"> <li>&gt; Customer satisfaction</li> <li>&gt; Revenue growth</li> </ul> |  <p><b>DIGITAL BY DESIGN</b></p> <p><b>FY28 outcomes</b></p> <ul style="list-style-type: none"> <li>&gt; Customer and people experiences with ASX are easy</li> <li>&gt; High quality data and analytics inform decisions and drive value</li> </ul> <p><b>Key results</b></p> <ul style="list-style-type: none"> <li>&gt; Customer effort score</li> <li>&gt; Process automation</li> </ul> |
|--|---|--|---|



Damian Roche  
Chair

# Chair's Letter

## Dear fellow shareholders

### Change and challenge

The last financial year has been difficult. Following the disappointing but necessary decision to pause the CHES replacement project last November, we recognise confidence in ASX has been tested. The Board and I acknowledge we need to rebuild trust with our key stakeholders and we have been taking action to restore confidence.

Notwithstanding the challenge presented with the CHES replacement pause, we continued to progress our strategy to re-energise ASX and position it for renewed growth. During the year, we continued board renewal, reshaped the executive management team, set a new five-year strategy, refreshed our vision statement, revised capital management settings and significantly lifted stakeholder engagement. No doubt there is more work to do but our conviction is high. We have started at the fundamental building block of change, which is to ensure we have the right leadership in place and are pursuing a strategy to drive a cultural reset.

Since taking the role as Chair in April 2021, I have been focused on refreshing our Board and ASX has welcomed four new non-executive directors (NED) in that time. In my letter last year, I noted Dave Curran and Heather Smith had joined as NEDs, and this year we welcome Luke Randell and Vicki Carter. One of my priorities in pursuing this program of Board renewal has been to ensure we are bringing a strong complement of skills that can deliver expertise and capability in technology, cyber, transformation and customer.

The Board renewal program is well progressed, and a new Managing Director and CEO, Helen Lofthouse, was appointed in August 2022. The skills and capability of Helen's executive team has also been a key focus to ensure we are moving forward with leaders capable of ensuring ASX is an operationally resilient business that is sustainable for the long term. During the financial year ASX has reshaped its executive team with several important new appointments. More detail about our executive team is covered in Helen's update at page 8.

### Financial highlights and resetting our base

While the scrutiny on ASX and the CHES replacement project has been appropriately high, ASX has not lost focus on running a high quality exchange business. In FY23 we continued to deliver solid underlying financial performance with revenues once again exceeding \$1 billion despite challenging market conditions.

This year the Board determined a final dividend of 112.1c, which takes total dividends per share for FY23 to 228.3c. Statutory net profit after tax (NPAT) decreased 37.6% to \$317.3 million, reflecting the impact from the derecognition of the CHES replacement project capitalised software and costs incurred in relation to the CHES replacement partnership program, offset by the gain from the divestment of Yieldbroker. The Group finished the year with underlying net profit after tax at \$491.1 million which was down 3.4%.

Our new strategy, outlined at our Investor Day on 6 June has recognised some near-term headwinds that we must address as well as identifying investment needed to reinforce the fundamentals underpinning our business. This led ASX to increase FY24 expense guidance and revise capital management settings.

While this year's dividend reflects a payout ratio of 90% of underlying NPAT, the Board has approved a modification for the payout policy to now be in a range of between 80% and 90%.

These are not decisions we take lightly. With the setting of a new five year strategy, we have taken the necessary steps to balance returns with the investment needed for long term sustainability that will continue to reward shareholders.

Moving forward we will be focused on underlying return on equity (ROE) as a key metric for performance and value and we are targeting a band of between 13.0% and 14.5%. Importantly, underlying ROE will now replace the earnings per share (EPS) hurdle in determining long term executive remuneration. We have provided further details in the Remuneration Report on page 47.

ASX is fortunate to be in a position to make these changes given our strong balance sheet and market leading business. The market capitalisation of all listed entities on the ASX reached \$2.5 trillion this year and ASX is ranked the 8th largest securities exchange in the world.

### Restoring trust

ASX is subject to a high level of scrutiny and that is as it should be given we are charged with operating critical market infrastructure.

We play a key role in bringing parties together to serve the best interests of the market and this is particularly true of our work in engaging stakeholders as we progress the CHES replacement project. When we first embarked on this transformational piece of work in 2016, our aspiration was to build a system as innovative and world-leading as CHES was when it was first established



"While the scrutiny on ASX and the CHES replacement project has been appropriately high, ASX has not lost focus on running a high quality exchange business. In FY23 we continued to deliver solid underlying financial performance with revenues once again exceeding \$1 billion despite challenging market conditions."

in 1994. CHES remains highly resilient and we have a clear roadmap to ensure it will be well supported and maintained for several more years. As we work towards announcing a new solution design for CHES replacement and embarking on the process to map out the implementation for the whole industry, we mustn't lose sight of the importance of ensuring our stakeholders are part of the journey. The industry Cash Equities Clearing and Settlement Advisory Group that we are establishing will be integral to our success in achieving this.

Equally important will be the relationship of trust with our regulatory agencies. ASX must continue to work closely and constructively with them and we have sought to lift the levels of transparency and engagement during the year.

On 28 March 2023, ASIC confirmed to ASX that it had commenced an investigation into suspected contraventions of the *ASIC Act 2001* and the *Corporations Act 2001* in relation to the CHES replacement program. ASIC is investigating whether ASX Limited, ASX Clear Pty Limited, ASX Settlement Pty Limited and/or their directors and officers breached obligations under the *Corporations Act 2001* and the *ASIC Act 2001*, during the period 28 October 2020 to 28 March 2022, in relation to oversight of the program, and statements and disclosures made by or on behalf of ASX as to the status of the program. The investigation is ongoing and ASX is fully cooperating with ASIC in the investigation.

ASX has been asked to prepare three special reports for ASIC, two of which have already been publicly released. ASX has also recently published a report prepared by law firm Herbert Smith Freehills (HSF) on ASX's arrangements to identify and manage conflicts between the commercial interests of ASX Group and the licence obligations of ASX Clear and ASX Settlement. The HSF report, which focused on the governance of CHES and CHES replacement, made a positive assessment on the overall status of ASX's intra-group conflict management arrangements. It concluded that the current framework to identify and manage conflicts within ASX Group is sophisticated and consistent with what would be expected of an organisation with the complexity and scope of ASX. These findings are important and should further highlight the work ASX is doing to continuously improve its governance arrangements. I'm also hopeful that these findings provide confidence to our stakeholders that ASX has appropriate conflict management arrangements in place.

Each of these reports provides more insight into ASX's operations and the transparency they provide builds confidence we have the appropriate capability and processes in place, and where there are shortcomings, we are taking action to address these.

Even as we increase our transparency and reporting to our regulatory agencies, we acknowledge restoring our reputation is not a quick exercise. We have heard the feedback from investors, most expressly in the votes at last year's AGM on the remuneration report, and we have made changes. In this year's remuneration report, you will see the ASX Board has enacted a new accountability framework and applied downward discretion to the payment of incentives to certain executives accountable for the CHES replacement project.

### Looking ahead

This year has provided a catalyst for serious reflection for the Board and I, and we understand the scale of change required. Changing our capital management settings to better allow for more sustained investment acknowledges the depth of the task ahead to transform our technology and the shift in our approach to stakeholder engagement underpins our actions to meet regulatory commitments. But above even these actions is the work we are doing to reset the culture in ASX.

I would sincerely like to thank Heather Ridout, Rob Woods and Peter Marriott who retired as Directors in February, March and August 2023, respectively, and express my appreciation and gratitude for their wise counsel.

My last two years as Chair has underscored for me the value of new perspectives. During this period, four of eight non-executive directors have retired and been replaced, as well as the CEO, CFO and much of the senior executive leadership. I am confident ASX is embarking on its new five-year strategy with the right people and skills and with rejuvenated enthusiasm.

My appreciation and respect for the people at ASX and the work we do each day has always motivated me. Your Board, management team and our people are committed to realising ASX's vision of being the market's choice and inspiring confidence and trust.

Thank you for your support.



**Damian Roche**  
Chair

# CEO's Year in Review



**Helen Lofthouse**  
Managing Director  
and CEO

Dear Shareholders,

## Setting a new course

When I took on the role as Chief Executive Officer last August, ASX faced mounting scrutiny over the progress of the CHES replacement project which had experienced a series of escalating delays. One of my earliest actions as CEO was to commission an external review into aspects of the project which was announced on 3 August 2022. This led to the difficult but necessary decision to pause and reassess the solution design as it had become clear the existing project trajectory would not deliver an appropriate market outcome.

There is no doubt this decision was disappointing for ASX and our stakeholders. Since then we have been very focused on setting things right, rebuilding confidence and restoring trust. We continue to work towards announcing the new solution design in the final quarter of this calendar year, subject to the formation of a new industry Advisory Group, industry input and regulatory expectations. We have taken actions to lift project delivery capability and enhance stakeholder engagement around CHES replacement.

The current and future CHES platforms are of course high priorities within ASX but I have also taken the opportunity to assess what it will take to ensure we remain a world-class exchange. We've refreshed the purpose and vision of the Group (see details at page 5) and in June we articulated a new five year strategy as well as a change in our capital management approach. These have been the culmination of thoughtful and deliberate decision-making and will allow us to continue to invest in our position as the leading exchange in the region.

## FY23 Performance

ASX's FY23 results reflect the strength of our diversified business with the Group delivering a solid performance amid pressure from increasing inflation and some weakness in capital market activity. Operating revenue of \$1,010.2 million was slightly down during the period as growth in Listings and Technology and Data was offset by declines in Markets, and Securities and Payments.

Listings revenue growth was up 2.2% to \$218.6 million, despite the subdued capital markets conditions due to initial and secondary listings revenue increasing as a result of strong prior period activity being recognised in the current year.

Revenue for Technology and Data increased 8.5% to \$240.8 million driven largely by the Information services division which experienced growing demand for equities and futures market data as well as an increase in index royalties.

Markets revenue at \$292.4 million benefitted from the rise in futures volumes but lower on-market trading values decreased revenue for cash market trading by 11.3% in the period.

The decline in cash equity market activity impacted the Securities and Payments business, down 10.4% to \$258.4 million. Issuer Services revenue and cash market clearing and settlement were down, however Austraclear revenue rose 10.2% driven by higher bond issuances within the registry business and increased transactional activity supported by the higher interest rate environment.

For ASX Group, total expense growth was 12.3%, driven by staff, equipment and administration costs to support enterprise-wide initiatives, as well as CHES replacement solution design and CHES related review and associated costs.

Statutory net profit after tax (NPAT) of \$317.3 million was affected by a number of significant items including the derecognition of CHES replacement project costs. Net interest income enjoyed a significant lift of 72.4% driven by higher returns on ASX Group cash holdings. Underlying net profit after tax fell by 3.4% to \$491.1 million.

While we have flagged a changed approach to our future capital management settings at the Investor Day in June, ASX's dividend payout policy for FY23 was maintained at 90% of underlying NPAT. The Board has determined a final dividend of 112.1c per share, taking the total for FY23 to 228.3c per share.

## Reshaping Leadership, investing in people

A key area of focus for me in my first year as CEO has been ensuring there is the right leadership in place to support our people so that ASX can deliver for customers and the market as a whole. Our refreshed vision is deliberately aspirational, pushing us to be "the market's choice, inspiring confidence and trust." ASX needs to deliver significant change to bring this vision to bear and much of this will rely on the efforts of my Executive Team. Since becoming CEO, I have overseen several new Executive Team appointments, reflecting a mix of experience drawn from within ASX as well as new external talent. These new appointments include:

- > Blair Beaton, Group Executive Listings
- > Andrew Tobin, Chief Financial Officer
- > Daniel Moran, Chief Compliance Officer
- > Johanna O'Rourke, Group General Counsel and Company Secretary
- > Darren Yip, Group Executive Markets
- > Tim Whiteley, Chief Information Officer
- > Clive Triance, Group Executive Securities and Payments
- > Diona Rae, Chief Operating Officer

"In a year that has witnessed one of the fastest tightening cycles for monetary policy along with persistently high inflation in Australia and across major markets, ASX is staying measured and resetting our business to invest for long term sustainable growth.

Our FY23 results underscore the resilience of our core business and also reflect our focus on meeting regulatory commitments and making key investments in technology and capability."

A reinvigorated leadership team that has clear accountability is a necessary precursor to lifting engagement across the whole organisation. ASX's engagement score of 67% has room for improvement and there will be a sharp focus in the coming year on workplace experience and embedding our new values.

Investing in our people remains a key focus and during the year ASX was again awarded the citation of Employer of Choice for Gender Equality. More than 90% of ASX employees responded in the latest staff survey that they feel their manager genuinely supports gender equality and ASX remains committed to reaching its goal of 45% of our workforce being women by FY25.

### Taking action to restore trust

One of our key strategic pillars is to establish an organisation with Great Fundamentals. Under this pillar ASX's near term focus areas are technology modernisation and meeting key regulatory commitments. Technology modernisation will be a multi-year undertaking and, as detailed at our Investor Day in June, forms a key part of the investment ASX will make in the coming years. One component of this was defining the roadmap for investment and maintenance of CHES, ensuring it will support the Australian market effectively for as long as is needed. ASX has also defined a roadmap for the CHES replacement solution design and a prioritised plan for a refresh and upgrade to our Trading and Derivatives Clearing systems.

Our technology modernisation approach prioritises investment to address risks associated with legacy assets. ASX conducts its own risk assessments that have allowed it to identify remediation work to address areas such as software currency and ageing hardware and improve system controls. We are taking action to mitigate these risks while also continuing the daily work to ensure strong system resilience. Quality execution of our technology modernisation program will be key to building confidence and it has informed my decision to appoint a dedicated CIO on my leadership team.

We have significantly increased our stakeholder engagement in cash market clearing and settlement, including the introduction of the monthly CHES replacement Technical Committee and the establishment of the Partnership Program, an up to \$70 million program that provides financial contribution to stakeholders for their ongoing participation in the CHES replacement project. ASX is also working with ASIC to form a new stakeholder Advisory Group that will focus on strategic cash equity clearing and settlement matters.

As an operator of critical market infrastructure, we understand there is a level of scrutiny that comes with this privileged position. ASIC has requested three special reports from ASX and two have now been delivered. ASX has also publicly released a report on its intra-group conflict management arrangements, with a focus on the governance of CHES and CHES replacement, which was prepared by an external law firm. Pleasingly, the report found our current framework for conflict identification and management within the ASX Group is sophisticated and consistent with what would be expected of a business with the complexity and scope of ASX.

I am conscious that the road to restore trust still lies ahead.

ASX is making good progress on the things we need to do to build an operationally resilient, long term sustainable business and we have been transparent about what is needed and thoughtful about how we will execute on our strategy. Taken together, I hope our actions demonstrate that we are taking a carefully considered approach but also moving with urgency.

It has been an eventful year and certainly a memorable time to be CEO. ASX continues to be a leading exchange in Australia and New Zealand and I am thankful to the Board, the people at ASX and to you our shareholders who share my belief that what we do matters. As we head into FY24, I am confident ASX will continue to win back trust and deliver for all our stakeholders.

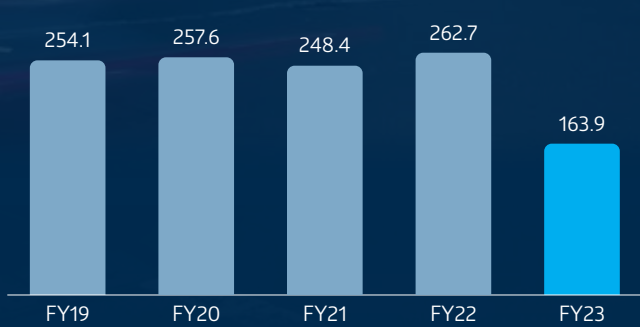


**Helen Lofthouse**  
Managing Director and CEO

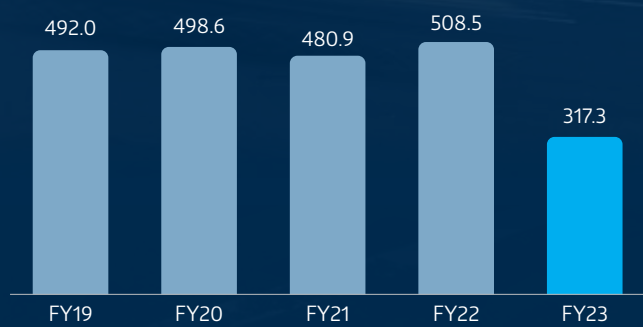
# Operating and financial review

The Operating and Financial Review outlines ASX's activities, performance, financial position and main business strategies. It also discusses the key risks and uncertainties that could impact on ASX and its subsidiaries (together referred to as the Group), and its ability to achieve its financial and other objectives.

Statutory earnings per share (EPS) (cents)



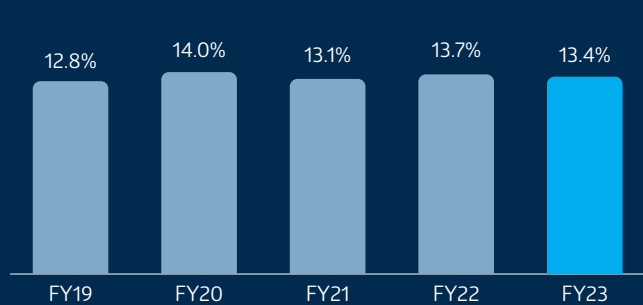
Statutory net profit after tax (\$ million)



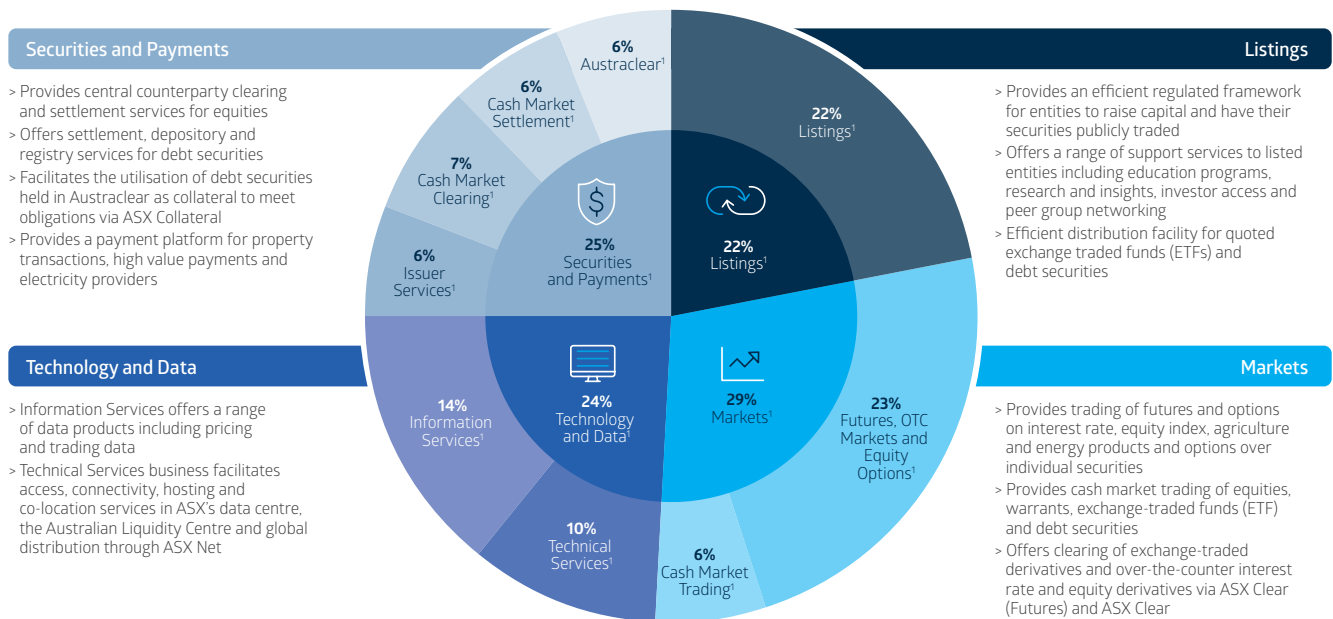
Dividends per share (DPS) (cents)



Underlying return on equity (ROE) (%)



● Interim ● Final ● Special



## Business model and operating environment

ASX operates a significant part of the infrastructure that supports Australia and New Zealand'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 non-regulated legal entities. ASX hold market licences, clearing and settlement facility licences and a benchmark administrator licence to undertake its activities. ASX is subject to oversight by the Australian Securities and Investments Commission (ASIC) and the Reserve Bank of Australia (RBA), in addition to a number of overseas regulators.

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.

In June ASX launched its new five year strategy including a new purpose, vision, strategic pillars and values. The new ASX strategy sets clear organisational goals and measures of success which will help guide, prioritise and deliver sustainable value to our stakeholders. Refer to page 5 for further details.

## Group financial performance

### Net profit after tax

The Group's statutory net profit after tax (NPAT) for FY23 was \$317.3 million, down 37.6% on the prior comparative period (pcp). The decrease was driven by the following significant items: CHES replacement project derecognition charge of \$251.9 million pre-tax (\$176.3 million after tax), and FY23 CHES replacement partnership program costs of \$32.8 million pre-tax (\$23.0 million after tax) offset by the reversal of impairment on the sale of Yieldbroker of \$25.5 million after tax. Statutory earnings per share (EPS) were 163.9 cents, down 37.6% on pcp.

The Group's underlying NPAT for FY23, which excludes the significant items noted above, was \$491.1 million, down 3.4% on pcp. ASX's diversified business model has remained resilient in an uncertain global macro environment during the year. Operating revenue for the period was \$1,010.2 million, down 1.2% on pcp, with increased revenue from Technology and Data and Listings offset by declines in the Securities and Payments and Markets business lines. Total expenses were \$374.6 million, up 12.3% on pcp. This reflects the investment in technology and risk capabilities, and the increased costs associated with the CHES review and associated costs, and the CHES replacement solution design costs.

Net interest income for the period was \$70.8 million, up 72.4% on pcp as a result of the higher interest rate environment. Underlying EPS was 253.7 cents, down 3.4% on pcp.

### Dividends

The Board's dividend policy in FY23 is to pay 90% of underlying profit after tax with the interim and final dividend determined on this basis.

ASX paid an interim dividend of 116.2 cents per share in March 2023 and the directors have determined a final dividend of 112.1 cents per share. Total interim and final dividends per share for FY23 of 228.3 cents are 3.4% lower than the prior year and reflect the decrease in underlying earnings. The final dividend will be paid on 27 September 2023.

The Board has reviewed the future dividend policy in light of the broader capital management settings and medium term investment needs of ASX. As a result of this review ASX will introduce a dividend payout range of between 80% and 90% of underlying profit after tax from FY24. In addition, the Board is considering the operation of the dividend reinvestment plan for future dividend payments.

1. Percentages in chart represent revenue allocation.

# Operating and financial review

## Summary income statement for the year ended 30 June 2023

Based on the Group segment reporting note

|   | FY23<br>\$m    | FY22<br>\$m    | Variance fav/(unfav) |               |
|---|----------------|----------------|----------------------|---------------|
|   |                |                | \$m                  | %             |
| Operating revenue                                 | 1,010.2        | 1,022.7        | (12.5)               | (1.2)         |
| Operating expenses                                | (337.7)        | (283.2)        | (54.5)               | (19.3)        |
| <b>EBITDA</b>                                     | <b>672.5</b>   | <b>739.5</b>   | <b>(67.0)</b>        | <b>(9.1)</b>  |
| Depreciation and amortisation                     | (36.9)         | (50.3)         | 13.4                 | 26.6          |
| <b>Total expenses</b>                             | <b>(374.6)</b> | <b>(333.5)</b> | <b>(41.1)</b>        | <b>(12.3)</b> |
| <b>EBIT</b>                                       | <b>635.6</b>   | <b>689.2</b>   | <b>(53.6)</b>        | <b>(7.8)</b>  |
| Net interest income                               | 70.8           | 41.1           | 29.7                 | 72.4          |
| <b>Underlying profit before tax</b>               | <b>706.4</b>   | <b>730.3</b>   | <b>(23.9)</b>        | <b>(3.3)</b>  |
| Tax expense                                       | (215.3)        | (221.8)        | 6.5                  | 2.9           |
| <b>Underlying profit after tax</b>                | <b>491.1</b>   | <b>508.5</b>   | <b>(17.4)</b>        | <b>(3.4)</b>  |
| Significant items                                 | (173.8)        | —              | (173.8)              | —             |
| <b>Statutory profit after tax</b>                 | <b>317.3</b>   | <b>508.5</b>   | <b>(191.2)</b>       | <b>(37.6)</b> |
| Underlying earnings per share (cents)             | 253.7          | 262.7          | (9.0)                | (3.4)         |
| Statutory earnings per share (cents) <sup>1</sup> | 163.9          | 262.7          | (98.8)               | (37.6)        |
| Dividends per share (cents)                       | 228.3          | 236.4          | (8.1)                | (3.4)         |
| Underlying return on equity (%)                   | 13.4%          | 13.7%          | (30bps)              |               |
| Statutory return on equity (%)                    | 8.7%           | 13.7%          | (500bps)             |               |

1. Also known as basic and diluted earnings per share.

## Operating revenue

Operating revenue for FY23 was \$1,010.2 million, down 1.2% on the pcp as shown below.

|                                | FY23<br>\$m    | FY22<br>\$m    | Variance fav/(unfav) |              |
|--------------------------------|----------------|----------------|----------------------|--------------|
|                                |                |                | \$m                  | %            |
| Listings                       | 218.6          | 213.9          | 4.7                  | 2.2          |
| Markets                        | 292.4          | 298.6          | (6.2)                | (2.1)        |
| Technology and Data            | 240.8          | 221.9          | 18.9                 | 8.5          |
| Securities and Payments        | 258.4          | 288.3          | (29.9)               | (10.4)       |
| <b>Total operating revenue</b> | <b>1,010.2</b> | <b>1,022.7</b> | <b>(12.5)</b>        | <b>(1.2)</b> |

The key components of operating revenue

- > **Listings** revenue was \$218.6 million, up 2.2%, benefitting from prior period listings and capital issued despite subdued market conditions during FY23.
- > **Markets** revenue was \$292.4 million, down 2.1%, reflecting a decline in cash market traded value and activity partly offset by an increase in short dated futures volumes and index options driven by global interest rate volatility, inflation and other macroeconomic events.
- > **Technology and Data** revenue was \$240.8 million, up 8.5%, resulting from growing demand for information and technical services.
- > **Securities and Payments** revenue was \$258.4 million, down 10.4%, due to a decline in cash equities trading activity, subdued capital raising activity impacting issuer activity and lower revenue from CHES holding statements.

More detail of drivers of revenue are included in section on pages 16 to 21.

## Total expenses

Total expense were \$374.6 million, up 12.3% on pcp. This is a result of an increase in headcount, equipment and administration costs to support ongoing investment in technology and risk management capabilities, as well as the CHESSE review and associated costs and CHESSE replacement solution design costs.

|   | FY23<br>\$m  | FY22<br>\$m  | Variance fav/(unfav) |               |
|---|--------------|--------------|----------------------|---------------|
|   |              |              | \$m                  | %             |
| Staff <sup>1</sup>  | 198.6        | 171.7        | (26.9)               | (15.7)        |
| Occupancy   | 9.9          | 8.9          | (1.0)                | (11.3)        |
| Equipment   | 52.6         | 47.8         | (4.8)                | (10.0)        |
| Administration <sup>1</sup>   | 43.7         | 31.6         | (12.1)               | (38.3)        |
| Variable  | 12.2         | 15.5         | 3.3                  | 21.2          |
| ASIC levy   | 7.4          | 7.7          | 0.3                  | 3.9           |
| <b>Operating expenses excluding CHESSE review and associated costs and CHESSE replacement solution design costs</b> | <b>324.4</b> | <b>283.2</b> | <b>(41.2)</b>        | <b>(14.6)</b> |
| CHESSE review and associated costs and CHESSE replacement solution design costs                                     | 13.3         | —            | (13.3)               | —             |
| <b>Total operating expenses</b>   | <b>337.7</b> | <b>283.2</b> | <b>(54.5)</b>        | <b>(19.3)</b> |
| Depreciation and amortisation   | 36.9         | 50.3         | 13.4                 | 26.6          |
| <b>Total expenses</b>   | <b>374.6</b> | <b>333.5</b> | <b>(41.1)</b>        | <b>(12.3)</b> |

- > Staff costs increased 15.7% to \$198.6<sup>1</sup> million. This reflects the annual remuneration and superannuation guarantee increases, increased headcount and higher contractor costs to support the investment in technology and risk initiatives and was offset by lower restructuring costs compared to prior period. The headcount, including permanent employees and contractors, increased to 1,050 compared to 925 in the pcp.
- > Occupancy costs increased 11.3% to \$9.9 million, due to higher energy costs associated with ASX's renewable electricity commitment.
- > Equipment costs increased 10.0% to \$52.6 million, due to annual contract increases, new technology licensing costs and an uplift in cloud hosted services to support key initiatives and projects.
- > Administration costs increased 38.3% to \$43.7<sup>1</sup> million, due to higher consultancy spend relating to continued investment in technology, risk management and assurance activities and higher insurance premiums and increased travel costs.
- > Variable costs decreased 21.2% to \$12.2 million, in line with lower CHESSE statement volumes.
- > Depreciation and amortisation expense was \$36.9 million, down 26.6%, due to a number of assets reaching end of useful life.

## Net interest income

|                                     | FY23<br>\$m | FY22<br>\$m | Variance fav/(unfav) |             |
|-------------------------------------|-------------|-------------|----------------------|-------------|
|                                     |             |             | \$m                  | %           |
| ASX Group net interest income       | 30.0        | (3.5)       | 33.5                 | Large       |
| Net interest on collateral balances | 40.8        | 44.6        | (3.8)                | (8.4)       |
| <b>Total net interest income</b>    | <b>70.8</b> | <b>41.1</b> | <b>29.7</b>          | <b>72.4</b> |

Net interest income was \$70.8 million, up 72.4% on pcp. Net interest income consists of interest earned on ASX's cash balances and net interest earned from the investment of collateral balances lodged by participants, less interest paid on borrowings, leases and paid to participants.

Net interest income on ASX's cash balances net of financing costs from borrowings and leases for the period was \$30.0 million, against net expense of \$3.5 million in the pcp mainly driven by higher investment returns following increases to the RBA target cash rate during the year.

Net interest earned from the investment of participant balances was \$40.8 million, down 8.4%. Investment earnings on this portfolio averaged 10 basis points which is consistent with pcp. The average cash collateral and commitment balance was \$11.9 billion, up 0.8%, however the marginable balances (excluding excess contributions) were down 6.2% on pcp. The weighted average risk management haircut decreased marginally from 34 bps to 33 bps due to a change in mix in participant margin balances.

1. Excludes CHESSE review and associated costs and CHESSE replacement solution design costs.

# Operating and financial review

## Significant items

Significant items recognised in FY23 resulted in a net loss of \$173.8 million after tax (FY22 nil).

### Derecognition of CHESS replacement project and ancillary costs

On 17 November 2022, ASX announced the findings of an external review into aspects of the CHESS replacement project. The external review 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, 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 CHESS replacement solution that was developed, all of the historical CHESS replacement capitalised costs incurred up to 31 December 2022 have been derecognised. The non-cash derecognition and associated project wind-down cost was \$251.9 million pre-tax (\$176.3 million after tax).

### CHESS Replacement Partnership Program

ASX announced on 16 February 2023 that as part of the continued work on the CHESS replacement project, ASX will provide up to \$70.0 million to eligible stakeholders to support participation for the successful progress and completion of the CHESS replacement project. There will be a \$15 million rebate pool available for clearing and settlement participants to be paid in August 2023 and a development incentive pool of up to \$55 million available for stakeholders that meet the eligibility criteria. In FY23 ASX has incurred \$17.8 million pre-tax (\$12.5 million after tax) for the development incentive pool and accrued \$15.0 million pre-tax (\$10.5 million after tax) for the participant rebate.

### Yieldbroker investment

On 25 May 2023, ASX announced that it had entered into a binding agreement to sell 100% of its interest in Yieldbroker Pty Limited (Yieldbroker) for \$54.6 million (after estimated transaction costs). The negotiated sale proceeds resulted in prior period impairment charges being reversed in FY23 totalling \$25.5 million.

## Financial position

At 30 June 2023, the net assets of the Group were \$3,640.6 million, down 4.3% on 30 June 2022.

### Summary balance sheet as at 30 June 2023

|  | 30 June<br>2023<br>\$m | 30 June<br>2022<br>\$m | Variance increase/(decrease) |              |
|--|------------------------|------------------------|------------------------------|--------------|
|  |                        |                        | \$m                          | %            |
| <b>Assets</b>                                      |                        |                        |                              |              |
| Cash   | 1,008.6                | 4,972.2                | (3,963.6)                    | (79.7)       |
| Financial assets <sup>1</sup>                      | 12,448.1               | 9,484.8                | 2,963.3                      | 31.2         |
| Intangibles (excluding software)                   | 2,325.5                | 2,325.5                | —                            | —            |
| Capital software and property, plant and equipment | 186.0                  | 363.5                  | (177.5)                      | (48.8)       |
| Investments  | 106.4                  | 97.6                   | 8.8                          | 9.0          |
| Right-of-use assets                                | 47.9                   | 58.3                   | (10.4)                       | (17.8)       |
| Other assets                                       | 710.8                  | 935.6                  | (224.8)                      | (24.0)       |
| <b>Total assets</b>                                | <b>16,833.3</b>        | <b>18,237.5</b>        | <b>(1,404.2)</b>             | <b>(7.7)</b> |
| <b>Liabilities</b>                                 |                        |                        |                              |              |
| Amounts owing to participants                      | 12,275.3               | 13,276.7               | (1,001.4)                    | (7.5)        |
| Lease liabilities                                  | 58.6                   | 67.6                   | (9.0)                        | (13.3)       |
| Other liabilities                                  | 858.8                  | 1,087.8                | (229.0)                      | (21.1)       |
| <b>Total liabilities</b>                           | <b>13,192.7</b>        | <b>14,432.1</b>        | <b>(1,239.4)</b>             | <b>(8.6)</b> |
| <b>Equity</b>                                      |                        |                        |                              |              |
| Capital  | 3,027.2                | 3,027.2                | —                            | —            |
| Retained earnings                                  | 557.8                  | 697.8                  | (140.0)                      | (20.1)       |
| Reserves   | 55.6                   | 80.4                   | (24.8)                       | (30.8)       |
| <b>Total equity</b>                                | <b>3,640.6</b>         | <b>3,805.4</b>         | <b>(164.8)</b>               | <b>(4.3)</b> |

1. 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 \$13.5 billion, down 6.9% compared to 30 June 2022.

Cash and financial assets mainly comprises ASX's own cash and investments in financial assets backing amounts owing to participants. The decrease is driven by the lower margin balances as a result of participants reducing excess collateral balances. Collateral balances are held to cover cash market and derivative exposures as part of ASX's clearing operations.

## Intangibles

Intangibles are mainly associated with the goodwill that arose on the acquisition of Sydney Futures Exchange. There is no change in the carrying value of goodwill in this period.

## Capitalised software and PPE

Capitalised software and PPE was \$186.0 million, down 48.8% compared to 30 June 2022.

The decrease was primarily driven by the \$248.4 million derecognition of capitalised costs relating to the CHES replacement project, offset by capital expenditure in the period relating to various initiatives to uplift technology and regulatory capabilities.

## Investments

Investments were \$106.4 million, up 9.0% compared to 30 June 2022. Investments are detailed below.

- > ASX has a 44.7% shareholding in Yieldbroker Pty Limited, an unlisted entity, licensed to operate in electronic markets for trading Australian, New Zealand debt securities and interest rate derivatives. The investment increased by \$24.8 million due to the reversal of impairment losses of \$25.5m, to reflect the sale price following the execution of an agreement with Tradeweb to acquire the business, offset by share of net losses for the period.
- > Sympli Australia Pty Limited is an unlisted entity established to provide electronic property conveyancing and settlement services. ASX has a 49.4% shareholding in Sympli. The investment increased \$1.5 million with the additional investment of \$16.3 million being offset by ASX's share of net loss after tax of \$14.8 million.
- > Digital Asset Holdings LLC (DA) is an unlisted US-domiciled technology entity. ASX has a 5.4% shareholding in DA which is held at fair value. The value decreased by \$20.4 million, which is aligned with industry valuations.
- > DSMJ Pty Limited, trading as Grow Inc (Grow) is an entity that develops key platform infrastructure for superannuation funds. ASX has a 9.1% shareholding in Grow and the investment increased by \$2.9 million in the period.

## Other assets

Other assets were \$710.8 million, down 24.0% compared to 30 June 2022. The decrease largely 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. This is partly offset by an increase in interest receivable on cash and financial assets driven by the higher interest rate environment.

## Amounts owing to participants

Amounts owing to participants was \$12.3 billion, down 7.5% compared to 30 June 2022, due to a decrease in excess collateral balances lodged by participants. The movement in participant balances results in a corresponding movement in cash and financial assets, as the balances are invested by ASX.

## Right-of-use assets and lease liabilities

As at 30 June 2023, \$47.9 million of right-of-use assets and \$58.6 million of lease liabilities are recognised on the balance sheet, representing ASX's right to use the underlying leased asset and obligations to make lease payments, in accordance with AASB 16. The decrease in the right of use assets is due to the depreciation recognised in the period, offset by additions related to a new office in Melbourne. The decrease in lease liabilities is due to the payments made in the period.

## Other liabilities

Other liabilities were \$858.8 million, down 21.1% on pcp. The decrease relates to the fall in margin requirements as a result of movement in underlying positions of relevant clearing participants on the last trading day of the reporting period. This corresponds to the decrease in other assets. This is partly offset by an increase in interest payable to participants due to higher interest earned on amounts owing to participants, higher rebates payable due to the establishment of the CHES replacement partnership program and an increase in short-term borrowings.

## Total equity

Total equity was \$3,640.6 million, down 4.3% compared to 30 June 2022. This was due to the payment of the final FY22 dividend and the interim FY23 dividend of \$457.3 million offset by net profit for the period of \$317.3 million. The lower net profit was impacted by the significant items noted previously.

# Operating and financial review

## Listings

### Business model and operating environment

The Listings business is responsible for the origination of listed primary and secondary equity, and investment products.

The Group earns revenue from listed entities for initial listing, annual listing, secondary capital raisings as well as from investment products and other listings. The main drivers of revenue in this category include the:

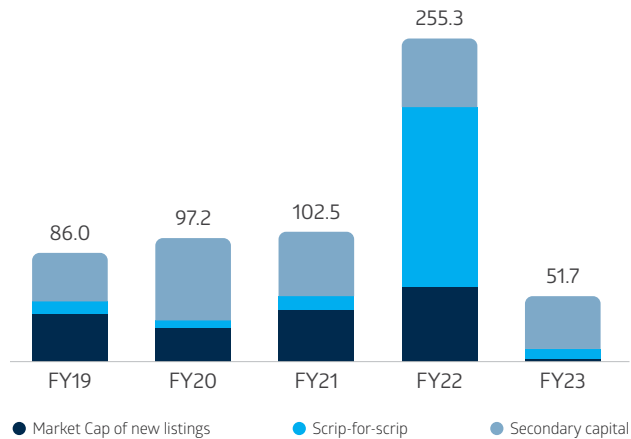
- > number of listed entities and their market value
- > number and value of initial public offerings (IPOs)
- > level of corporate actions, such as secondary capital raisings.

### Results of operations

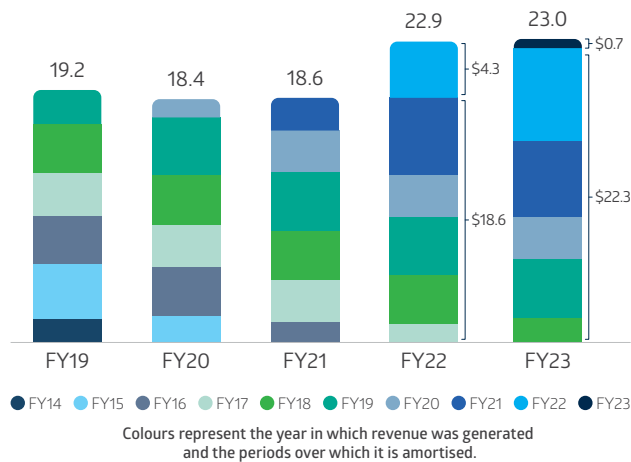
Listings revenue was \$218.6 million, up 2.2% on pcp, reflecting the following:

- > **Annual listing** revenue was \$108.3 million, down 0.4%, reflecting fewer IPOs and higher delistings in FY23 offset by a 2.5% growth in market capitalisation
- > **Initial listing** revenue was \$23.0 million, up 0.8%. Revenue is amortised over five years and the pattern of historical initial listing fees received resulted in a net increase of 0.8% for the period. There were 57 new listings compared to 217 in the pcp, and capital raised in the current period of \$2.5 billion was significantly lower than the \$58.9 billion raised in pcp due to subdued market conditions
- > **Secondary capital raisings** revenue was \$78.3 million, up 7.0%. Revenue is amortised over three years and the pattern of historical raising activity has led an increase of 7.0% for the period. Capital raised in the current period of \$49.2 billion was down on pcp of \$196.5 billion. The prior period included the unification of BHP of \$95.9 billion
- > **Investment products and other listing** revenue was \$9.0 million down 1.1%. Funds under management increased during the period, however, this was mostly in the larger funds which have a lower fee, partly offset by 10.8% growth in warrants.

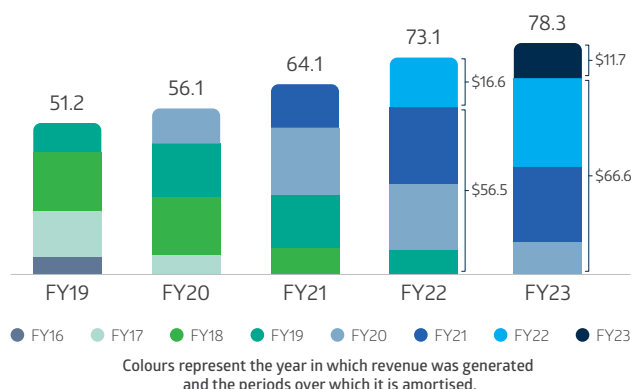
Total capital raised (\$ billion)



Initial listing fee revenue contribution per period under AASB 15 (\$ million)



Secondary listing fee revenue contribution per period under AASB 15 (\$ million)



## Business strategies

ASX operates Australia's leading listing venue, enabling efficient access to capital for issuers and wealth creation opportunities for investors. ASX has a long history of supporting issuers across a range of sectors and sizes, from early stage to large global companies.

The growing pool of capital in Australia underpins a virtuous circle that helps drive the ASX Listings business. The Australian superannuation system is the world's 5th largest<sup>1</sup> with assets of \$3.5 trillion<sup>2</sup>, and that pool is forecast to grow to more than \$9 trillion over the next 20 years<sup>3</sup>. This provides a major tailwind for ASX's Listings business and helps make it globally competitive.

The Listings business strategy centres on:

- > **Ecosystem development:** developing and supporting a thriving capital market ecosystem comprising financial intermediaries, institutional investors (including pre-IPO investors), retail investors and private equity and venture capital firms that support corporate and investment product issuers;
- > **Robust but streamlined regulatory settings:** regularly optimising our rulebooks and advocating for regulatory change to stimulate investment in public markets, streamline regulatory processes where appropriate and maintain the attractiveness of ASX as a listing venue;
- > **Attracting foreign listings:** a targeted offshore business development strategy complements our strong domestic focus. The offshore strategy prioritises New Zealand and the United States while remaining open to selective opportunities in other jurisdictions;
- > **Sector development:** supporting and developing the growth of new and emerging sectors. Over recent years ASX has focused on expanding the number of technology and healthcare companies listed on the exchange, including the launch of the S&P/ASX All Technology Index which has enhanced the profile and understanding of the technology sector in Australia;
- > **Product expansion:** providing diversification opportunities for Australian investors by expanding the ASX product offering. In recent years ASX has facilitated the launch of new innovative investment product types including active Exchange-Traded Funds (ETFs) and hybrid and dual access fund structures. Over the past five years the market capitalisation of ASX-listed Exchange-Trade Products (ETPs) has grown at a compounded annual growth rate of 30.1%; and
- > **Post-listing support:** supporting existing listed issuers ensuring they receive the most from their ASX listing, including engagement and education programs across issuer groups and investors.

1. Willis Towers Watson: Global Pension Assets Study 2022.

2. APRA: Quarterly superannuation performance statistics highlights, March 2023.

3. Deloitte: Dynamics of the Australian Superannuation System, December 2021.



ASX

OUR  
HISTORY

1861

Australia's first stock  
exchange formed in  
Victoria.

# Operating and financial review

## Markets

### Business model and operating environment

The Markets business is responsible for cash market and equity derivatives trading, futures trading and clearing, and OTC clearing.

The cash market comprises the trading of equities, warrants, exchange-traded funds and listed debt securities. The value of turnover transacted on the ASX market is the primary revenue driver.

ASX offers exchange-traded derivatives, including the trading and clearing of futures and options on interest rate, equity index, agricultural and energy contracts, as well as exchange-traded options over individual securities. The number of contracts traded is the primary revenue driver.

Through the licensed clearing and settlement facility operated by ASX Clear (Futures), ASX provides central counterparty clearing (CCP) of these exchange-traded derivatives as well as clearing of over-the-counter (OTC) derivatives. This entity provides risk management services supported by clearing participant collateral and funds provided by both ASX and participants, which are available in the event participants fail to meet their obligations. Through a process known as novation, the CCP assumes the credit risk of all trades centrally cleared and thus facilitates a fair and effective clearing and settlement function for the market.

### Business strategies

The Markets strategy is to shape and enable tomorrow's markets by enabling our customers to transfer capital and risk with confidence on ASX's fair, orderly and transparent markets. Work continues regarding the monitoring of the liquidity of our markets and effectiveness of our products, such as 3 year bond future tick changes to enhance top-of-book liquidity and a range of new multi-year product and service initiatives; some of which came to market in FY23, including options over international ETFs.

In FY24 the Markets business will also be focussed on improving our standards of operating our markets and working with our customers to deliver customer-driven solutions.

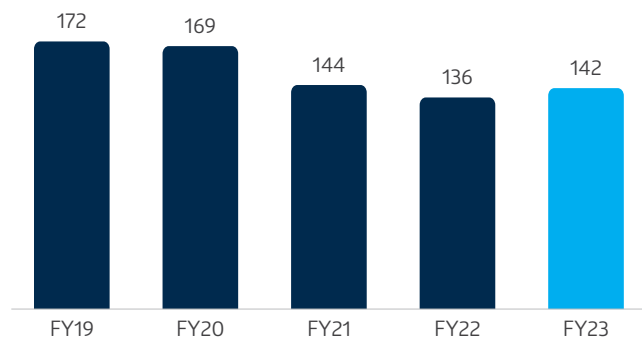
The OTC Clearing service includes A\$ and NZ\$ interest rate swaps and client clearing. Notional cleared value at the end of June 2023 was \$4.5 trillion, up 6.5% on the pcp.

### Results of operations

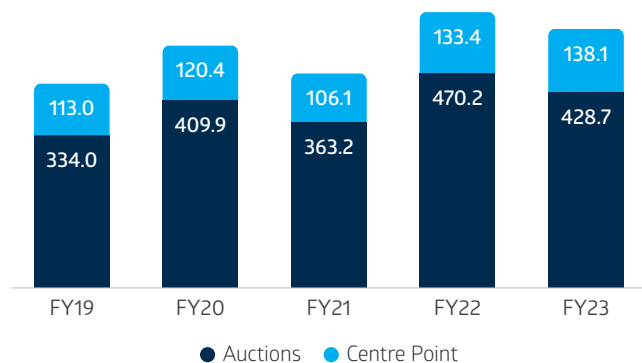
Markets revenue was \$292.4 million, down 2.1%, reflecting the following.

- > **Futures and OTC** revenue was \$211.8 million, flat on pcp, with futures volumes up 4.2% on the pcp. Increased market volatility has led to an increase in futures volumes of 4.2% compared to pcp. There was significant growth in the 30 and 90 day bank bill contracts of 216.6% and 42.8% respectively, partly offset by declines in the 5 and 10 year bond products of 64.6% and 11.5% respectively. In addition, there was a reduction in commodities (including electricity) contribution from lower trading activity associated with elevated prices.
- > **Equity options** revenue was \$17.3 million, up 11.9%, reflecting higher activity due to global market volatility. Index options volumes were up 30.1% due to global market volatility and an increase in retail activity offset by lower single stock option volumes, down 3.0% on the pcp as investors shifted into index options.
- > **Cash market trading** revenue was \$63.3 million, down 11.3%. Average on-market trading value of \$5.6 billion per day was down 15.6% on pcp. This was partly offset by Centre Point traded value which was up 3.6% on pcp and has higher fees.

### ASX futures and options on futures contract volume (million)



### Auctions and Centre Point value traded (\$ billion)



## Technology and Data

### Business model and operating environment

The Technology and Data business is responsible for technology, connectivity and data-related businesses including technical and information services, DataSphere and Synfini.

Information services includes the provision of real-time market data for the cash and derivative markets, and the provision of indices, company news benchmarks, and index and other reference data. The main revenue driver is the number of end-users accessing real-time market data.

Technical services consists of four main categories of services to facilitate market connectivity and access to ASX and third-party services by customers. These are:

- > ASX's distribution platform, hosting of customer infrastructure within the Australian Liquidity Centre (ALC) and ASX Net site management
- > connection services to facilitate connectivity to the ALC
- > ASX service access including access and sessions for market data products and clearing and settlement systems
- > market access to trading sessions, liquidity cross-connects and order entry, as well as trade gateways.

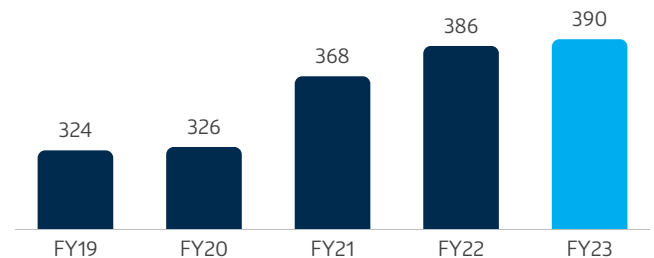
Revenue drivers for each category consist of the volume of services used by customers, such as the number of connections to ASX markets or the number of cabinets hosted in the ALC.

### Results of operations

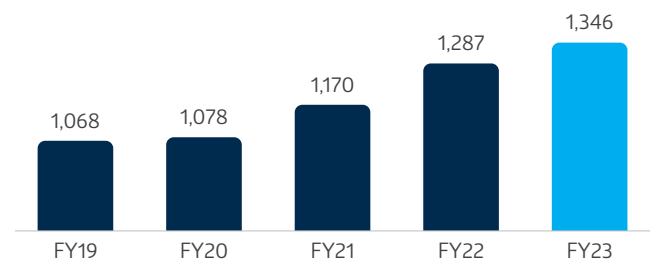
Technology and Data revenue was \$240.8 million, up 8.5%, reflecting the following.

- > **Information services** revenue was \$144.8 million up 10.9%. The increase in revenue resulted from:
  - increase in equities and futures market data distribution due to higher consumption of data;
  - Increased index royalties from Standard & Poor's Global (S&P) as a result of growth in end customer assets under management linked to ASX/S&P co-branded indices and new indices launched in FY23 through licensing ASX data using the New Original Work licensing framework<sup>1</sup>.
- > **Technical services** revenue was \$96.0 million, up 5.1%. The increase in revenue was due to:
  - Growth in customer infrastructure and connections at the ALC with the number of customer cabinets up from 386 to 390 and the number of ALC cross-connections up from 1,287 to 1,346 year on year

### ALC Cabinets



### ALC connections



### Business strategies

The Technology and Data strategy aims to develop, deliver, and operate a suite of data, technical and integration services to meet the demands of ASX's internal and external customers.

The Information Services business offers a range of market data products including pricing data, trading data and benchmarks. ASX's broad range of data, combined with other data sources, provides an opportunity to deliver further value to our customers, supporting the growth ambitions of their businesses.

New markets will require new data. As part of the innovation strategy, we aim to support customer use cases with other data services to solve business problems in areas such as the carbon market, ESG and digital assets. We will collaborate with our customers on innovation initiatives that add value as technology and business models evolve.

The Technical Services business facilitates market access, connectivity, hosting and co-location services in the ALC, and via global distribution through ASX Net. The strategic focus is to enrich and expand an ecosystem of interconnected parties by reducing cost, complexity and risk, enabling them to focus on their business priorities. To achieve this, products and services will need to cater to changing customer strategies and evolving technologies.

1. ASX's New Original Work licensing framework is designed for financial organisations who intend to use ASX data to create new products and values, such as indices, fair values, financial products linked to an index, or benchmarks. Refer to <https://www.asx.com.au/connectivity-and-data/information-services/new-original-work> for further information.

# Operating and financial review

## Securities and Payments

### Business model and operating environment

The Securities and Payments business is responsible for cash market clearing and settlement, issuer services and post-trade investor services, payments, Austraclear, ASX Collateral and Financial Settlement Management. This business includes the CHES replacement project.

ASX's clearing and settlement infrastructure provides risk management services through its Central Counterparty Clearing (CCP) and delivery-versus-payment settlement of the cash market trades. ASX's post-trade operations are backed by significant Australian-based capital and collateral, and are overseen by Australia's regulators. Through a process known as novation, the CCP assumes the credit risk of all trades centrally cleared and facilitates a fair and effective clearing and settlement function for the market.

The business provides a range of services to issuers of capital, including the generation of issuer holding statements and other shareholder and sub-register services. ASX also lists debt securities including government debt securities.

### Cash market clearing

The CCP supports these risk management activities with collateral lodged by clearing participants and ASX funds in the clearing guarantee fund. These collateral and guarantee fund resources can be called upon if a clearing participant does not meet its obligation to finalise a trade that has been novated to the CCP. The main revenue driver is the value of securities centrally cleared.

### Cash market settlement

Cash market settlement is conducted through the Clearing House Electronic Sub-register System (CHES). This system registers the title (ownership) of shares. ASX's model for cash market settlement maximises efficiency through the netting of settlement obligations in each individual security and the netting of all payment obligations, while minimising the risk of settlement failure. The main driver of settlement revenue is the number of settlement messages, which can be impacted by a number of variables including the level of transactions and the netting efficiency.

### Austraclear

Austraclear provides settlement, depository and registry services for debt securities and cash transactions. ASX's model for debt securities settles transactions on a trade-by-trade basis, and provides certainty of settlement. The number of transactions is the main revenue driver.

The high value payment service ensures secure payments for critical services such as ASX's clearing house margin and the National Electricity Market.

Depository services are provided through the Austraclear central securities depository (CSD). These securities consist of fixed income securities including government bonds. Settlement of transactions on these securities occurs through real-time gross settlement (RTGS). The value of securities held is the main revenue driver.

Registry services are provided whereby Austraclear facilitates security registration and the subsequent cash transfers associated with the terms of the individual securities. The main drivers of registry revenue are the number and value of securities held in the registry.

The ASX Collateral service allows customers of ASX to use collateral held in Austraclear to meet obligations to other customers or to ASX's clearing subsidiaries. The value of collateral balances managed is the main revenue driver.

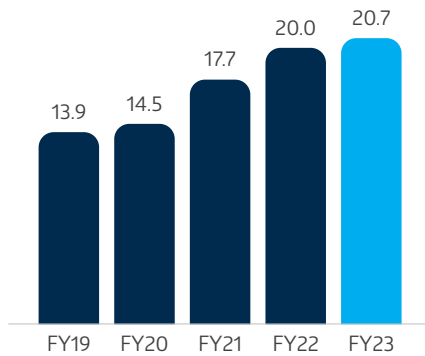
ASX's investment in Sympli is equity accounted for within the Austraclear business line.

### Results of operations

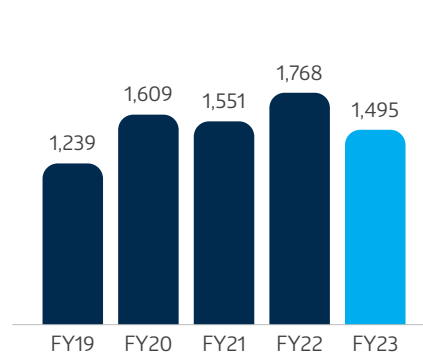
Securities and Payments operating revenue was \$258.4 million, down 10.4%, reflecting the following.

- > **Issuer services** revenue was \$61.1 million, down 22.2%. A new subscription-based pricing model came into effect on 1 July 2022 based on Holder Identification Numbers (HINs) for each issuer. CHES holding statements issued were down 32% on pcp due to lower listing, capital raising and market activity, partly offset by average HINs being up 3.6% on pcp.
- > **Cash market clearing** revenue was \$68.5 million, down 9.7%. The value of on-market trades centrally cleared in the market was down 15.4% in line with total market value traded. The average daily on-market value cleared was \$5.9 billion down 15.1% on pcp aligned with lower trading volumes. A revenue share rebate was not applicable for FY23 due to the lower volumes (profit share of \$4.8m was payable in pcp).
- > **Cash market settlement** revenue was \$66.3 million, down 14.0%. The number of messages was down considerably on the pcp, including Transfer and Conversion messaging and dominant settlement messages down 22.8% and 5.8% respectively. As a result of the subdued year-on-year activity, a revenue share rebate is not applicable, consistent with the pcp where no profit share was payable.
- > **Austraclear** revenue was \$62.5 million, up 10.2%. This was driven by higher bond issuances within the registry business and increased transactional activity supported by the higher interest rate environment. This was offset by the increased losses associated with ASX's investment in Sympli.

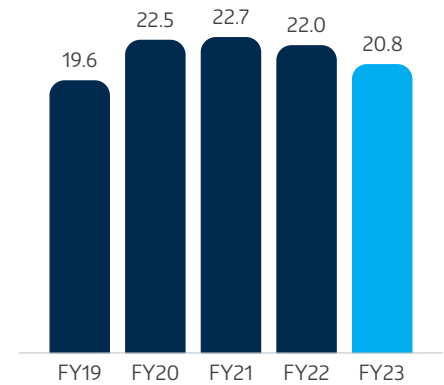
Number of Holder Identification Numbers (HINs) (million)



Cash market value cleared (\$ billion)



Number of dominant settlement messages (million)



## Business strategies

CHES provides clearing, settlement and issuer services for cash equities and Austraclear is the leading settlement system and central securities depository for the wholesale debt market.


Across both these platforms, CHES and Austraclear, we seek to innovate and improve the efficiency of clearing and settlement and allow customers to offer new products and services to benefit issuers and investors.

Austraclear currently services more than 1,000 participants, holds more than A\$3.0 trillion worth of securities, and via a real-time link to the Reserve Bank of Australia's Real Time Gross Settlement (RTGS) system, settles on average more than A\$80.0 billion of transactions per day.

CHES is the core system that performs the processes of clearing, settlement, asset registration, and other post trade services which are critical to the effective functioning of the cash equities market. It maintains active holding balances for over 3 million investors with a total market capitalisation of securities of over \$2.7 trillion. CHES continues to be stable and to effectively deliver these services as demonstrated by CHES's average monthly service availability over the last five years of 99.99%.




## Key Business Risks

The table below describes ASX's key risks and how we respond to them. For more information on ASX's approach to risk management please see page 30 of this report.

| Risk  | The risk and its impact   | How we are responding  |
|---|---|--|
|  <p>Regulation, market structure and competition</p> | <p>ASX operates in highly regulated markets. Changes in regulations and/or market structure can impact ASX or its customers and the environment in which we operate.</p> <p>Examples of how ASX's business could be impacted include if:</p> <ul style="list-style-type: none"> <li>&gt; regulatory requirements were changed for certain important services</li> <li>&gt; ASX's products or services do not meet industry expectations in terms of resilience, quality or value and therefore new competitors commence operation in Australia</li> </ul> | <ul style="list-style-type: none"> <li>&gt; We operate our business specifically targeting compliance with all our regulatory obligations.</li> <li>&gt; We regularly engage with government, regulators and industry participants on market structure issues to promote the best outcomes for the market as a whole.</li> <li>&gt; We focus on high quality and timely interaction with our regulators.</li> <li>&gt; We engage with our customers to seek feedback on the quality and value of our products and services and their needs, and continually look for ways to improve these.</li> <li>&gt; We monitor the performance of individual products and services against those available elsewhere to support ASX's ability to deliver a strong value proposition.</li> <li>&gt; We consider the impact of ASX-driven change on our customers.</li> <li>&gt; We invest in technology enabling us to stay at the forefront of innovative products and services.</li> <li>&gt; We regularly and constructively engage with government on the future direction of policy impacting our business.</li> </ul> |




# Operating and financial review

## Key Business Risks (continued)

| Risk   | The risk and its impact  | How we are responding   |
|--|--|---|
|  <p>Economic environment and market activity</p> | <p>ASX's business can be impacted by the level of market activity. This is influenced by one or more of economic performance, government policy, RBA policy (both increases and decreases in interest rates), geopolitical environment and general financial market conditions in Australia and overseas.</p> <p>Slowing economic conditions or very low market volatility can lead to a reduction in activity and revenues.</p> <p>Examples of how ASX's business could be impacted by a slowdown in the Australian economy include:</p> <ul style="list-style-type: none"> <li>&gt; fewer new listings</li> <li>&gt; fewer secondary capital raisings</li> <li>&gt; slowdown of growth rates associated with data products and/or technical services</li> </ul> <p>Examples of how ASX's business could be impacted if there was low market volatility include:</p> <ul style="list-style-type: none"> <li>&gt; decline in the volume and value of equities traded</li> <li>&gt; lower trading volumes in derivatives</li> </ul> | <ul style="list-style-type: none"> <li>&gt; We continue to build resilience into our business model through the diversification of revenue streams.</li> <li>&gt; We are growing those services that have annuity-style revenue streams.</li> <li>&gt; We are focusing on diversifying (sector and geography) and enhancing our reputation as a listing venue with emphasis on ETPs, resources, renewables, technology and healthcare.</li> <li>&gt; We continually look to introduce new domestic and international participants to our trading markets, and clearing and settlement facilities.</li> <li>&gt; We continue to add to and enhance ASX's suite of products and services to meet evolving customer needs, and adapt to changing market conditions.</li> </ul>   |
|  <p>Operational resilience</p>                 | <p>The resilience, continuity and quality of our operational processes are critical to our ability to operate.</p> <p>This risk arises when failures in our people, processes, systems or controls impact on the delivery of our products or services to our customers.</p> <p>The occurrence of such a failure may result in reduced customer service, the inability to provide services, reduced revenues, increased costs, fines or regulatory issues.</p> <p>This category also captures the risk that ASX's project execution is poor, which could lead to a failure of our strategic projects to deliver expected outcomes.</p>  | <ul style="list-style-type: none"> <li>&gt; Great Fundamentals is a key pillar of our strategy and includes many aspects of operational resilience.</li> <li>&gt; We have people, processes, systems and controls in place designed to meet our operational benchmarks.</li> <li>&gt; We regularly assess how we can make improvements to the resilience and reliability of our operational processes.</li> <li>&gt; We regularly consider the effectiveness of our controls.</li> <li>&gt; We monitor customer complaints for feedback on where we could improve performance.</li> <li>&gt; We have project management disciplines in place to reduce the likelihood of poor project execution leading to delays or delivery failures in strategic projects, and are upgrading these via our Delivery Excellence program of work.</li> <li>&gt; We have business continuity and disaster recovery plans that are regularly reviewed, updated and tested.</li> <li>&gt; We have a mature incident management framework for rectifying incidents as they occur.</li> <li>&gt; We protect the confidential information we retain.</li> <li>&gt; We undertake resource planning and have staff training and retention programs.</li> </ul> |
|  <p>Technology availability</p>                | <p>ASX operates critically important financial market infrastructure that is expected to be open and available at all relevant business times.</p> <p>A risk to ASX arises where infrastructure and technology are unreliable and have slow recoverability or insufficient capacity, and where this cannot be quickly increased. Issues that would heighten this risk are the prevalence of ageing infrastructure, systems or applications that are near their end of life, or cyber attack.</p> <p>The risk may result in reduced ability or an inability to deliver ASX's trading, clearing and settlement services, reduced customer service, reduced revenues, unplanned remediation or replacement costs, or further licence conditions or fines.</p>   | <ul style="list-style-type: none"> <li>&gt; We regularly monitor the availability of our systems against targets and test to understand maximum throughput capacity.</li> <li>&gt; We monitor the health of critical systems and have recovery arrangements and contingency plans in place for disruptions, as well as built in redundancy.</li> <li>&gt; We review the risk in our systems landscape regularly and continue to invest in progressively modernising our applications and infrastructure.</li> <li>&gt; We constantly engage with the vendor partners who provide some of our critical systems and applications.</li> <li>&gt; We have a regular disaster recovery testing program in place.</li> <li>&gt; We have a cyber security strategy in place and continually look to improve our capability and leverage better practices and relevant frameworks and standards.</li> </ul>   |



## Key Business Risks (continued)

| Risk   | The risk and its impact  | How we are responding  |
|--|--|--|
|  <p>Counterparty default risk</p>               | <p>This risk arises in our licensed clearing and settlement facilities when a participant fails to meet its contractual obligations to any of the facilities.</p> <p>Depending on the size and complexity of the defaulting counterparty, the default could lead to extremely volatile conditions in global financial markets. This, along with ASX's default management strategy, will determine the size of any possible loss sustained by ASX.</p>  | <ul style="list-style-type: none"> <li>&gt; As part of our regulatory framework, ASX has the financial resources in place to withstand the concurrent default of our two largest participants under extreme but plausible market conditions.</li> <li>&gt; We enforce minimum financial and operating criteria for participants.</li> <li>&gt; We require participants to provide collateral in the form of initial margin, and to make regular, frequent and at least daily variation margin payments.</li> <li>&gt; We hold pre-funded default risk financial resources.</li> <li>&gt; We regularly review our margin and stress test models to make sure they are fit for purpose and modify them if needed.</li> <li>&gt; We have technology and risk policies and procedures to constantly monitor and manage counterparty exposures.</li> <li>&gt; We have default management strategies that are regularly fire-drilled.</li> <li>&gt; We have recovery plans for extreme default scenarios.</li> </ul> |
|  <p>Investment returns</p>                    | <p>Financial losses may arise from investment decisions taken in relation to the management of collateral balances received from clearing and settlement activity, from the investment of ASX's own capital, or the clearing and settlement facilities' pre-funded default capital resources.</p> <p>Investment returns on collateral balances and ASX's own capital can also be impacted by changes in RBA policy. Lower interest rates and investment spreads can lead to lower returns.</p> <p>ASX also makes equity investments in support of its broader business objectives (e.g. Digital Asset, Sympli, Grow Inc). The value of these investments may decline due to the underlying businesses not meeting their objectives. Losses might also arise if ASX needed to impair some aspects of its capital expenditure through projects not meeting their objectives.</p> | <ul style="list-style-type: none"> <li>&gt; We have investment limits in place under which ASX is required to invest its collateral balances and own funds in highly rated counterparties, with short-term maturities.</li> <li>&gt; We closely monitor financial markets activity, performance and sentiment to inform investment decisions.</li> <li>&gt; We monitor the business strategy and financial performance of companies and initiatives that we have invested in, and follow the prescribed accounting treatment in terms of impairment or loss recognition should that be necessary.</li> </ul>   |
|  <p>Reputation and stakeholder confidence</p> | <p>The ongoing success of ASX is dependent on its reputation for trust, integrity and resilience in everything we do.</p> <p>Reputational risk arises in a wide variety of situations; for example, where ASX is perceived to have not acted with integrity or failed to deliver resiliency in its activities.</p> <p>Any outcome that causes detriment to this reputation has the potential to damage ASX's future business prospects through reduced business volumes, or regulatory impact or intervention.</p>   | <ul style="list-style-type: none"> <li>&gt; Our purpose is to power a stronger economic future by enabling a fair and dynamic marketplace for all.</li> <li>&gt; Understanding the importance of our reputation and protecting it are both central to everything we do.</li> <li>&gt; We consider possible reputational risks in all our business activities and decisions.</li> <li>&gt; Our company values focus on putting the market first, standing up for what's right, achieving more together and driving positive change.</li> <li>&gt; We have regular and open engagement with customers and wider stakeholders to seek feedback on their needs and our performance.</li> <li>&gt; We have ongoing interaction with our regulators and government at management, CEO and Board level to facilitate thorough coverage of issues.</li> <li>&gt; We engage regularly with media to help generate reporting that is fair, informed and balanced.</li> </ul>   |

# Sustainability report

## Highlights



### Trusted actions

67%

Employee engagement score (up 3% on the previous year)

41%

of total headcount is female (targeting 45% by FY25)

25

diverse cultural backgrounds are represented among ASX employees



### Efficient markets – supporting the Australian economy



operator of critical market infrastructure



strong risk management foundation supported by robust management frameworks

87%

of ASX's people believe that their teams regularly discuss risks and controls



### Resilient operations

100%

renewable electricity sourced in FY23<sup>1</sup>

Net Zero

targeting Net Zero Scope 1 and Scope 2 emissions by FY25

UN SSE member

Partner exchange in the UN Sustainable Stock Exchanges initiative aimed at enhancing performance on ESG issues and encouraging sustainable investing

1. Relates to all electricity where ASX purchases directly from the retailer.

ASX's approach to sustainability aligns with its purpose, vision, long-term strategy and values as well as its key role in Australia's financial system and the broader economy.

ASX's Board and management are committed to ASX's long-term sustainability. Long-term sustainability is essential to the achievement of ASX's vision to be the market's choice, inspiring confidence and trust. This report sets out ASX's approach to sustainability, targets, activities and performance in FY23.

### Sustainability pillars

Three pillars form the foundation of ASX's approach to sustainability:

- > trusted actions
- > efficient markets
- > resilient operations

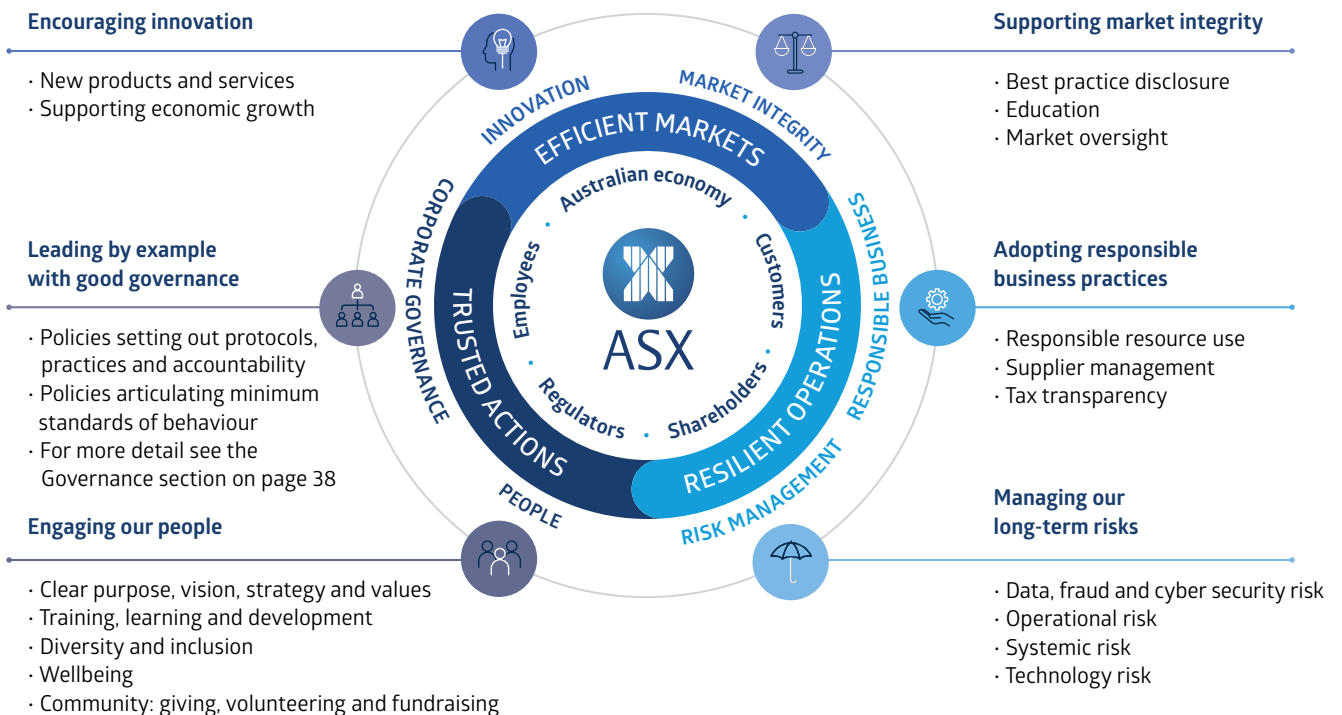
### Material focus areas

Following engagement with internal and external stakeholders, ASX has established six key focus areas to support our three sustainability pillars:



## Sustainability framework

The diagram below depicts ASX's Sustainability Framework:



# Sustainability report

## Trusted actions

### Corporate governance

ASX has identified leading by example with good governance as a key focus area supporting ASX's sustainability. The Board of Directors of ASX recognises that good governance underpins strong business performance and is essential to retaining the trust and goodwill of stakeholders – including shareholders, customers, employees and regulators.

ASX has established a corporate governance framework within and by which authority is exercised and controlled within the ASX Group.

The Board governance layer focuses on the role and responsibilities of the ASX Group Boards and Board Committees. The Management governance layer focuses on the role and responsibilities of the Managing Director and Chief Executive Officer (CEO) and Group Executives. The people governance layer focuses on the responsibility of our people adhering to the ASX Values and the standards of behaviour set out in the ASX Code of Conduct and ASX policies and procedures.

Further information on ASX's approach to governance is set out from page 38.

### Our new values

Our talented and dedicated people are a key enabler of our strategy and will help us fulfil our purpose and achieve our vision, where we are the market's choice, inspiring confidence and trust. Our strategy requires us to evolve and innovate, to empower our people with clear accountability for great outcomes. It will see us build new era capabilities, underpinned by a new set of shared values to guide our actions and decision making, and connect and inspire us as One ASX.

This year we developed a new set of company values that marry the cultural essence of our past and the unique skills and dedication of our people, with the evolution required to successfully deliver a new era ASX.

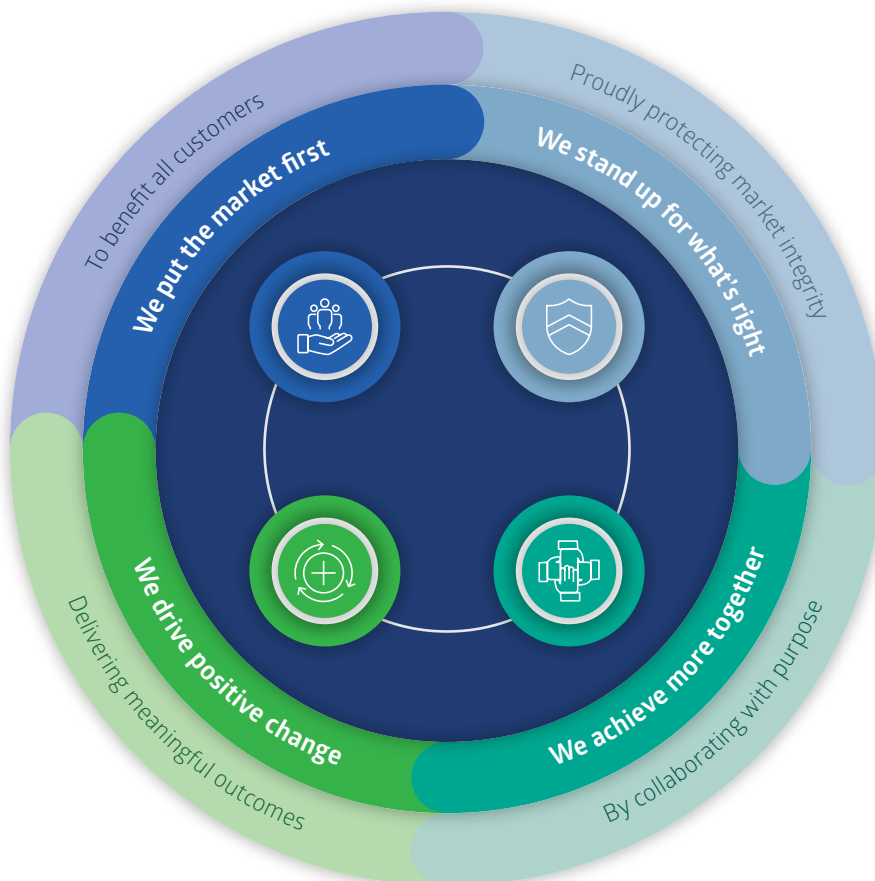
Starting with our Purpose, our new values were informed by our cultural aspirations, customer sentiment and numerous staff workshops and drop-in sessions, providing opportunities for employees to share their perspectives and provide feedback to ensure they are authentic and resonate.

- > **We put the market first** reflects our commitment to be a proactive partner, listening carefully and ensuring that we understand what matters to a broad range of market participants.
- > **We stand up for what's right** is about acting decisively, and having the courage to speak honestly. It's about protecting market integrity, and supporting financial system stability.
- > **We achieve more together** reflects our desire to harness the power of the ecosystem to ensure robust outcomes come from a diverse range of views. It's about empowering and supporting others around our shared purpose and common goals.

- > **We drive positive change** recognises the changes we, together with the industry, need to make and our commitment to look to the future while continuously improving and achieving new standards.

Over the coming year we will work with our people to bring these values to life and begin to embed them in everything we do.

As we evolve and transform, our values will increasingly shape our ways of working to create a consistent, aligned culture to deliver our strategy, fulfil our purpose and achieve our vision.



## People

Our strategy to lead ASX into a new era is anchored by our purpose to power a stronger economic future by enabling a fair and dynamic marketplace for all. Our purpose drives the collective focus of our people and reflects the important and privileged role we play providing critical financial market infrastructure, products and services.

## Engagement

ASX conducts an annual organisation-wide engagement survey which collects employee feedback to measure a broad range of factors around employee experience and culture. The results are reviewed by the ASX Board and Executive Team and are an important part of the development of our people strategy.

In our FY23 annual survey we saw engagement increase to 67%, up 3% on the previous year.

Our employees tell us that ASX is committed to providing a safe and healthy workplace (91%) where they are proud to work (86%). Employees believe that ASX is an inclusive place to work, where leaders view diversity, equity and inclusion as a priority (85%) and genuinely care about employee wellbeing (89%). Employees also shared with us their feedback on what they would like to see improved. The people focus reflected in our five-year ASX strategy will directly address this feedback.

In FY23, ASX commenced regular pulse surveys to check in on employee wellbeing and seek feedback on actions. This practice will continue in FY24 to ensure employees feel supported through change.

## Remuneration

ASX employees receive market competitive remuneration. Subject to performance, employees also participate in a short-term variable reward program which offers a mix of cash and ASX shares. Employees are also offered a range of benefits such as salary continuance insurance, subsidised sport and social programs and a suite of discount and corporate rewards.

## Capability

ASX is enhanced through the diverse perspectives it brings together, its commitment to growing and developing the skills of its people, and building new capabilities to deliver its strategic priorities and meet current and emerging customer and stakeholder needs.

### Bringing diverse perspectives together

ASX is committed to building a diverse, equitable and inclusive workplace where everyone can join, thrive, and progress. Diversity, and a culture of inclusion, makes us a stronger business.

We support a workplace where everyone feels seen, supported and safe to be themselves, no matter their gender identity, age, ethnicity, race, cultural background, religion, sexual orientation, disability, neurodiversity, socio-economic status, caring responsibilities, or any other forms of individual identity.

We want to ensure that ASX reflects the diversity of our clients, partners, stakeholders, and community, and that we bring diversity of thought, approaches, and ideas to the way we work and our decision-making processes.

ASX recognises the power and passion of its employees and supports them through our Employee-led Networking Groups (ENGs). These groups, developed, chaired, and run by employees, each with Executive Sponsorship, celebrate differences, raise awareness, and promote our inclusive and respectful culture.



## ASX Giving

- > Building support for community initiatives through fundraising and volunteering opportunities, supporting the passion and generosity of ASX's employees
- > ASX matched employee donations, with collective contributions of approximately \$140,000 to a range of charities



## Culture & Heritage

- > Organises events and education campaigns that value and celebrate the diversity of cultural attitudes, behaviours, thoughts, and work practices at ASX
- > Our employees represent 25 diverse cultural backgrounds from all over the world<sup>1</sup>
- > 36% of our employees come from a non-English speaking background<sup>1</sup>
- > 88% of employees believe that ASX people have equal employment opportunities regardless of their differences<sup>1</sup>



## QASX

- > Employees and allies promoting LGBTQ+ inclusion through events, communications, peer support, networking and contribution to strategy and policy development
- > 4% of our employees identify as a member of the LGBTQ+ community<sup>1</sup>
- > 92% of our LGBTQ+ community feel comfortable and safe discussing their diverse sexuality with their manager<sup>2</sup>
- > 91% score for Executive Endorsement for our LGBTQ+ community<sup>2</sup>



## WE@ASX

- > Dedicated to empowering, supporting, and sponsoring women at ASX and fostering a gender equal culture. WE@ASX stands for Women Empowered
- > 93% of employees believe their direct manager genuinely supports equality between genders<sup>1</sup>
- > 94% of employees believe gender-based harassment and sexual harassment is not tolerated at ASX<sup>1</sup>



## Wellbeing

- > Making a positive contribution to ASX culture by promoting and facilitating physical and mental wellbeing through employee participation and community connection
- > 91% of employees believe ASX is committed to providing a safe and healthy workplace<sup>1</sup>
- > 3% of the workforce are Accredited Mental Health First Aiders

1. ASX Employee Experience Survey 2022.

2. Australian Workplace Equality Index survey 2023.

# Sustainability report

ASX remains committed to promoting gender diversity within the organisation. There is a female representation target of 45% of the total headcount by FY25. This is supported by gender-neutral hiring, promotion, and development policies. Although some important improvements have been made in gender representation in FY23 at the Board and General Manager level, female representation has reduced at both an Executive and management level and across the organisation.

In FY24 ASX will continue to execute its gender diversity strategy by focusing on leadership accountability, gender pay equity, headcount gender composition, talent pipeline and building capability to make progress towards our gender diversity targets across the business.

| Female headcount representation             | FY22       | FY23       | Target (by FY25) |
|---|------------|------------|------------------|
| Board (including CEO)                       | 36%        | 50%        | 40%              |
| Executive Team                              | 50%        | 30%        | 45%              |
| General management                          | 36%        | 40%        | 45%              |
| Management / team leader                    | 38%        | 36%        | 45%              |
| <b>Total % of women in management roles</b> | <b>38%</b> | <b>37%</b> | <b>45%</b>       |
| Professional / technical                    | 41%        | 41%        | 45%              |
| Administrative                              | 89%        | 93%        | 50%              |
| Across ASX                                  | 42%        | 41%        | 45%              |

## Gender pay gap

ASX supports providing equal pay for employees irrespective of their personal characteristics, such as gender. An annual review is conducted to identify differences in remuneration which cannot be explained by qualifications, tenure, experience, and performance. Any unexplained differences are addressed in the ensuing remuneration review.

ASX reviews gender pay on an overall average salary basis.

- > On an overall average salary basis, ASX's gender pay gap on a total reward basis is 15.2%. This compares to the latest available benchmark for the financial services industry at 19.0% and 22.8% across all industries (WGEA 2022).
- > When reviewing like roles, however, the total reward pay gap is less than 0.1%.

With ASX paying equitably for like for like roles, the gender pay gap of 15.2% highlights a representation gap, with disproportionately fewer females in leadership roles at ASX, as illustrated in the preceding table. Improving the representation of females in leadership roles is central to closing the gender pay gap at ASX and is a key focus of the Diversity, Equity, and Inclusion approach.

As a founding member of Champions of Change Coalition (CCC), ASX remains committed to ongoing practical actions to improve gender equality.

## WGEA employer of choice for gender equality

ASX is proud to be recognised again as a Workplace Gender Equality Agency (WGEA) employer of choice in 2023. This is recognition of ASX's performance in areas such pay equity, a gender-balanced workforce, workplace flexibility, support for caring responsibilities, employee consultation and preventing sexual harassment, gender-based harassment and discrimination and bullying. ASX has held this accreditation for the past 12 years.

## Employees support our approach to flexibility

We recognise that employees have different requirements around flexibility and 90% of employees feel they have the flexibility to manage work, caring responsibilities, and other commitments.

As an inclusive organisation, we support formal flexibility arrangements and informal flexibility through our support for hybrid working. We aim to balance our flexible working approach with the needs of our employees, stakeholders, customers, and partners. We use a principles-based approach to guide what are appropriate flexible working arrangements, recognising that in-person interactions increase our sense of belonging, connection, and alignment.

We will continue to monitor, adapt, and evolve our approach to hybrid working to balance organisation requirements with employee wellbeing.

## Supporting our people in the moments that matter

ASX supports our people to balance work and family life. We offer paid parental leave for primary and secondary carers, superannuation contributions, graduated return-to-work, assistance with locating childcare plus support and coaching through our Employee Assistance Program. We are also an accredited Breastfeeding Friendly Workplace.

ASX recognises there are times where our people need to focus on their personal lives, and we provide leave in these circumstances. We provide paid leave for volunteers, employees requiring compassionate leave, defence force and emergency services. We support victims and survivors of family or domestic violence through counselling, support, and paid leave.



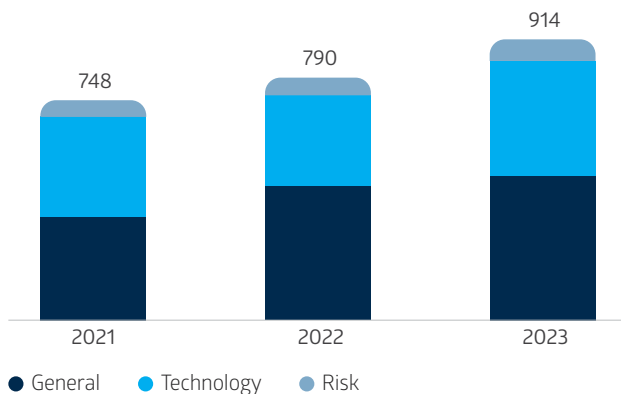
## Growing our skills

ASX provides a blend of online, classroom and role based training to support staff learning and development and build capability across core skills required to deliver customer outcomes. The available training covers topics from general business skills through to technology and software. In FY23, we increased our focus on the development of employees working in project delivery. With support from an experienced external partner, an industry-leading, tailored skills program centred on building capability around delivery excellence, customer centricity, stakeholder partnership and continuous improvement was rolled out to support the establishment of our Communities of Practice. The program, Futurework, was completed by 82% of eligible employees. The new skills were further embedded through new operating rhythms and have helped establish new ways of working.

In addition, ASX continued to offer training courses to develop our next generation of leaders. Approximately 27% of our people leaders participated in a program centred around small group coaching offering personalised support, helping individuals address challenges within their role and identify opportunities to enhance their impact and influence.

ASX partners with organisations including Chief Executive Women and Women in Banking and Finance (WiBF) to offer leadership readiness training to support a diverse pipeline of future leaders.

## Full time employee distribution<sup>1</sup>



1. Excludes contractors.

## Bringing new capabilities to ASX

ASX has been making a significant investment in its people to ensure that it is in the best position to manage growing operational and regulatory requirements. In FY23, total full time equivalent employees increased by 16%.

ASX is increasing the sophistication of its risk management practices and supporting the deliverables required to manage our operating licences. This has required an increase in personnel of 18% in roles that work within risk across all parts of ASX in FY23. A significant, ongoing investment in our technology platforms has driven an uplift of 13% in FY23 as ASX embarks on its technology modernisation program. Our focus on initiatives to drive longer term retention have supported reduced turnover in FY23, as voluntary employee turnover decreased to 13.7%, down from 19.4% in FY22.

## Accountability

We expect a high standard of behaviour from our people, consistent with the privileged position we hold within Australia's financial markets. To succeed in an evolving economy, we need to harness our people's ability to exercise judgement in uncertain situations. We do this by communicating:

- > Our values: articulate the principles that drive our people's behaviours and decisions;
- > What is and is not acceptable behaviour through our policies, including:
  - Code of conduct
  - Whistleblower
  - Anti-bribery and corruption
  - Corruption
  - Equal Employment Opportunity;
- > Training: All ASX employees must complete mandatory online training on the policies on an annual basis. This includes an assessment to ensure an understanding of the content and intention of these policies. ASX supports the annual renewal of employees' professional memberships and qualifications;
- > A robust consequence management framework: The consequence management framework outlines the consequences for breaches of behavioural expectations. ASX's Conduct Review Group monitors and investigates instances where employee behaviour is not consistent with these expectations, to ensure that consequences are consistently applied, fair and appropriate; and
- > Accountability statements for Executives.

## Efficient markets

ASX plays a key role in offering efficient and transparent markets to participants and other stakeholders.

## Innovating and investing in sustainability for our customers

Customers are one of ASX's key stakeholders. ASX is focused on innovating so that we are easier for our customers to work with. This includes investing in our systems and products. Recent examples include the planned significant investment in our futures technology platforms and innovation in carbon credits futures products in response to customer demand. The ongoing project to replace the Clearing House Electronic Subregister System (CHES) platform, which supports clearing and settlement in Australia's cash equity market, is in the solution design stage and ASX is continuing to work towards announcing the new solution design in the final quarter of the calendar year, subject to the formation of the industry Advisory Group, industry input and regulatory expectations.

# Sustainability report

## Advocacy

ASX plays an important role in representing listed entities in relevant areas of policy and regulation.

In February 2023 ASX made a submission to the Australian government's consultation on climate-related financial disclosures. In response to specific questions posed by Treasury, ASX submitted that:

- > A phased approach starting with larger entities is appropriate. However, both larger private and listed entities should be covered by any mandatory requirements to report given the economic and society-wide impacts of climate change
- > The commencement of a legal requirement for climate-related disclosures in FY25 would be too soon for those companies not already reporting on a voluntary basis
- > Any requirement to report on climate-related matters should align with international frameworks and International Sustainability Standards Board (ISSB) standards when finalised
- > It would be sensible to require independent assurance of climate-related financial disclosures
- > ASX supports the adoption of appropriate safeguards for entities relating to their forward-looking statements on climate-related disclosures if they have endeavoured to make fair and balanced disclosure
- > Digital reporting would be useful in climate-related disclosures but regulatory change would most likely be required to drive adoption

## Education and awareness

In October 2022, ASX ran a webinar on the Chief Executive Women Senior Executive Census which measures gender diversity in leadership amongst the S&P/ASX 300 companies. The presentation was supplemented with a panel including ASX listed companies who ranked highly in the census, discussing their diversity practices for the benefit of the broader community.

The November 2022 edition of our magazine Listed@ASX contained a number of articles on ESG best practice to guide the listed community. Articles covered modern slavery and investor activism driving shareholder approval of climate action plans. The November 2022 edition was the last physical edition of the magazine which subsequently went digital to reduce its environmental impact.

In February 2023, ASX held the "ESG for Small Caps" webinar for listed companies and the broader listings ecosystem. The webinar was presented by fund managers, a listed small cap and an ESG consultancy to discuss reporting for small cap entities. Topics discussed included how a small cap would undertake ESG reporting, what investors expect and what the benefits are for those who undertake it. The webinar attracted over 700 attendees with a further 240-plus views of the archived video.

The Chief Compliance Officer of ASX spoke on a greenwashing panel at the Australasian Investor Relations Association conference on 31 May 2023 to discuss impacts of the topic on listed entities.

## Resilient operations

### Risk management – supporting the Australian financial system

ASX plays a critical role in the financial system enabling a fair and dynamic marketplace for all and reducing systemic risk. ASX is a highly regulated entity and is held to high standards, which is appropriate given the importance of the services provided. ASX has longstanding and constructive working relationships with our regulators, and we have many shared goals including market integrity and financial system stability.

ASX is the operator of two Australian Clearing Houses (or CCPs – Central Clearing Counterparties) which between them clear markets in Australia for cash market securities, Exchange Traded derivatives and OTC interest rates derivatives. ASX's CCPs support financial system stability through:

- > Providing and maintaining reliable and resilient systems;
- > mitigating counterparty credit risk amongst its clearing participants in both normal and volatile market conditions;
- > acting as a shock absorber in times of participant default;
- > seeking to limit the pro-cyclical impact of its actions;
- > communicating with its clearing participants in a clear and transparent manner;
- > taking steps to understand the implications of its actions on its clearing participants and wider stakeholder community; and
- > operating in a fair and effective manner.

It is pivotal to ASX's success that it respects these licences by managing and maintaining its business to leading industry standards.

A significant portion of ASX's value is derived from the licences that the company has been granted to operate critical national financial infrastructure. These licences also bring significant obligations that consequently need to be fully understood, respected and adhered to.

### Systemic risk

ASX's disciplined approach to long-term risk management is a critical component in the resilience of our day-to-day operations, as it reduces the impact and likelihood of negative outcomes and uncertainties. While ASX is unable to guarantee there will never be disruptive events impacting our critical business services, we are committed to continually improving our risk and compliance management practices and embedding a risk management culture to minimise their occurrence and severity.

Long-term resilience also comes from the adoption of responsible business practices. While standards continue to evolve, doing the right thing remains a constant in our business. Stakeholders have growing expectations about how ASX manages suppliers, minimises impact on the environment, and plays a part in reducing carbon emissions.

### Regulatory risk

Australia operates in a highly regulated environment. Confidence in the operation of ASX is reinforced by the whole-of-market regulation undertaken by ASIC across all trading venues and clearing and settlement facilities, as well as the financial system stability oversight by the RBA of ASX's clearing and settlement facilities.

ASIC also supervises ASX's own compliance with the ASX Listing Rules as a listed company.

Managing regulatory risk is a high priority for ASX with detailed activities listed on page 21.



## Cyber security – governance and strategy

ASX's Board and management recognise cyber risk as one of the Group's most critical risks to be managed and mitigated.

The cyber security function reports to the Chief Information Officer and has independent and complete access to the Chair of the Board Technology Committee. In addition, cyber security is a standing agenda item for the Board Technology Committee whose meetings are attended by the senior cyber security management team.

A cyber security status report is also presented to the monthly ASX Board meetings.

The cyber security team has been producing a Board-approved security strategy which covers a rolling two-year period. It is reviewed and approved annually by the Board Technology Committee to ensure it remains commensurate with the overall risk environment.

A security roadmap is developed from the strategy, which is a schedule of activities that are required to implement the strategy. Roadmap items may change as the risk environment or priorities change, however these changes will generally fall within the existing two-year strategic window.

The strategy provides an overview of the following:

- > Overall risk environment and risk horizon;
- > ASX's cyber risk against defined risk categories;
- > Regulatory changes;
- > Delivery status against plan;
- > Budget and resourcing;
- > Cyber testing and assurance activities and results;
- > Strategic direction, objectives, focus areas and roadmap; and
- > Assessment of current and target status against ASIC's key questions for Directors, ASD Essential 8 and NIST frameworks.

The strategy is developed through consultation, analysis and assessment of a number of information sources. These include an assessment of the risks to ASX's operating environment, analysis of the current and future threat environment, industry research and benchmarking, results of audits and penetration tests and an analysis of incidents and key risk indicators.

The table below provides an overview of some of the key roadmap activities from the FY23 cyber security strategy:

| Activity   | Description   |
|--|---|
| Data Leakage Prevention (DLP)  | Deliver enhanced DLP capability and maturity, including the selection of specialist DLP / data discovery tooling      |
| Australian Signals Directorate (ASD) Essential 8                               | Deliver ongoing alignment with ASX defined ASD Essential 8 maturity levels  |
| National Institute of Standards and Technology (NIST) Cyber Security Framework | Deliver ongoing alignment with the NIST Cyber Security Framework at ASX defined maturity levels                       |
| Cloud  | Deployment of additional cloud web application firewall tools   |
| Distributed denial of service (DDoS) service                                   | Implementation of upgraded DDoS service   |
| Firewall decommission and network segregation                                  | Implementation of additional network segmentation and decommissioning of legacy firewalls                             |
| Remote access  | Implementation of a new remote access solution for consultants and uplifting of key multi-factor authentication tools |



# 87%

of ASX's people believe that their teams regularly discuss risks and controls



# 88%

of ASX's people feel they understand the desired risk culture of the organisation

# Sustainability report

## Cyber security – risk assessments and controls

ASX views cyber risk as an organisation-wide responsibility which is managed in accordance with the Enterprise Risk Management Framework. The cyber security and the Australian Signals Directorate (ASD) Essential 8 are the primary security and control frameworks that underpin the ASX cyber control environment.

The ASX cyber framework documentation outlines the key considerations and the actions that ASX undertakes. This is complemented by policies, standards, procedures and guidelines for critical areas. These documents are periodically reviewed and updated based on changes to the business and technical requirements. Other control environment frameworks are also referenced as a benchmark including regulatory standards and the Society for Worldwide Interbank Financial Telecommunications (SWIFT) Customer security program.

The security team also perform regular risk assessments of the ASX environment. A risk assessment may be triggered through the annual strategy review process, a major project or upgrade implementation, the identification of an emerging risk or an issue or a request from the other areas of ASX. A process for identifying and reporting emerging risks is also in place, and these are discussed at the various risk working group forums and escalated as required.

All risks are managed through the central enterprise risk management system. The key cyber risks identified include:

- > Malware
- > Inadequate frameworks
- > Insider risk
- > Strategy delivery risk
- > System or data compromise
- > Resourcing
- > Third parties / supply chain

ASX employs a range of risk-based security controls and procedures. The control environment has been implemented in a 'defense in depth' configuration ensuring there are layered controls at all levels from the ASX perimeter to the back-end infrastructure. The cyber security team is responsible for the management and maintenance of the controls and procedures.

Our risk and control assurance aims to test and verify control effectiveness, respond to external regulatory requests and address our licence obligations. Assurance is provided by a combination of internal teams (security team self-assessment, enterprise risk review and challenge and internal audit) and external specialists (external auditors and SME security firms). The assurance work performed in FY23 included:

- > SWIFT Customer Security Programme compliance;
- > CHES, Access Control List, Fire and Security Matters and ASX's Derivatives Clearing System Australian Standard on Assurance Engagements controls audit covering various security and identity controls;
- > Various application penetration tests;
- > Perimeter and website penetration tests; and
- > Purple team testing.

In addition, the cyber security team performs a number of activities to educate staff and raise security awareness. ASX is cognisant that the vast majority of security incidents are the result of some kind of user compromise. Staff training and awareness activities include:

- > Cyber security incident scenario simulation;
- > New starter cyber security 'quick guide' training;
- > Workshops on how to identify phishing emails;
- > Quarterly phishing simulations emails;
- > Induction training for new employees;
- > Monthly and quarterly security awareness prizes and awards;
- > Annual security awareness e-learning module mandatory training; and
- > Security awareness emails and 'town hall' sessions.

## Risk and compliance culture – Three Lines of Defence

ASX remained focused on strengthening risk management and embedding its risk and compliance culture.

ASX's risk management strategy is founded on the Three Lines of Defence model, which provides a clear organisational structure and clarifies roles and responsibilities for managing risks and controls across the business:

- > Line 1 is risk management within the business divisions and functions. The identification, assessment, monitoring, reporting and escalation of risks begins in Line 1. Line 1 is responsible for managing ASX's operations within the Board-approved risk appetite.
- > Line 2 is the independent risk management and compliance functions that develop risk and compliance frameworks and policies, and oversee and challenge risk management in the first line.
- > Line 3 is the independent assurance function (including internal and external audit).

ASX conducts an annual review of its Risk Appetite Statement to help understand and consider risk posture versus tolerance thresholds, and to identify and manage areas of greater risk to ensure that improvement is focused in the right areas.

FY23 saw the embedding of minimum standards in the form of formal risk working groups and risk reporting across all lines of business.

### Additional Line 1 resourcing

In addition dedicated Line 1 risk resources were on-boarded to support effective execution of risk management, and further embed the Three Lines of Defence risk model.

There was also further consolidation and streamlining of risk profiles within lines of business, with a focus on delineating key controls in preparation for an expanded control testing program in FY24.

Line 1 teams continue to report to the ASX Limited and Clearing and Settlement boards and their sub-committees.

The Enterprise Risk and Enterprise Compliance teams continue to provide oversight, advice and guidance, challenge and training to individuals throughout the business responsible for risk ownership and championing risk and compliance management within their teams. Accountable Persons are integral to strengthening ASX's Three Lines of Defence risk model, and to help support the risk and compliance frameworks, policies and strategy.

The introduction of an accountability framework in FY23 required Accountable Persons to self-assess the adequacy of reasonable steps including, but not limited to, having appropriate governance arrangements, risk management processes, delegations and supervision of responsibilities.

An annual all-staff risk and compliance survey provides insights across a range of dimensions, as well as for comparison and benchmarking purposes. The survey supports efforts to continuously improve ASX's risk and compliance culture, and its focus on risk and compliance awareness, accountability and speaking up.

ASX also includes risk management questions in the annual engagement survey of employees. In FY23, 87% of respondents stated their teams regularly discuss risks and controls.

## Responsible business

ASX has a diverse range of stakeholders given its role at the heart of the Australian financial system. These include shareholders, customers, regulators and the broader financial community.

### Modern slavery

The primary component of our supply chain includes the manufacture, delivery, installation, support and maintenance of the technology required to operate our infrastructure and provide our services. Our supply chain also includes the suppliers of various goods and services that contribute to our general operations – these include our property agents, insurance providers, external consultants, the companies that provide our kitchen supplies and stationery, the manufacturers of ASX uniforms and apparel, and our security providers.

During the FY23 reporting period, our global supply chain comprised approximately 600 direct suppliers having their base of operations located in a total of 18 countries, including Australia, Belgium, Canada, Switzerland, Czech Republic, Germany, France, England, Hong Kong, India, Ireland, Luxembourg, Malta, Malaysia, New Zealand, Singapore, Sweden, and the USA. ASX Group acknowledges that a number of direct suppliers to ASX Group may have manufacturing facilities in countries other than their base country of operation, including but not limited to Brazil, China and Mexico.

Approximately 20% of ASX Group's total supplier spend during FY23 was attributed to 27 "Tier 1" suppliers providing key goods and services to facilitate ASX Group's operations. These suppliers cover a range of industry sectors, including financial services and technology goods and services, telecommunications and risk management. ASX Group's operations require uninterrupted access to the infrastructure that services our business, therefore our core supplier relationships are often stable, long-term relationships, rather than short-term engagements.

ASX Group's supply chain is also comprised of other key direct suppliers operating in the industries of data infrastructure, external consulting, information technology, financial services (including technology), telecommunications, recruitment, insurance, energy (electricity and gas), property management, electrical installation services, and postal services.

Our supply chain also comprises the indirect suppliers that provide inputs and services to the direct suppliers of ASX Group, such as the manufacturers of the uniforms that we source from our suppliers and the cleaning services used by our external contractors.

# Sustainability report

## Tax transparency

As a signatory to the voluntary Tax Transparency Code issued by the Australian Government Board of Taxation, ASX publishes a Tax Transparency Report each year. ASX takes a low risk approach to managing its tax position, which includes not entering into transactions or structures that have the primary objective of reducing tax liabilities. ASX is proud to be an Australian company and of the economic contribution made through the tax paid each year.

As a large organisation, ASX is included in the Australian Tax Office (ATO) top 1,000 Justified Trust Program, designed to build and maintain community confidence that taxpayers are paying the right amount of tax and are identifying and addressing tax risks. ASX obtained a high level of assurance in both the ATO's Streamline Assurance Review (income tax only) and Combined Assurance Review (income tax and GST) review.

In FY23, ASX's effective tax rate for the Group was 29.0% and we paid a total tax contribution of \$287.8 million.

## Role in decarbonisation of Australian economy

ASX continues to look for opportunities to support the decarbonisation of the Australian economy. Our electricity futures products are an important tool supporting investment in decarbonisation and we are continuing to develop our carbon futures products.

ASX is also under consideration by the Clean Energy Regulator to operate the Australian Carbon Exchange which will allow the trading, clearing and settlement of Australian Carbon Credit Units (ACCUs) to support businesses and governments to decarbonise.

## Supporting listed companies on their Environmental, Social, Governance (ESG) journey

Sustainability disclosures and reporting are also an area of focus and we continue to support our issuers through education sessions to keep them up to date with emerging global standards in sustainability.

## ASX Corporate Governance Council

The ASX Corporate Governance Council is an independent body that brings together a wide range of business, shareholder and industry groups, each offering their individual insights and perspectives on governance issues.

The primary role of the Council is to develop and issue principles-based recommendations on the corporate governance practices to be adopted by ASX-listed entities. The recommendations are intended to promote investor confidence and to assist listed entities to meet stakeholder expectations in relation to their governance.

Sustainability disclosures and reporting are a significant area of focus for the ASX Corporate Governance Council, particularly following the work by international standards bodies to propose a global baseline of sustainability disclosure.



## ASX Refinitiv Charity Foundation – Annual Markets Day for Charity

The ASX Refinitiv Charity Foundation has been running since 1996 and has raised over \$36 million, predominantly for children's disability and medical research charities through a range of events.

The largest event for the ASX Refinitiv Charity Foundation is its Annual Markets Day for Charity which is held in November each year. Participants in this event donate revenue from the day's trading to the Foundation. In 2022, the event raised over \$660,000 with ASX donating the cash equity market execution fees from the day of \$255,000.

## Climate change statement

ASX's approach to climate change brings together our commitment to being a responsible corporate citizen, our ability to support Australia's transition to a low carbon economy, and our role as market operator to encourage transparency from issuers.

### Addressing climate change

ASX believes it is important that its response to climate change is aligned with its values as an organisation. While ASX does not believe it has material risk to climate change, it does have a responsibility to adhere to best practice and be an example for issuers.

As the premier securities and derivatives market operator in Australia, ASX seeks to lead by example by embracing sustainability in its business and operations. ASX recognises that it has a part to play in reducing carbon emissions. ASX has set a target of achieving net zero for our Scope 1 and Scope 2 emissions in FY25.

ASX's approach to climate change focuses on what ASX can do to:

- > minimise operational impact on the environment and carbon footprint;
- > encourage consistent, comparable, and reliable climate change reporting and disclosures; and
- > support Australia's transition to a low carbon economy by offering products and services that enhance decision-making, manage risk and meet the growing demand for environmental, social and governance (ESG) investments.

### Task Force on Climate-related Financial Disclosures (TCFD)

ASX has been a supporter of TCFD since 2019 and recommends issuers use the TCFD framework for disclosure of climate-related risks and opportunities.

This is the third year that ASX itself has reported on its approach to climate change adopting the TCFD recommendations and guidance. ASX's 2023 TCFD report is available on ASX's website at: <https://www.asx.com.au/about/asx-shareholders/reports>

The 2023 TCFD report updates progress against the scenario analysis captured in 2021. These scenarios assessed ASX's inherent climate risks and opportunities that may arise under 1.5C and 4C scenarios over the two time horizons of 2030 and 2050.

### Membership of UN Sustainable Stock Exchanges initiative

As part of ASX's ongoing commitment as a Partner Exchange under the UN Sustainable Stock Exchanges (SSE) initiative, ASX confirmed its participation in the UN SSE Net Zero Comment Group aimed at helping the creation of net zero targets for exchanges. This provides ASX with the opportunity to help shape the commitments that exchanges across the globe might make in the future.

### e-Waste strategy

ASX is in the process of embedding an organisation wide e-Waste Policy and associated processes to ensure that all electronic waste is handled ethically, securely, and sustainably, in accordance with best practice.

It is intended that selection criteria for vendor supplied services (where appropriate) include evaluation of their company ESG statements to ensure alignment with ASX's sustainability values.

From Q2 FY24, ASX will be tracking and reporting its performance against the following metrics:

- > Total weight (Kg)
- > Kgs recycled (%)
- > Kgs landfilled (%)

### Net Zero Scope 1 and Scope 2 emissions target

ASX remains committed to supporting corporate Australia in achieving its sustainability goals and looks to lead by example. We have achieved our target of sourcing 100% renewable electricity<sup>1</sup> this financial year and are targeting net zero Scope 1 and Scope 2 emissions by FY25.



1. Relates to all electricity where ASX purchases directly from the retailer.

# Sustainability report

## Key environmental outcomes in FY23

### Energy

- > 100% renewable electricity was sourced where ASX has operational control. Over 99% of the electricity ASX purchased in 2023 to operate its buildings is via Australian Government's accredited renewable electricity product GreenPower purchased through our electricity retailer.
- > ASX reduced total Scope 1 and Scope 2 emissions by at least 85% in FY23. This target is based on our FY21 baseline and is a key deliverable under ASX's Climate Change Statement launched in FY22.
- > Targeting Net Zero Scope 1 and Scope 2 emissions in FY25. ASX will meet this target by decarbonising our operations by purchasing 100% renewable electricity and eliminating unavoidable residual emissions with high-quality Australian Carbon Credit Units (ACCU's).
- > Delivered a feasibility site assessment identifying a viable opportunity to install 80kW of rooftop photovoltaic at the Australian Liquidity Centre (ALC), with the potential to save 3,000 MWh or \$500,000 over the system's lifetime.

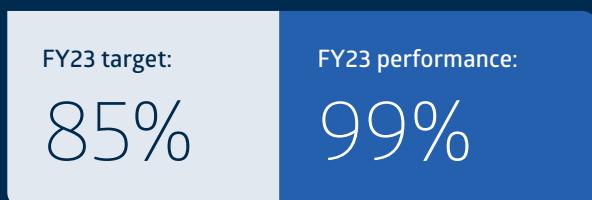
### Investing in a high-impact emission reduction project

- > ASX purchased a small amount of high quality Australian carbon credits (2% of total emissions) in FY23. These carbon credits support the Mount Sandy Conservation project in South Australia which ensures permanent protection for a regionally and culturally important pocket of biodiversity-rich land in partnership with its Traditional Owners.

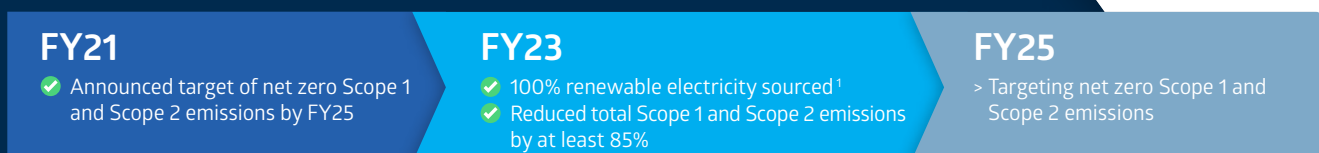
### ASX environmental initiatives

- > ASX has set out an e-waste strategy to embed sustainability in the end-to-end asset process (from purchase to disposal), ensuring that all e-waste is handled ethically, securely, and sustainably.
- > ASX implemented new energy saving projects, including a wide range of measures from improved heating, ventilation and air conditioning (HVAC) systems through to lighting upgrades. These energy saving projects will save an estimated \$30,000 (cost efficiencies) and 141.3 MW/year (consumption efficiencies).

### Scope 1 and Scope 2 emissions reduction compared to FY21 base year:



### Pathway to target of Net Zero Scope 1 and Scope 2 emissions by FY25



1. Relates to all electricity where ASX purchases directly from the retailer.

## Emissions data

ASX emissions data provided below relates to the financial year ending 30 June 2023, is reported on a financial control basis and is presented to the nearest significant figure.

| Greenhouse gas (GHG) emissions   | Unit                | FY23   | FY22   | % change from prior year |
|--|---------------------|--------|--------|--------------------------|
| Scope 1 – diesel and gas   | tCO <sub>2</sub> -e | 50     | 34     | 46.1%                    |
| Scope 2 – electricity <sup>1,2</sup>   | tCO <sub>2</sub> -e | 63     | 13,318 | (99.5%)                  |
| <b>GHG emissions by activity</b>   |                     |        |        |                          |
| Scope 1  |                     |        |        |                          |
| – combustion of diesel and gas   | tCO <sub>2</sub> -e | 50     | 34     | 46.1%                    |
| Scope 2 (market based) <sup>1</sup>  |                     |        |        |                          |
| – electricity (data centre customers) <sup>1,2</sup>   | tCO <sub>2</sub> -e | –      | 9,630  | (100%)                   |
| – electricity (ASX direct usage) <sup>1,2</sup>  | tCO <sub>2</sub> -e | 63     | 3,688  | (98.2%)                  |
| Scope 3  |                     |        |        |                          |
| – travel (business travel and commuting) <sup>3</sup>  | tCO <sub>2</sub> -e | 849    | 269    | 216.0%                   |
| – electricity usage (third party data centres) (market based) <sup>4</sup>                                   | tCO <sub>2</sub> -e | 1,561  | 1,589  | (2.2%)                   |
| – electricity usage (data centre customers and ASX direct usage) (market based) <sup>2</sup>                 | tCO <sub>2</sub> -e | 10     | 1,192  | (99.2%)                  |
| – paper usage (office) <sup>5</sup>  | tCO <sub>2</sub> -e | –      | –      | –                        |
| – paper usage (CHES statements and notifications) <sup>5</sup>   | tCO <sub>2</sub> -e | –      | –      | –                        |
| <b>Paper usage</b>   |                     |        |        |                          |
| Office use   | tonnes              | 2.1    | 2.0    | 6.1%                     |
| CHES statements and notifications  | tonnes              | 96     | 140    | (31.3%)                  |
| <b>Electricity and paper usage</b>   |                     |        |        |                          |
| Electricity GHG emission (excluding ASX's data centre hosting) per \$1,000 of revenue generated <sup>1</sup> | tCO <sub>2</sub> -e | 0.0138 | 0.0076 | 81.8%                    |
| Paper usage (excluding CHES statements and notifications) by headcount                                       | tCO <sub>2</sub> -e | 0.0022 | 0.0023 | (5.4%)                   |

1. The Scope 2 emission data in relation to electricity is reported on a market-based methodology. Under the location-based methodology, Scope 2 electricity emission would be 12,676 tCO<sub>2</sub>-e for FY23, and 13,318 tCO<sub>2</sub>-e for FY22.

2. Over 99% of the energy ASX purchased in FY23 to operate its buildings is via Australian Government's accredited renewable electricity product GreenPower purchased through our electricity retailer. The GreenPower program guarantees ASX's electricity use is matched with power from renewable electricity sources (such as solar, wind and biomass). ASX's residual electricity consumption is from satellite offices where GreenPower is not offered by the landlord.

3. Business travel increased in FY23 due to resumption of travel required for normal business operations following the lifting of COVID travel restrictions.

4. Emissions from Secondary Data Centre (SDC) and all other third party data centre sites where ASX does not have operational control over electricity usage have been classified as Scope 3.

5. All paper used in ASX offices is carbon neutral and there are no scope 3 emissions.

# Governance

The ASX Board believes that good governance underpins strong business performance and is essential to retaining the trust and goodwill of ASX's stakeholders, including shareholders, employees, regulators, customers, market participants, and the broader market.



89%

of our people believe that their direct manager genuinely cares about their wellbeing



90%

of our people believe that they have the flexibility needed to manage their work, caring responsibilities and other commitments



## ASX is committed to ensuring its governance arrangements are commensurate with the nature and scope of its operations

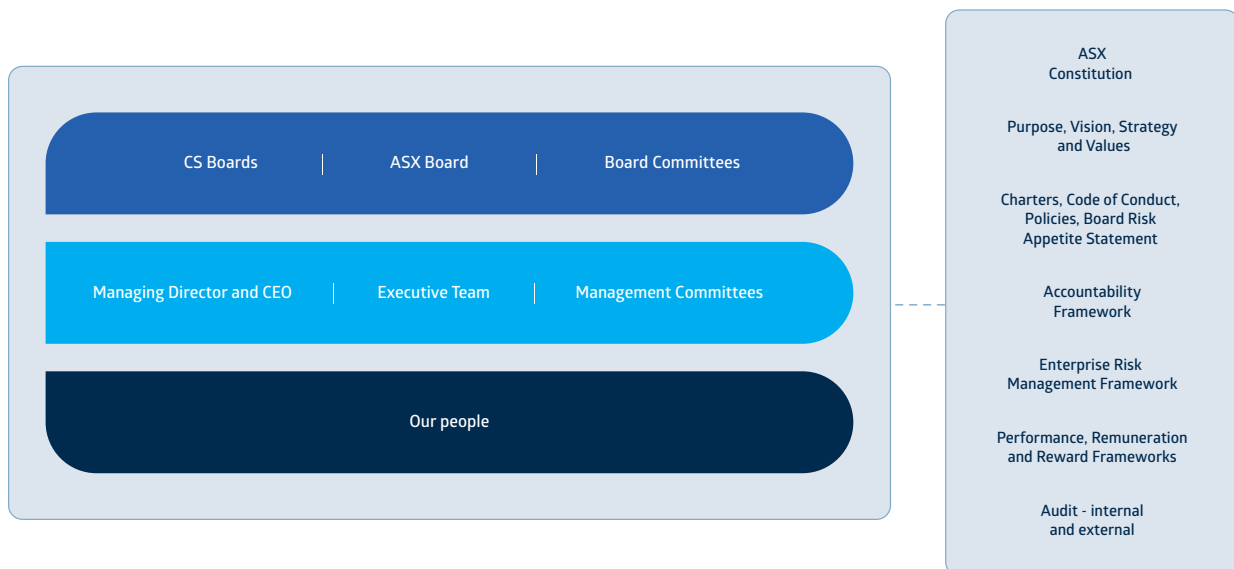
The ASX Group, which includes ASX and its related entities, provides critical market infrastructure to Australia and New Zealand's financial markets. The ASX Group's operations include holding licenses to operate markets and clearing and settlement facilities, and administering benchmarks. As a market licensee (operating the ASX market) and an ASX listed entity itself, ASX is regulated by ASIC. ASIC also regulates ASX's wholly-owned subsidiaries that operate the ASX24 Market and administer benchmarks.

ASX's clearing and settlement facilities (CS facilities) are operated by four wholly-owned subsidiaries (CS facility licensees)<sup>1</sup> that are regulated by ASIC and the Reserve Bank of Australia (RBA). Together with two intermediary holding companies<sup>2</sup>, these are referred to as the CS subsidiaries and are governed by their respective boards (collectively, the CS Boards). The CS facility licensees are subject to a number of regulatory obligations, including obligations relating to compliance with financial stability standards (FSS) determined by the RBA. The FSS include requirements relating to governance.

At the core of ASX's approach to governance are the eight corporate governance principles promoted by the ASX Corporate Governance Council:

- > Lay solid foundations for management and oversight
- > Structure the board to be effective and add value
- > Instil a culture of acting lawfully, ethically and responsibly
- > Safeguard the integrity of corporate reports
- > Make timely and balanced disclosure
- > Respect the rights of security holders
- > Recognise and manage risk
- > Remunerate fairly and responsibly

ASX has established a corporate governance framework within and by which authority is exercised and controlled within the ASX Group. The key elements of ASX's governance framework are set out in the diagram below:



The Board governance layer focuses on the role and responsibilities of the ASX Group Boards and Board Committees. The Management governance layer focuses on the role and responsibilities of the Managing Director and Chief Executive Officer (CEO) and Group Executives. The people governance layer focuses on the responsibility of our people for adhering to the ASX Values, the standards of behaviour set out in the ASX Code of Conduct and ASX policies and procedures.

The ASX Board and its committees periodically review ASX's corporate governance arrangements and practices to ensure they continue to be aligned with regulatory requirements, developments in recommended corporate governance practices, stakeholder expectations, and ASX's strategic objectives. Throughout the financial year ended 30 June 2023, ASX's corporate governance arrangements followed the fourth edition of the ASX Corporate Governance Council's corporate governance principles and recommendations.

- ASX Clear Pty Limited (ASX Clear) – a central counterparty for the ASX market and other approved Australian equity markets; ASX Clear (Futures) Pty Limited (ASX Clear (Futures)) – a central counterparty for the ASX24 market and for AUD and NZD-denominated OTC interest rate derivatives; ASX Settlement Pty Limited (ASX Settlement) – a securities settlement facility for the ASX market and other approved Australian equity markets; Austraclear Limited (Austraclear) – a securities settlement facility for Australia's wholesale debt market.
- ASX Clearing Corporation Limited is the intermediate holding company for ASX Clear and ASX Clear (Futures), and holds on trust the financial resources they may use in the event of a participant default. ASX Settlement Corporation Limited is the intermediate holding company for ASX Settlement and Austraclear Limited.

## ASX Limited Board of Directors



### DAMIAN ROCHE

**Independent, Non-Executive Director, Chair BCom,**

Damian Roche was elected ASX's Chair in April 2021 and has served as a director since August 2014. He is Chair of the Nomination Committee and has been a member of the Audit and Risk Committee and the People and Culture Committee since 21 April 2021.

Mr Roche is a director of ASX Clear (Futures) Pty Limited, the ASX clearing and settlement licensee for Australia's derivatives markets. He is also Chair of the intermediate holding companies for ASX's clearing and settlement licensees.

Mr Roche has over 30 years' experience in global financial markets, with extensive cross-asset class expertise spanning the equities, fixed income and commodities markets, with a specific focus on the Asia-Pacific region, including Australia. During his career, Mr Roche managed relationships with global investors and market participants, built new products and capabilities across sales, trading and execution, assessed and implemented related technology investments and liaised with regulators across multiple jurisdictions.

Mr Roche was a member of the global Corporate and Investment Bank Operating Committee for J.P. Morgan where he worked for 10 years. Mr Roche's final role at J.P. Morgan was Head of Markets and Investor Services Sales and Distribution for Asia-Pacific, based in Hong Kong.

Mr Roche is a director of Kaldor Public Arts Projects and HRL Morrison & Co Limited.



### HELEN LOFTHOUSE

**Managing Director and CEO, Executive Director**

*BSc (Hons), GAICD*

Helen Lofthouse commenced as ASX's Managing Director and Chief Executive Officer in August 2022. She is also a director of the ASX clearing and settlement licensees and their intermediate holding companies.

Ms Lofthouse is an accomplished financial markets executive with more than 25 years' experience in cash equity and debt markets, listed and OTC derivatives, and clearing and settlement services. She joined ASX in September 2015 and has held senior executive roles with the company, including Group Executive, Markets.

Prior to ASX, Ms Lofthouse was a Managing Director at UBS (2011-2015) with global responsibility for the OTC clearing business, and worked at J.P. Morgan in London (1998-2011) in various businesses including futures and OTC clearing, derivatives prime brokerage, credit markets and cash equities.

Ms Lofthouse was announced as one of the World Federation of Exchanges' Women Leaders for 2021 and is a Graduate of the Australian Institute of Company Directors.



### YASMIN ALLEN AM

**Independent, Non-Executive Director**  
*BCom, FAICD*

Yasmin Allen was appointed a director of ASX in February 2015. She has been a member of the Audit and Risk Committee since 2015 and the Technology Committee since its inception in May 2022. Ms Allen served as a director of ASX Clear (Futures) Pty Limited and Austraclear Limited, the ASX clearing and settlement licensees for Australia's derivatives, OTC and debt markets, and their intermediate holding companies, from August 2015 until June 2023.

Ms Allen has more than 20 years' experience in the finance industry, including in investment banking, and has expertise in financial services, strategy development and corporate governance.

Ms Allen was formerly a vice president at Deutsche Bank, a director at ANZ Investment Bank and an associate director at HSBC Group.

Ms Allen was appointed Chair of Future Skills Organisation (Department of Employment) in January 2020 and Chair of Tic:Toc Online in November 2021.

Ms Allen has been a director of Cochlear Limited since August 2010 and Santos Limited since October 2014. She was appointed a non-executive director of QBE Insurance Group Limited in July 2022. Ms Allen's previous appointments include director of Insurance Australia Group Limited between November 2004 and September 2015.

Ms Allen is also Chair of the Harrison Riedel Foundation for youth mental health, a director of the George Institute for Global Health, and Acting President of the Australian Government Takeovers Panel. She is also a Fellow of the Australian Institute of Company Directors.



### VICKI CARTER

**Independent, Non-Executive Director**  
*BA (Social Sciences), GradDipMgmt, GAICD*

Vicki Carter was appointed a director of ASX in February 2023. She is a member of the Nomination Committee, People and Culture Committee and Technology Committee.

Ms Carter brings more than 35 years' senior executive experience. She has developed deep skills in strategy, operations, sales, human resources and transformation delivery in a career that has spanned several sectors including banking, insurance, wealth management and telecommunications.

Ms Carter's most recent executive experience was at Telstra Corporation, where she served in Executive Director roles between 2015 and 2021. In that time, she was responsible for customer experience, product design and delivery, strategy and business service functions. She was also charged with overseeing delivery of T22, Telstra's multi-year transformation program.

Prior to her career with Telstra, Ms Carter held a number of executive roles at National Australia Bank, as well as product, business development and project director roles at MLC, ING Australia, Prudential Assurance and Australian Eagle.

Ms Carter has been a non-executive director of Bendigo and Adelaide Bank Limited since September 2018 and IPH Limited since October 2022. She has been Chair of Sandhurst Trustees Limited since July 2022. She is a Graduate of the Australian Institute of Company Directors.



### MELINDA CONRAD

**Independent, Non-Executive Director**  
*BA, MBA, FAICD*

Melinda Conrad was appointed a director of ASX in August 2016. She has been a member of the People and Culture Committee and the Nomination Committee since October 2019 and was appointed Chair of the People and Culture Committee in 2022. Ms Conrad has been a member of the Technology Committee since its inception in May 2022.

Ms Conrad has over 20 years' experience in business strategy and marketing, and brings skills and insights as an executive and director from a range of industries, including retail, financial services and healthcare.

Ms Conrad has been a strategy and marketing adviser, an executive with Colgate-Palmolive, and founded and managed a retail business.

Ms Conrad was appointed a director of Stockland Corporation Limited and Stockland Trust in May 2018, Ampol Limited in March 2017, and Penton Pty Ltd in August 2021. Ms Conrad's previous appointments include director of OFX Group Limited between September 2013 and September 2018, and The Reject Shop Limited between August 2011 and June 2017.

Ms Conrad is also a director of the Centre for Independent Studies, a member of the AICD Corporate Governance Committee and an Advisory Board Member of Five V Capital. She is also a Fellow of the Australian Institute of Company Directors.

## ASX Limited Board of Directors (continued)



### DAVID CURRAN

**Independent, Non-Executive Director**  
*BCom*

Dave Curran was appointed a director of ASX in March 2022. He is the inaugural Chair of the Technology Committee, established in May 2022, and a member of the Audit and Risk Committee.

Mr Curran has over 30 years' experience in the finance and technology sectors. He has built significant experience in digitally transforming organisations to better serve their customers and deliver stronger performance. He has led digital transformations and implemented large, complex projects across the Australian banking and financial services landscape.

Mr Curran was formerly Westpac's Group Chief Information Officer and has previously held executive technology roles at the Commonwealth Bank of Australia (CBA), where he led the Group's technology transformation including the industry-leading modernisation of CBA's deposit and lending capabilities.

Mr Curran is Chair of the Westpac Scholars Trust, which provides 100 scholarships every year to challenge, explore and set new benchmarks in innovation, research and social change. Since 2020, Mr Curran has been a Director of QBE's Australia Pacific Operations Board. He is also a board member of Tour de Cure, the cancer research, support and education charity.



### PETER MARRIOTT

**Independent, Non-Executive Director**  
*Retired 16 August 2023*  
*BEC (Hons) FCA, MAICD*

Peter Marriott was appointed a director of ASX in July 2009 and was Chair of the Board's Audit and Risk Committee from July 2009 to August 2021.

Mr Marriott has spent over 40 years in senior management roles in the finance industry, spanning international banking, finance and auditing. He was Chief Financial Officer of Australia and New Zealand Banking Group Limited (ANZ) from 1997 to May 2012. He also spent two years as Group Head of Risk Management. Prior to his career at ANZ, Mr Marriott was a partner of KPMG Peat Marwick specialising in the banking and finance, and information technology sectors.

Mr Marriott was a director of Westpac Banking Corporation from June 2013 until 14 December 2022.

He is a member of the Council of Monash University and is Chair of the Resources and Finance Committee of the Monash University Council. He is a Member of the Australian Institute of Company Directors.

On 2 February 2023, Mr Marriott announced that he would be retiring as a director of ASX at the conclusion of the August Board meeting which was held on 16 August 2023.



### PETER NASH

**Independent, Non-Executive Director**  
*BCom, FCA, F Fin, MAICD*

Peter Nash was appointed a director of ASX in June 2019. He has been Chair of the Audit and Risk Committee since August 2021, having served on the Committee since June 2020. He has also been a member of the Technology Committee since its inception in May 2022.

In his executive career, Mr Nash served as the National Chair of KPMG Australia from 2011 through 2017, having been admitted to the partnership in 1993. In this role, he also served as a member of KPMG's Global and Regional Boards and was the Chair of KPMG's Global Investment Committee. Mr Nash's previous positions with KPMG included Regional Head of Audit for Asia Pacific, National Managing Partner for Audit in Australia and head of KPMG Financial Services. In his role as National Chair, Mr Nash was responsible for the overall governance and strategic positioning of KPMG in Australia.

Mr Nash has worked in geographically diverse and complex operating environments providing advice on a range of topics including business strategy, risk management, internal controls, business processes and regulatory change. He has also provided both financial and commercial advice to Government businesses at both a Federal and State level.

Mr Nash has been Chair of Johns Lyng Group Limited since its admission to the official list of ASX in October 2017 and he has been a non-executive director of Westpac Banking Corporation since March 2018 and of Mirvac Group Limited since November 2018.

Mr Nash is a board member of the General Sir John Monash Foundation, Koorie Heritage Trust and The Social Policy Group.

Mr Nash is a Member of the Australian Institute of Company Directors.



### LUKE RANDELL

**Independent Non-Executive Director**  
*BBus, Grad Dip Fin Markets, CPA, MAICD*

Luke Randell was appointed a director of ASX in April 2023. Mr Randell is also a director of ASX's clearing and settlement licensees as well as the intermediate holding companies for the clearing and settlement licensees. He has also been a member of the Audit and Risk Committee since April 2023.

Mr Randell has developed close to 40 years' experience in financial services with the majority spent in capital and international markets following several senior roles with firms: Citi, Salomon Smith Barney and Natwest Markets.

Mr Randell was Head of Markets and Securities Service for Citi Australia and New Zealand from May 2017 to May 2022. Prior roles included being CEO, President and Head of Institutional Clients Group for Citi in Japan for five years, as well as Co Head of Global Markets and Head of Equities for Citi in Australia and New Zealand. Mr Randell spent almost four years in London where he was Citi's Head of Equity Derivatives for Europe, Middle East and Africa.

Mr Randell is a Member of the Australian Institute of Company Directors.



### DR HEATHER SMITH PSM FAIIA

**Independent, Non-Executive Director**  
*BEC (Hons), PhD*

Dr Heather Smith was appointed a director of ASX in June 2022. Dr Smith is a director of ASX Clear (Futures) Pty Limited and Austraclear Limited, the ASX clearing and settlement licensees for Australia's derivatives, OTC and debt markets, and their intermediate holding companies.

Dr Smith has extensive experience in public policy, innovation and technological change, national security and economic reform and a deep knowledge of government and the public sector.

Dr Smith has close to 20 years' experience working in the Australian Public Service at senior levels culminating in being Secretary of the Department of Industry, Innovation and Science from 2017 to 2020. She has also previously served as Secretary of the Department of Communications and the Arts.

Dr Smith has also held senior positions in the departments of Prime Minister and Cabinet, Foreign Affairs and Trade, and the Treasury, as well as the Office of National Intelligence. Dr Smith began her career at the Reserve Bank of Australia.

Dr Smith has a PhD in Economics from the Australian National University (ANU) and is a Professor at the ANU National Security College. She has been a non-executive director of Challenger Limited since January 2021 and chairs Challenger's Group Audit Committee. She is also an independent director of the Reef Restoration and Adaptation Program.

Dr Smith is a Fellow and National President of the Australian Institute of International Affairs.

# Governance

## The ASX Board believes that good governance underpins strong business performance

### The role of the ASX Board

The role of the ASX Board is to provide leadership, guidance, and oversight for the ASX Group. The ASX Board has a charter that sets out its composition, operating procedures, and the allocation of responsibilities between the ASX Board, the CS Boards, Board Committees, and management.

The ASX Board's responsibilities include approving the ASX Group's values, code of conduct, and key governance policies, defining the ASX Group's strategic objectives, approving the annual budget and financial plans, setting ASX's risk strategy and risk appetite, and appointing, replacing and assessing the performance of the CEO.

The ASX Board oversees the ASX Group's performance and progress against strategic objectives, including for consistency with ASX's risk management strategy and risk appetite.

The ASX Board has set ASX's vision as "ASX is in a new era. We are the market's choice, inspiring confidence and trust."

### The CS Boards

The role of the CS Boards is to provide leadership, guidance, and oversight of the CS facility licensees and ensure that the CS facility licensees meet their regulatory obligations. The CS Boards have their own charter that sets out their composition, operating procedures, and responsibilities.

### Board composition

The ASX Board currently comprises nine directors following the retirement of Peter Marriott from the ASX Board. This includes eight independent non-executive directors and one executive director, being the CEO.

The ASX Board has adopted guidelines on director independence and director tenure. ASX's policy and guideline regarding the assessment of director independence includes a materiality threshold to be applied when assessing whether customer, supplier, consultant or professional adviser relationships affect the independence of an ASX director.

The guidelines on tenure for the ASX Board provide that non-executive directors may serve up until the date of the 9th AGM after the date they are first elected at an AGM, and until the 12th AGM in the case of the ASX Chair. The ASX Board has discretion to extend the specified maximum term where the Board considers that an extension is in ASX's best interests.

The CS Board's Charter provides that at least half of the boards of ASX Clear Pty Limited and ASX Settlement Pty Limited, which provide clearing and settlement services for the ASX market and other approved Australian equity markets, must be non-executive directors who are not also directors of ASX.

Biographies (including tenure details) for all ASX Directors are provided on pages 40 to 43 and on the ASX website.

### Board Committees

The ASX Board has established four Board Committees to assist it in discharging its responsibilities – the Audit and Risk Committee, the Nomination Committee, the People and Culture Committee, and the Technology Committee. The four Board Committees also assist the CS Boards in discharging their responsibilities. The role and responsibilities of each Board Committee are set out in their charters that are published on the ASX website.

The Technology Committee was established as a committee of the ASX Board and the CS Boards in May 2022 to strengthen Board oversight of technology and data related strategies, operations, investments and projects, as well as technology related risks, including cyber security risks.

### Delegation to the CEO

The ASX Board has delegated the day-to-day management of ASX and the implementation of approved strategies and business plans to the CEO, who in turn delegates to the executive management team subject to the limits set by the Board. The CS Boards have also delegated day-to-day management of the CS subsidiaries to the CEO. The CEO is accountable to the Boards for the authority delegated to all levels of management.

The CEO's key responsibilities include:

- > Developing ASX's strategic objectives and strategies for Board approval
- > Instilling the ASX values across the ASX Group
- > Executing the Board-approved strategy and achieving ASX's strategic objectives
- > Day-to-day management and operation of the ASX Group in accordance with the risk appetite and policies set by the Board, including implementation of processes, policies, systems, and controls necessary or appropriate to manage the ASX Group
- > Timely presentation of information to the Boards and Board Committees to enable them to fulfil their responsibilities

The CEO has established an executive management team comprising the CEO and all Group Executives (Executive Team). The Executive Team meets regularly, and meetings are normally chaired by the CEO. ASX has also established a number of management committees comprised of senior executives that exercise certain delegated authorities from the CEO, including, the Technology Management Committee, Risk Committee, Continuous Disclosure Committee and Regulatory Committee. The Executive Team operates in parallel with these formal management committees and considers business division updates, strategy, new business initiatives, non-risk-related frameworks, people matters, budgets, risk, and escalation issues.













The Group Executive, Securities and Payments has been appointed the 'CS Lead Executive' for three of the CS facility licensees – ASX Clear, ASX Settlement and Austraclear. The Group Executive, Markets, has been appointed the 'CS Lead Executive' for ASX Clear (Futures). Each CS Lead Executive is accountable to the CS Boards for the operation of the relevant CS facility and the achievement of strategies and objectives for the CS facility as determined by the CS Boards.

The CEO is responsible for ensuring that sufficient resources are made available for the operation of the CS facilities. Resources are typically made available to ASX Group companies under an intra-group support agreement. This includes financial, human and technological resources, and any other resources required by the ASX Group.

## Board Skills Matrix

The ASX Board is comprised of experienced business leaders with a variety of professional backgrounds who collectively have extensive experience in the skill categories the Board has identified as necessary to enable the Board to discharge its responsibilities effectively.

The ASX Board has developed a Board Skills Matrix to capture the current mix of skills, experience and diversity on the Board. The Board reviews the Skills Matrix annually to ensure that the mix of skills on the Board remains appropriate and to inform director professional development and board succession planning. The Board's current assessment of its skills coverage is set out in the Skills Matrix below.

| Category                              | Description  | Strength of skill   |
|---------------------------------------|--|---|
| <b>Strategy</b>                       | Experience in defining strategic objectives, constructively challenging business plans and implementing strategy.  | <br>LOW STRONG VERY STRONG   |
| <b>Technology and data</b>            | Experience in overseeing the use and governance of critical information technology infrastructure, setting and overseeing the implementation of complex technology strategies, commercialisation of data products, the provision of technology services and cyber security.        | <br>LOW STRONG VERY STRONG   |
| <b>Risk management</b>                | Experience in identifying, and monitoring mitigation strategies for existing and emerging financial and non-financial risks, and in monitoring the effectiveness of risk management frameworks and practices.  | <br>LOW STRONG VERY STRONG   |
| <b>Customer</b>                       | Understanding of existing and evolving customer needs and trends. Experience in developing and delivering products and services focused on enhanced customer outcomes.   | <br>LOW STRONG VERY STRONG   |
| <b>People and culture</b>             | Experience in overseeing and assessing senior management, remuneration and reward frameworks, strategic human resource management and promoting and overseeing a safe, respectful and inclusive workplace culture aligned with corporate values.                                   | <br>LOW STRONG VERY STRONG |
| <b>Executive leadership</b>           | Successful career as a CEO or senior executive in a large, complex organisation.   | <br>LOW STRONG VERY STRONG |
| <b>Financial acumen</b>               | Experience in accounting, financial reporting and corporate finance including the ability to assess the quality of internal accounting, financial controls and financial reporting.  | <br>LOW STRONG VERY STRONG |
| <b>Stakeholder engagement</b>         | Experience in building and maintaining trusted and collaborative relationships with key stakeholders including regulators, industry and community groups and governments.  | <br>LOW STRONG VERY STRONG |
| <b>Regulatory and public policy</b>   | Ability in influencing public policy decisions and outcomes, assessing the impact of legal, public and regulatory policy developments on financial markets and corporations, and managing such impacts.  | <br>LOW STRONG VERY STRONG |
| <b>Financial markets and services</b> | Experience in the financial services industry (for example, broking, funds management, superannuation, investment banking), financial products and licensed financial markets including market infrastructure, pre-trade and post-trade services and maintaining market integrity. | <br>LOW STRONG VERY STRONG |
| <b>Corporate governance</b>           | Knowledge, experience and commitment to the highest standards of governance and experience in overseeing effective governance frameworks.  | <br>LOW STRONG VERY STRONG |
| <b>Environment and social</b>         | Experience in identifying and monitoring environmental and social risks and opportunities, setting and monitoring progress towards sustainability aspirations, knowledge of sustainability reporting standards and ability to assess the quality of sustainability reporting.      | <br>LOW STRONG VERY STRONG |

## Business Conduct

ASX's Code of Conduct, Anti-Bribery and Corruption, and Whistleblower Protection policies set the standards of behaviour expected from our people. These policies apply to directors, employees and contractors.

Material breaches of the Code of Conduct or the Anti-Bribery and Corruption Policy, or material incidents reported under the Whistleblower Protection Policy are reported to the Audit and Risk Committee and/or Board.

Regular employee training is provided on the Code of Conduct, the Anti-Bribery and Corruption Policy, and the Whistleblower Protection Policy.

An overview of ASX's Values program and People and Culture strategy is set out on pages 26 to 29.

# Governance

## Meeting attendances

The ASX and CS Boards meet as often as necessary to fulfil their role and directors are required to allocate sufficient time to perform their responsibilities effectively, including adequate time to prepare for Board meetings.

Agendas, papers and minutes of Board Committee meetings are made available to all ASX Group Directors (subject to any conflicts), and the Chair of each Board Committee reports to the ASX and CS Boards in relation to the business of each Committee meeting. This is to help ensure access to information regardless of committee membership.

The CEO, CFO, CRO, and Group General Counsel and Company Secretary generally attend all scheduled ASX and CS Board meetings and the other members of the Executive Team also regularly attend and present at Board meetings.

Management delivers deep dive presentations to the ASX Board throughout the year. The deep dives involve one of the four business units within the ASX Group (Listings, Markets, Technology and Data, and Securities and Payments) scheduled on a rotating basis, presenting an in-depth update on their business to the ASX Board. The presentations are delivered by the key members of the management team within the relevant business unit.

Details of the Board and Board Committee meetings held during the reporting period and Director attendances at those meetings are set out in the table below. Attendance at CS Boards meetings is reported for directors who are on one or more of the CS Boards and for meetings at which all directors are invited (it does not include any meetings of the non-ASX directors only).

| Director name                | ASX Board |          | Audit and Risk Committee |          | Nomination Committee |          | People and Culture Committee |          | Technology Committee |          | ASX Board Sub-Committee <sup>1</sup> |          | CS Boards |          |
|------------------------------|-----------|----------|--------------------------|----------|----------------------|----------|------------------------------|----------|----------------------|----------|--------------------------------------|----------|-----------|----------|
|                              | Held      | Attended | Held                     | Attended | Held                 | Attended | Held                         | Attended | Held                 | Attended | Held                                 | Attended | Held      | Attended |
| Damian Roche                 | 11        | 11       | 4                        | 4        | 4                    | 4        | 6                            | 6        | —                    | —        | 11                                   | 11       | 10        | 10       |
| Helen Lofthouse <sup>2</sup> | 10        | 10       | —                        | —        | —                    | —        | —                            | —        | —                    | —        | 4                                    | 4        | 10        | 10       |
| Yasmin Allen                 | 11        | 11       | 4                        | 4        | —                    | —        | —                            | —        | 5                    | 5        | —                                    | —        | 10        | 10       |
| Vicki Carter <sup>3</sup>    | 5         | 5        | —                        | —        | 2                    | 2        | 3                            | 2        | 1                    | 1        | —                                    | —        | —         | —        |
| Melinda Conrad               | 11        | 10       | —                        | —        | 4                    | 4        | 6                            | 6        | 5                    | 5        | 1                                    | 1        | —         | —        |
| David Curran                 | 11        | 11       | 3                        | 3        | —                    | —        | —                            | —        | 5                    | 5        | 4                                    | 4        | —         | —        |
| Ken Henry <sup>4</sup>       | 2         | 2        | 1                        | 1        | —                    | —        | —                            | —        | —                    | —        | —                                    | —        | 1         | 1        |
| Peter Marriott <sup>5</sup>  | 11        | 11       | 3                        | 3        | —                    | —        | —                            | —        | —                    | —        | 1                                    | 1        | 10        | 10       |
| Peter Nash                   | 11        | 11       | 4                        | 4        | —                    | —        | —                            | —        | 5                    | 5        | 8                                    | 7        | —         | —        |
| Luke Randell <sup>6</sup>    | 3         | 3        | 1                        | 1        | —                    | —        | —                            | —        | —                    | —        | —                                    | —        | 2         | 2        |
| Heather Ridout <sup>7</sup>  | 7         | 7        | —                        | —        | 2                    | 2        | 3                            | 3        | —                    | —        | —                                    | —        | —         | —        |
| Heather Smith                | 11        | 11       | —                        | —        | —                    | —        | —                            | —        | —                    | —        | —                                    | —        | 1         | 1        |
| Dominic Stevens <sup>8</sup> | 1         | 1        | —                        | —        | —                    | —        | —                            | —        | —                    | —        | —                                    | —        | —         | —        |
| Rob Woods <sup>9</sup>       | 7         | 7        | 3                        | 3        | —                    | —        | —                            | —        | —                    | —        | —                                    | —        | 6         | 6        |

### Directors on CS Boards (non-ASX)

|                |   |   |   |   |   |   |   |   |   |   |   |   |    |    |
|----------------|---|---|---|---|---|---|---|---|---|---|---|---|----|----|
| Carolyn Colley | — | — | — | — | — | — | — | — | 5 | 5 | 1 | 1 | 10 | 10 |
| Stephen Knight | — | — | — | — | — | — | — | — | — | — | 1 | 1 | 10 | 10 |
| Adrian Todd    | — | — | — | — | — | — | — | — | — | — | — | — | 10 | 10 |

1. ASX Board subcommittees are formed to deal with ad-hoc and financial matters throughout the year. Attendance is reported only in respect of sub-committees formed by the ASX Limited Board or jointly with one or more of the CS Boards. Sub-committee meetings for the CS Boards only are not reported.

2. Appointed an ASX director on 1 August 2022.

3. Appointed an ASX director on 2 February 2023.

4. Retired on 28 September 2022.

5. Retired on 16 August 2023.

6. Appointed an ASX director on 3 April 2023.

7. Retired on 15 February 2022.

8. Retired on 31 July 2022.

9. Retired on 14 March 2023.



### Annual Corporate Governance Statement

Further information on ASX's governance arrangements, including ASX's most recent annual corporate governance statement, is available on ASX's website at:

[www.asx.com.au/about/corporate-governance](http://www.asx.com.au/about/corporate-governance)



# Remuneration report

Dear fellow shareholders,

The 2023 financial year has been one of significant change for ASX. We have set a new purpose, vision, strategy and values to focus the collective efforts of our people and investments over the next five years. From a people and culture perspective, the actions we have taken this year to support the new era ASX include:

- > **Continuing our program of board renewal**, welcoming two new non-executive directors in FY23. At the completion of FY23, 45% of non-executive directors were appointed in the last two years. These appointments prioritised experience in technology, cyber, organisational transformation, stakeholder relationships and insights, and public policy.
- > **Transforming the Executive Team** of the organisation with six new appointments within the financial year, including the appointment of our new CEO, Helen Lofthouse. These appointments are comprised of a balance of promotions from within ASX's strong pool of talented leaders and external hires. We believe this leadership team will provide fresh perspectives and drive our new cultural change program.
- > **Reviewing our governance arrangements**, including board and committee charters. The newly established Board Technology Committee operated for its first full financial year, chaired by David Curran. This strengthened board oversight of large technology projects, including the CHES replacement program.
- > **Uplifting our remuneration governance framework** to ensure remuneration outcomes are appropriate, including the implementation of a new accountability framework and a review of our Remuneration Adjustments Policy.
- > **Reviewing Executive Team contracts** to ensure they are fit for purpose and allow the appropriate governance over all remuneration.
- > **Designing a revised executive remuneration framework** for FY24 which aligns to our new strategy. In designing this approach, we have noted our shareholders' preference for a greater portion of the variable reward framework to be aligned to long-term performance. The new framework is discussed later in this letter.

ASX operates critical market infrastructure underpinning the Australian financial system. We are acutely aware of the responsibilities that come with that. We believe these changes create a strong platform to create the new era ASX.

## The company's 2023 financial year performance and impact on variable reward outcomes

The Board has considered the results ASX has achieved over the financial year. ASX segment operating revenue was our second highest on record at \$1,010.2 million, although this was down 1.2% when compared to FY22. This was driven by weaker equity trading activity which primarily impacted Markets and Securities and Payments performance. Total segment expenses grew by 12.3%, aligned with previous guidance, primarily influenced by ASX's investment in regulatory response and technology modernisation initiatives. Statutory net profit after tax (NPAT) was \$317.3 million, down 37.6% on FY22 reflecting the impact of the derecognition of the CHES replacement project costs. Underlying net profit after tax (NPAT) was 3.4% lower than FY22 at \$491.1 million. Detail about ASX's financial performance is available in the Operating and Financial Review on pages 10 to 23 of this report.

At the 2022 Annual General Meeting, just over 30% of the votes cast by shareholders were against the 2022 Remuneration Report, which meant we incurred a first strike. The ASX Chair and I have spoken to many shareholders and their advisers to understand their concerns. As a Board, we reflected deeply on this feedback, and we understand that those who voted against the Remuneration Report felt the initial re-plan and subsequent review of the CHES replacement project was not appropriately reflected in the 2022 variable remuneration outcomes for executives. We have considered this feedback when determining remuneration outcomes for 2023.

In determining the 2023 remuneration outcomes, the Board considered the impact of pausing the CHES replacement project and the derecognition charge incurred in FY23 (\$251.9 million pre-tax), which has materially impacted ASX's statutory profit. The Board has determined to fund the short term variable reward (STVR) pool at 50% for the Executive Key Management Personnel (KMP) and other members of the Executive Team. The Board considers this aligns with the overall result of the company and the impact to shareholders, while allowing appropriate reward for executives not accountable for the CHES replacement project prior to the return to solution design in November 2022. The Group's performance is outlined in table 2.3.

For those Executives involved in the CHES replacement project prior to November 2022, the Board then applied further downward discretion using our new accountability framework. More specifically, the following outcomes were determined:

- > Individual Executive Team members directly accountable for the CHES replacement project have had their STVR outcomes adjusted to between 20% and 50% of target.
- > STVR outcomes for other employees have been adjusted in line with the accountability of their role on the CHES replacement project.
- > The Board has applied malus<sup>1</sup> to cancel:
  - deferred STVR awarded in FY22 to executives responsible for the project as outlined in section 2.2; and
  - all outstanding long term variable reward (LTVR) for the former CEO and the former Deputy CEO.

We believe these adjustments reflect our commitment to ensuring that executive remuneration outcomes are aligned to ASX's performance and the value created for all our stakeholders.

1. Malus is the cancellation or lapse of variable remuneration that has not yet been realised or vested without restriction.

# Remuneration report

## Creating stronger alignment between the value created for stakeholders and executives' reward

During the year, the Board undertook a review of the executive remuneration framework for FY24 in support of ASX's five-year strategy. Based on this review, combined with feedback from key stakeholders, the following four areas of change are proposed:

1. Extending the LTVR to the Executive Team;
2. Adoption of an underlying return on equity (ROE) hurdle to replace the current earnings per share (EPS) growth hurdle to better align with shareholder outcomes;
3. Adopting a broad index peer group for our relative total shareholder return (TSR) peer group, aligning with market practice for other global exchanges; and
4. Modifying the STVR to defer 50% of any award, with the deferred portion vesting subject to continued service split evenly over one and two years. This change, when combined with the proposed LTVR scheme, provides a staggered vesting of remuneration across one, two or four years. A review of risk management issues will continue to be performed by the Board prior to any testing of the STVR and LTVR under the new framework.

We believe these changes will better align the Executive Team's remuneration with the value created for our shareholders. For further details on the proposed executive remuneration framework for FY24, please refer to section 4 of this Report.

Change brings uncertainty. Despite this, our people have not wavered in their focus to operate safe and effective market infrastructure for Australia. The Board would like to thank our people for their efforts.

On behalf of the Board, I encourage you to read the report in full and we welcome your feedback.



**Melinda Conrad**

Chair, People and Culture Committee

# Remuneration report

## Contents

|  |    |
|--|----|
| 1. Key management personnel covered in this report   | 49 |
| 2. Snapshot of FY23 Group performance and reward     | 50 |
| 3. Executive remuneration framework                  | 55 |
| 4. Proposed remuneration framework from FY24         | 60 |
| 5. Remuneration governance                           | 62 |
| 6. Statutory remuneration disclosure – Executive KMP | 64 |
| 7. Non-executive director remuneration arrangements  | 67 |

## 1. Key Management Personnel covered in this report

This Remuneration Report details the performance and remuneration of Key Management Personnel (KMP) for FY23. KMP is defined as persons having authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. The KMP comprises:

- > non-executive directors of ASX Limited
- > the CEO and Executive Team members who are accountable for managing critical business activities that uphold ASX's licences to operate, financial control, or risk functions (collectively termed Executive KMP).

| Name                                  | Role  | Term as KMP                |
|---------------------------------------|---|----------------------------|
| <b>Non-executive directors</b>        |   |                            |
| D Roche                               | Non-executive director  | Full year                  |
| Y A Allen                             | Non-executive director  | Full year                  |
| V A Carter                            | Non-executive director  | Commenced 2 February 2023  |
| M B Conrad                            | Non-executive director  | Full year                  |
| D T Curran                            | Non-executive director  | Full year                  |
| P R Marriott                          | Non-executive director  | Full year                  |
| P S Nash                              | Non-executive director  | Full year                  |
| L A Randell                           | Non-executive director  | Commenced 3 April 2023     |
| H J Smith                             | Non-executive director  | Full year                  |
| <b>Former non-executive directors</b> |   |                            |
| K R Henry                             | Non-executive director  | Ceased 28 September 2022   |
| H M Ridout                            | Non-executive director  | Ceased 15 February 2023    |
| R J Woods                             | Non-executive director  | Ceased 14 March 2023       |
| <b>Executive KMP</b>                  |   |                            |
| H M Lofthouse <sup>1</sup>            | Managing Director and Chief Executive Officer (CEO)                   | Full year                  |
| H J Treleaven                         | Chief Risk Officer (CRO)  | Full year                  |
| A L Tobin                             | Chief Financial Officer (CFO)   | Commenced 5 September 2022 |
| D C Yip                               | Group Executive, Markets (GE Markets)                                 | Commenced 13 March 2023    |
| <b>Former Executive KMP</b>           |   |                            |
| D J Stevens                           | Managing Director and Chief Executive Officer (former CEO)            | Ceased 31 July 2022        |
| T J Hogben                            | Group Executive, Securities and Payments (GE Securities and Payments) | Ceased 20 June 2023        |
| G L Larkins                           | Chief Financial Officer (former CFO)                                  | Ceased 31 August 2022      |

1. Helen Lofthouse became CEO on 1 August 2022. Her prior role was Group Executive, Markets.

# Remuneration report

## 2. Snapshot of FY23 Group performance and reward

### 2.1 Remuneration received or available in the financial year for current Executive KMP

This section provides a snapshot of the performance of the Group and the corresponding remuneration outcomes for current Executive KMP. The remuneration illustrated in section 2.1 has been provided as additional non-statutory information to assist in understanding the total value of remuneration received by Executive KMP in the current and prior financial years. The value of equity in this section is calculated in a different way to the statutory disclosure in section 6 of this Remuneration Report, as detailed in the footnotes below the table.

| Current <sup>6</sup>                              | Year | Previous year awards that vested during the year |                                 |                           |           |                                   |                          | Total remuneration |
|---|------|--|---------------------------------|---------------------------|-----------|-----------------------------------|--------------------------|--------------------|
|   |      | Fixed remuneration <sup>1</sup>                  | Other remuneration <sup>2</sup> | STVR awarded <sup>3</sup> | Sub-total | Deferred STVR vested <sup>4</sup> | LTVR vested <sup>5</sup> |                    |
|   |      | a  | b                               | c                         | d=a+b+c   | e                                 | f                        | g=d+e+f            |
| H M Lofthouse <sup>7</sup><br>CEO                 | 2023 | 1,909,615  | 3,927                           | 400,000                   | 2,313,542 | —                                 | —                        | 2,313,542          |
|   | 2022 | 825,000  | 1,928                           | 380,000                   | 1,206,928 | —                                 | —                        | 1,206,928          |
| A L Tobin <sup>8</sup><br>Chief Financial Officer | 2023 | 649,652  | 3,403                           | 235,134                   | 888,189   | —                                 | —                        | 888,189            |
| H J Treleaven <sup>9</sup><br>Chief Risk Officer  | 2023 | 1,100,000  | 5,047                           | 100,000                   | 1,205,047 | 215,501                           | —                        | 1,420,548          |
|   | 2022 | 940,000  | 2,825                           | 126,000                   | 1,068,825 | 137,717                           | —                        | 1,206,542          |
| D C Yip <sup>8</sup><br>GE Markets                | 2023 | 276,923  | 958                             | 102,132                   | 380,013   | —                                 | —                        | 380,013            |
| Total   | 2023 | 3,936,190  | 13,335                          | 837,266                   | 4,786,791 | 215,501                           | —                        | 5,002,292          |
|   | 2022 | 1,765,000  | 4,753                           | 506,000                   | 2,275,753 | 137,717                           | —                        | 2,413,470          |

1. Base salary, superannuation, non-monetary benefits and benefits that have been salary sacrificed such as participation in the Employee Share Plan, car parking and associated fringe benefits tax.

2. Salary continuance insurance for all Executive KMP.

3. The portion of STVR awarded for the current financial year in cash. The remaining portion of STVR in respect of FY23 but deferred for two and four years, is shown in table 6.1.

4. The value of deferred STVR awarded in prior years as restricted ASX ordinary shares that vested in the current financial year. The value disclosed is based on the five-day volume weighted average price of ASX ordinary shares up to and including the vesting date. Helen Lofthouse had deferred STVR vest to the value of \$499,879 relating to her role performed prior to becoming a KMP.

5. The value of LTVR vested, calculated using the total number of rights vested, multiplied by the five-day volume weighted average price of ASX ordinary shares up to and including the vesting date. No LTVR vested for current Executive KMP.

6. Dominic Stevens, Gillian Larkins and Timothy Hogben ceased as Executive KMP during the year. Details of former Executive KMP remuneration can be found in table 6.1.

7. Helen Lofthouse commenced as CEO on 1 August 2022. Her remuneration has been pro-rated between her CEO role and her former role as Group Executive, Markets.

8. Andrew Tobin and Darren Yip commenced on 5 September 2022 and 13 March 2023 respectively and their remuneration has been pro-rated to reflect their period of service.

9. Hamish Treleaven received a fixed remuneration increase for FY23 to reflect the market pay rate for his role.

# Remuneration report

## 2. Snapshot of FY23 Group performance and reward continued

### 2.2 Adjustments to remuneration outcomes

In FY22, STVR outcomes were adjusted in relation to the CHES replacement project to reflect information known by the Board at the time. This included consequences for the pause to the CHES replacement project and the impact the delay had on our customers and other stakeholders. The Board reduced the CEO STVR by 40% of target, the GE Securities and Payments by 20% and the CRO by 10%.

In FY23, following the external review into aspects of the CHES replacement project and the announced return to solution design, the Board has determined that further remuneration consequences be applied under ASX's Consequence Management Framework and in line with ASX's Remuneration Adjustments Policy. This policy is designed to support consistency and fairness in determining remuneration adjustments based on an assessment of the severity of the matter as well as the level of individual accountability.

In August 2023, the Board determined to make further adjustments to the variable remuneration of Executive Team members and senior leaders outlined in the following table.

| Award                              | Impacted employees   | Adjustment  |
|------------------------------------|--|---|
| FY23 total STVR                    | Executive Team members directly accountable for the CHES replacement project prior to November 2022.                         | Reduction of up to 80% of target.   |
|                                    | The Executive Team.  | The Executive Team have had their STVR outcome managed within the revised STVR pool of 50% of target. |
| FY22 deferred STVR                 | Executive Team members and other senior leaders with accountability for the CHES replacement project prior to November 2022. | Up to 100% of deferred STVR in relation to FY22 has been cancelled by the Board.                      |
| FY19 and FY20 deferred STVR awards | Former Deputy CEO (former CHES replacement executive sponsor).   | 100% of outstanding deferred STVR awards were cancelled.  |
| LTVR awards (2018 to 2021)         | Former CEO and Deputy CEO.   | 100% of outstanding LTVR awards were cancelled.   |

### 2.3 FY23 Group performance

The following tables summarise the Group's FY23 performance. In FY23, there were two aspects of the CHES replacement project: the project prior to November 2022 and the new solution design. Metrics in the scorecard reflect the new solution design activities, however the Board has reflected on the impacts of the CHES replacement project prior to November 2022 and associated derecognition charge in determining the factor applied to the Executive Team. The Board considers the Group reward pool of 90% appropriately reflects the underlying performance of the Group in FY23. The Board exercised discretion to then further reduce the factor that applies to the Executive Team to 50% of target.

| Target  | Outcome  | Reward pool (% of target) |
|---|--|---------------------------|
| Group performance excluding CHES replacement project prior to November 2022                     | The Group reward pool was set based on the Group scoreboard outlined in the following table.   | 90%                       |
|   | ↓  |                           |
| Board discretion CHES replacement project prior to November 2022 and impact on statutory profit | <p>The Board considered the decision to return to solution design for the CHES replacement project and:</p> <ul style="list-style-type: none"> <li>&gt; the impact on ASX's reputation</li> <li>&gt; the impact to ASX's statutory profit, which was reduced by the derecognition of the capitalised software costs.</li> </ul> <p>While statutory profit is not an item in the Group scorecard, the Board has exercised discretion to adjust the reward pool for Executive KMP and other Executive Team members down by 40% to reflect the collective leadership accountability for this issue.</p> | (40%)                     |
|   | ↓  |                           |
| Final Executive Team reward pool  |  | 50%                       |

# Remuneration report

## 2. Snapshot of FY23 Group performance and reward continued

### 2.3 FY23 Group performance continued

| Target   | Outcome   | ● Not met | ● Met | ● Exceeded |
|--|---|-----------|-------|------------|
| <b>Underlying financial performance</b><br>> Expense growth 10%–12%  | > Revenue <sup>1</sup> \$1,010.2 million, down 1.2% on FY22.<br>> Expenses 12.3% growth, in line with year-end guidance.<br>> Underlying Net Profit After Tax \$491.1 million, down 3.4% on FY22.<br>> Dividends per share 228.3 cents, fully franked, down 3.4% on FY22. Payout ratio 90%.<br>While underlying performance was in line with target, the Board has considered the impact on statutory profit of the CHES replacement derecognition charge and applied discretion in determining the reward pool that applies to the Executive Team, outlined in the previous table.   |           | ●     |            |
| <b>Risk management and regulatory commitments</b><br>> Improved risk culture<br>> Improved relationship with regulators through quality and timely delivery of regulatory projects | > Risk culture outcomes consistent with prior year on awareness (89%) and speak up (86%), down slightly on leadership (86%). Risk culture benchmarked against other Australian financial institutions with action plans in place for identified gaps.<br>> Relationship with regulators has been extensive with a focus on timely, quality reporting and constructive dialogue. 'Top 10' regulatory projects delivered on time and to scope including CHES related special reports.<br>> Further work needed to ensure that ASX operates consistently within risk appetite, given heightened regulatory, reputational and technological challenges. |           | ●     |            |
| <b>Project delivery uplift</b><br>> Uplift reliability, predictability and quality of project delivery capability  | > 100% of delivery quality uplift initiatives for FY23 completed on time.<br>> New Effective Quality Delivery frameworks built and implemented to increase testing capability and capacity planning.<br>> New project governance framework established to support portfolio delivery efficiency.  |           | ●     |            |
| <b>Technology renewal</b><br>> Modernise priority technology assets in line with aged asset remediation plan<br>> Enhance technology system risk assessment                        | > Aged asset remediation plans developed and delivery in progress. Two system capacity uplift projects have been completed outside of the financial year target completion dates.<br>> New technology governance framework design in progress, with external benchmarking underway. This includes a new system risk assessment process, framework and monitoring.   |           | ●     |            |
| <b>Technology performance</b><br>> Uptime >99.95% across five key systems<br>> Robust, reliable service delivery meeting uptime requirements                                       | > No significant issues in service delivery, 100% uptime across the five key systems exceeding target of 99.95%.<br>> Minimal uptime issues across all 26 key systems and no capacity related system issues experienced.  |           |       | ●          |
| <b>Leadership, culture and employee experience</b><br>> Deliver new purpose, vision and values<br>> Improved employee engagement<br>> Improved gender diversity                    | > Developed and launched the new purpose, vision, strategy and values to drive the new era ASX.<br>> Gender diversity reduced slightly across both leadership roles (37% female, down 1%) and across all ASX employees (41%, down 1%). We believe diversity matters and will continue to prioritise improving diversity within ASX.<br>> Employee engagement in annual survey increased by 3% in FY23.<br>> Recognised as an Employer of Choice by the Workplace Gender Equality Agency.  |           | ●     |            |
| <b>Redesign of CHES replacement</b><br>> External review and special report<br>> Evaluate solution options for CHES replacement<br>> Develop stakeholder engagement strategy       | > Completed external review into aspects of CHES replacement by November 2022 and publicly communicated findings in 2022.<br>> Delivery of the CHES Special Report, plus independent Audit of the content by 28 April 2023 and 31 May 2023 respectively.<br>> Stakeholder engagement strategy developed, Technical Committee and Partnership Program in place to support stakeholder participation in CHES replacement. Advisory Group also being established.  |           |       | ●          |

### 2.4 FY23 Executive KMP short-term variable reward outcomes

The STVR for Executive KMP is based on a combination of the Group's performance (the Group reward pool) and an individual's performance. Subject to the Group reward pool, Executive KMP may typically receive an STVR payment around their target opportunity where they have achieved their goals. Goals are drawn from the strategic priorities, the Group Scorecard and individual goals based on the accountabilities of the Executive KMP's role. The ASX values and risk management are also explicitly considered when evaluating an Executive KMP's performance, as they guide the way Executive KMP behave in achieving their goals and how they manage risk. The STVR pool for the Executive Team was 50%, however the average Executive KMP STVR was 60% as two Executive KMP joined within the financial year and were not accountable for the CHES replacement project prior to November 2022.

1. Represents > operating revenue as defined in Note B1. Segment Reporting in the financial statements.

# Remuneration report

## 2. Snapshot of FY23 Group performance and reward continued

### 2.4 FY23 Executive KMP short-term variable reward outcomes continued

Table 2.4 sets out the STVR outcomes for FY23

|                        | Total STVR awarded <sup>1,2</sup> |           | Cash payable August 2023 | STVR deferred for 2 years (vesting August 2025) <sup>3</sup> | STVR deferred for 4 years (vesting August 2027) <sup>3</sup> |
|------------------------|-----------------------------------|-----------|--------------------------|--|--|
|                        | Final %                           | \$        | \$                       | \$   | \$   |
| <b>Current</b>         |                                   |           |                          |  |  |
| H M Lofthouse          | 50                                | 1,000,000 | 400,000                  | 300,000  | 300,000  |
| A L Tobin <sup>4</sup> | 90                                | 587,836   | 235,134                  | 176,351  | 176,351  |
| H J Treleaven          | 50                                | 250,000   | 100,000                  | 75,000   | 75,000   |
| D C Yip <sup>4</sup>   | 90                                | 255,329   | 102,132                  | 76,599   | 76,599   |
| <b>Former</b>          |                                   |           |                          |  |  |
| T J Hogben             | 20                                | 164,789   | 65,916                   | 49,437   | 49,437   |

1. Total STVR award including cash payment and deferred component.

2. The STVR forfeited is determined by subtracting the 'total STVR awarded %' from the maximum potential STVR of 150% of target. The average STVR forfeited by Executive KMP in FY23 was 90% of the maximum potential STVR (compared to 63% of the maximum potential STVR in FY22).

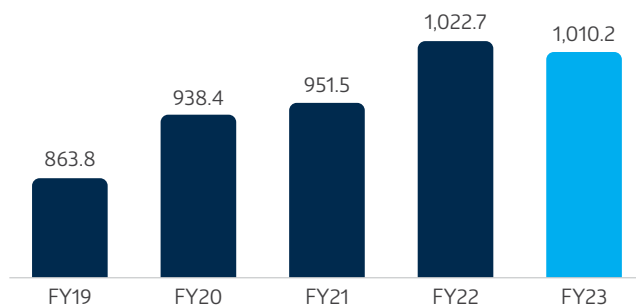
3. The deferred STVR awards are subject to continued employment over the deferral period.

4. Andrew Tobin and Darren Yip commenced on 5 September 2022 and 13 March 2023 respectively and their remuneration has been pro-rated to reflect their period of service.

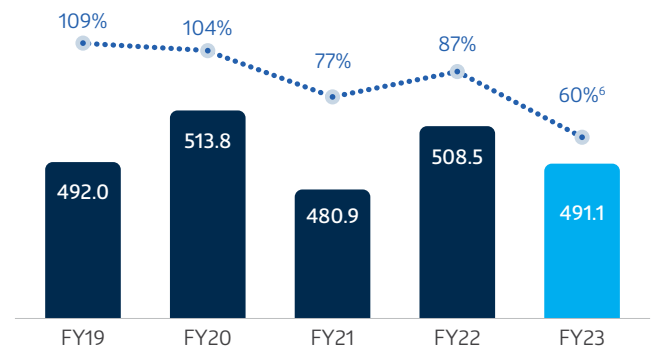
### 2.5. Long-term performance

Through the continued execution of our strategy, we are working towards the ongoing delivery of attractive returns to shareholders over time. The following charts illustrate the long-term performance of the Group against key financial metrics.

#### Operating revenue (\$ million)<sup>5</sup>

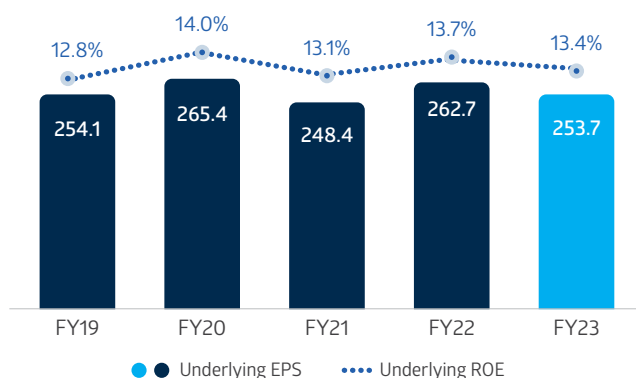


#### Underlying net profit after tax (\$ million) and STVR outcome (% of target) for Executive KMP



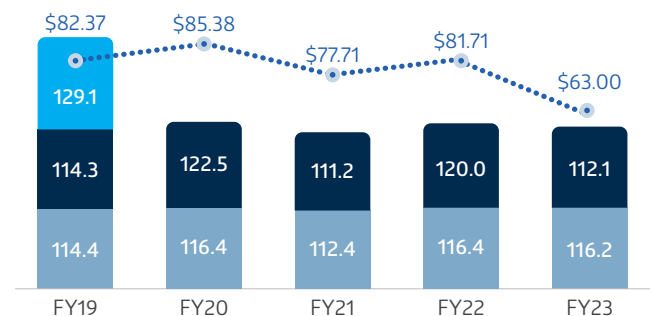
● Underlying net profit after tax ● Average Executive KMP STVR outcome

#### Underlying earnings per share (cents) and underlying return on equity (%)



● Underlying EPS ● Underlying ROE

#### Dividends per share (cents) and ASX share price (dollars)



● Interim ● Final ● Special ● ASX share price (\$ at the end of the financial year)

5. Represents operating revenue as defined in Note B1. Segment Reporting in the financial statements.

6. Average FY23 STVR for Executive KMP was 60%. The STVR for the Executive Team was managed within the 50% STVR pool.

# Remuneration report

## 2. Snapshot of FY23 Group performance and reward continued

### 2.5. Long-term performance continued

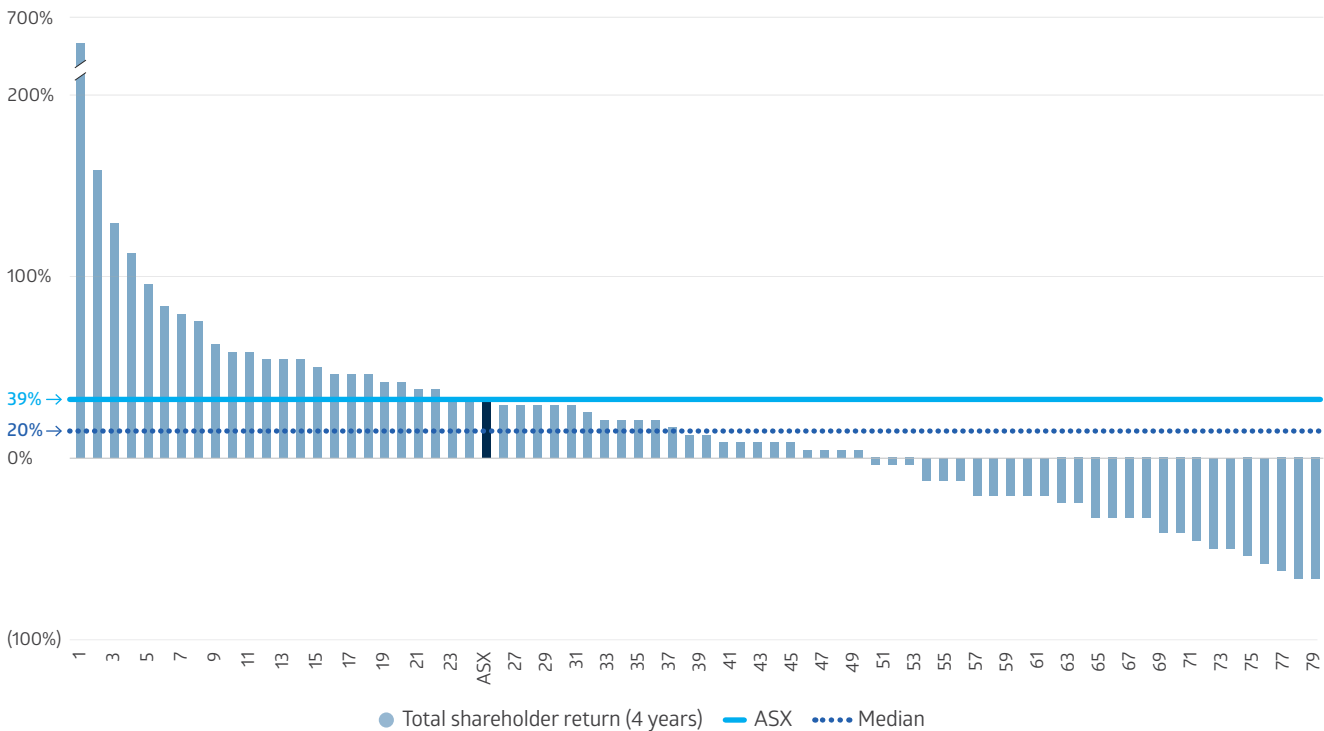
#### Impact on executive reward

ASX's remuneration framework focuses Executive KMP on attaining long-term, sustainable performance. This is achieved by connecting our Executive KMP to the experience of shareholders through equity-based deferral of their STVR and through the LTVR. The LTVR rewards the achievement of challenging performance hurdles based on the underlying EPS compound annual growth rate and ASX's relative TSR compared to other ASX 100 companies, excluding property trusts. Both performance measures are assessed over four years.

In FY23, the 2018 LTVR grant was tested.

- > ASX's underlying EPS compound annual growth rate over the four years to 30 June 2022 was 2.24%, which did not meet the minimum performance hurdle of 5.10%, and this award subsequently lapsed. ASX's long-term underlying EPS can be seen on the preceding chart.
- > ASX's relative TSR was in the 69th percentile of the peer group and therefore 79.6% of the TSR-related portion of this award was due to vest. The relative TSR of ASX compared to the peer group can be seen in the following chart.
- > The Board exercised discretion to cancel all outstanding LTVR awards issued between 2018 to 2021 to the former CEO (Dominic Stevens) and former Deputy CEO (Peter Hiom), due to the status of the CHES replacement project. There are no outstanding LTVR awards for the former CEO or former Deputy CEO.

ASX four-year relative TSR against the ASX 100, excluding property trusts





# Remuneration report

## 3. Executive remuneration framework

### 3.1 Application of reward principles

The Board has determined six principles which provide a clear link between our vision, our business strategy and our remuneration framework. A summary of the remuneration principles and their delivery through the remuneration framework is provided below.

| Principle  | Execution  |
|--|--|
|  <p><b>Vision and strategy</b><br/>Supports the realisation of ASX's vision and its strategy to create long-term, sustainable shareholder value</p>           | <ul style="list-style-type: none"> <li>&gt; To support the realisation of ASX's vision and delivery of our strategy, Executive Team members are rewarded for both the short-term and long-term performance of the Group.</li> <li>&gt; The STVR is based around a target outcome and adjusted to recognise the achievement of goals within the financial year that are aligned to ASX's strategy.</li> <li>&gt; The LTVR is aligned to the creation of shareholder value through the relative TSR and EPS hurdles.</li> <li>&gt; A portion of total variable award is managed through the compulsory deferral in ASX shares, creating alignment with shareholders through the performance of ASX's share price.</li> </ul>                           |
|  <p><b>Customer-focused</b><br/>Reflects the outcomes achieved for ASX's customers</p>  | <ul style="list-style-type: none"> <li>&gt; Both the performance of the Group overall and the performance of individual Executive Team members are assessed against the strategic priorities, with customer-focused goals playing a significant role.</li> <li>&gt; In determining final variable remuneration outcomes, the Board assesses Executives' roles in leading a customer-focused culture and takes into account the range of customer outcomes that have been achieved in the performance period.</li> </ul>  |
|  <p><b>Holistic performance</b><br/>Applies appropriate financial and non-financial performance measures and reflects the accountabilities of each role</p> | <ul style="list-style-type: none"> <li>&gt; Executive Team members deliver value through their achievement of financial goals, quantifiable non-financial goals and delivering against the core accountabilities of their role. ASX believes it is also important how an Executive achieves their results, and measures their demonstration of behaviours aligned to ASX's values.</li> <li>&gt; To determine what reward may be provided to the Executive Team each year a performance assessment is undertaken that includes a self-assessment, CEO assessment and Board assessment. This process incorporates subsidiary board or committee feedback where appropriate and an assessment of risk management by the Chief Risk Officer.</li> </ul> |
|  <p><b>Risk aligned</b><br/>Encourages behaviours aligned to our values, our risk management framework and our licence to operate</p>                       | <ul style="list-style-type: none"> <li>&gt; The Board considers the management of risks undertaken in determining variable remuneration outcomes, including the vesting of performance rights previously awarded.</li> <li>&gt; ASX defers a portion of STVR awards over two and four years to ensure risks are appropriately considered over the longer term before value is received by the Executive Team. ASX measures the LTVR over a period of four years. All variable remuneration is subject to satisfactory performance and the Board has discretion to make adjustments to deferred remuneration. Adjustments can include partial reductions or complete forfeiture of the current year STVR or deferred awards.</li> </ul>               |
|  <p><b>Market competitive</b><br/>Attracts and retains employees with the skills required to deliver ASX's strategy</p>                                     | <ul style="list-style-type: none"> <li>&gt; ASX provides competitive total remuneration (fixed remuneration and variable reward) that is benchmarked against market data for comparable roles in companies of a similar size and other publicly available market information.</li> </ul>   |
|  <p><b>Fair and equitable</b><br/>Awards fairly and equitably</p>   | <ul style="list-style-type: none"> <li>&gt; The Board regularly reviews remuneration outcomes across the whole organisation to ensure there is no bias in how employees are rewarded due to their personal characteristics.</li> </ul>   |

# Remuneration report

## 3. Executive remuneration framework continued

### 3.2 Executive remuneration components

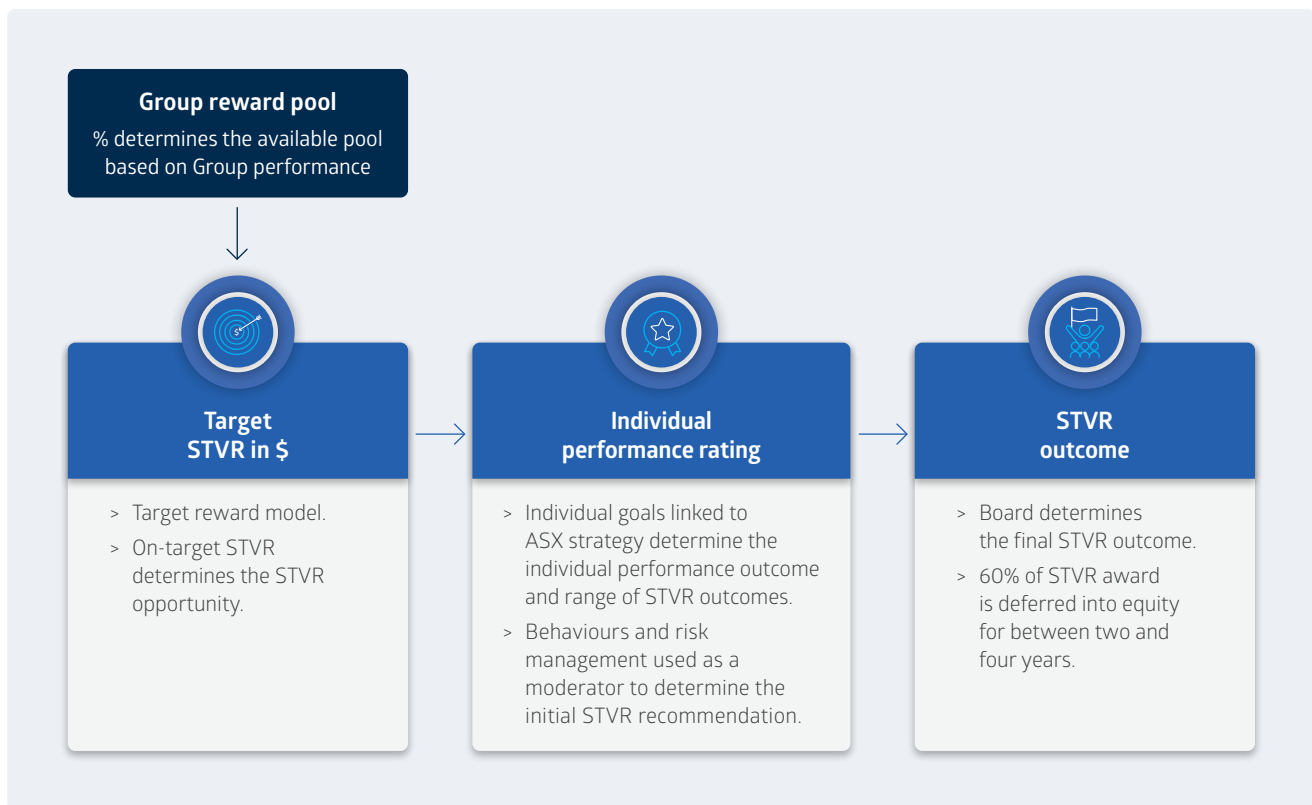
The total remuneration for Executive KMP is made up of both fixed and variable remuneration. Variable remuneration is provided through the STVR and LTVR. Total remuneration is set with reference to market benchmarks relevant to ASX's functions, such as banking, finance, legal and technology, or to the broader market.

### 3.3 Fixed remuneration

ASX provides competitive fixed remuneration to attract and retain talent. Fixed remuneration is paid as cash and comprises salary, superannuation, and salary-sacrificed items including non-monetary benefits and the general Employee Share Plan. Fixed remuneration is set considering the mix of fixed remuneration and variable remuneration appropriate for the role.

### 3.4 Short-term variable reward

The considerations in determining the STVR outcomes for Executive KMP are illustrated in the following diagram.



# Remuneration report

## 3. Executive remuneration framework continued

### 3.4 Short-term variable reward continued

The following table outlines the key elements of the FY23 STVR Plan.

|                          |  |
|--------------------------|--|
| Purpose                  | Encourage the achievement of financial and non-financial goals that support the Group's strategy.<br>Reflect the appropriate management of risk.<br>Deferral periods extend the reward time frame to consider the risks being managed.<br>Reflects behaviours to ensure employees act in accordance with ASX's values.   |
| Performance              | <p><b>Group performance</b></p> <ul style="list-style-type: none"> <li>&gt; The target STVR pool for Executive KMP is calculated as the sum of individual target reward opportunities.</li> <li>&gt; Following an assessment of the Group's performance, the Board determines what percentage of the pool may be released. This is referred to as the Group reward pool.</li> <li>&gt; The Group reward pool represents the maximum amount available for STVR payments across employees under the STVR Plan. An amount less than this limit may be spent, depending on individual performance.</li> <li>&gt; The CEO's STVR is determined separately to the Group reward pool.</li> </ul> <p><b>Individual performance</b></p> <ul style="list-style-type: none"> <li>&gt; Individual performance is assessed on a holistic basis, considering the strategic outcomes delivered, an Executive KMP's behaviours and steps taken to manage the accountabilities of their role.</li> <li>&gt; An Executive KMP's goals are cascaded from the strategic priorities, the Group Scorecard and goals drawn from the accountabilities of an Executive KMP's role.</li> <li>&gt; An Executive KMP's performance rating determines what percentage of individual STVR targets are received. The range is 0% to 150%.</li> </ul>  |
| Evaluation and approval  | <p><b>For Executive KMP:</b></p> <ul style="list-style-type: none"> <li>&gt; The CRO makes an assessment of risk management and steps taken to manage accountabilities for all Executive KMP, incorporating feedback from other control functions. The CRO subsequently provides this assessment directly to the People and Culture Committee.</li> <li>&gt; The CEO recommends to the People and Culture Committee the individual performance ratings and the percentage of STVR target to be applied for Executive KMP, considering feedback from the CRO, the Audit and Risk Committee, and Clearing and Settlement Boards where appropriate.</li> <li>&gt; The People and Culture Committee considers the CEO's recommendations and then makes final recommendations to the Board for approval.</li> </ul> <p><b>For the CEO:</b></p> <ul style="list-style-type: none"> <li>&gt; The ASX Chair provides performance and STVR recommendations to the People and Culture Committee, considering feedback from the CRO and Clearing and Settlement Boards.</li> <li>&gt; The People and Culture Committee considers the ASX Chair recommendations and then makes final recommendations to the Board for approval.</li> </ul> <p>&gt; The CEO presents the Board with an assessment of the Group's performance based on achievement against the strategic priorities, the Group Scorecard and the management of risk.</p> <p>&gt; The Board incorporates feedback from the CEO and the CRO and other relevant control functions to determine the Group reward pool.</p> |
| Instrument               | > 40% of the STVR is delivered in cash, with 60% deferred into restricted ordinary shares. Half of the deferred portion vests after two years of ongoing employment, with the remainder vesting after four years of ongoing employment. Restricted shares hold the same rights as ordinary shares, including voting and receiving dividends.   |
| Treatment upon departure | > Under the rules of the STVR Plan, restricted shares will be forfeited if the participant ceases employment due to reasons other than a qualifying reason. A qualifying reason means death, permanent disability, retirement, hardship, redundancy or other reasons determined by the Board. If the participant's employment is terminated for a qualifying reason, then subject to the Board exercising its rights under the Remuneration Adjustments Policy, shares will remain on foot.  |

# Remuneration report

## 3. Executive remuneration framework *continued*

### 3.5 Long-term variable reward

Key features of the LTVR Plan in operation in FY23 are summarised below. The Plan rules were last updated in July 2018.

| <b>Purpose</b>               | Encourage performance that creates long-term value for shareholders. The combination of relative TSR and underlying EPS hurdles provides balance to the Plan by measuring performance on both a relative and absolute basis.<br><br>Relative: rewards participating Executive KMP for Group performance that exceeds that of peer companies.<br>Absolute: ensures there is a continued focus on providing positive growth, a core measure of value created.    |  |         |                           |    |                 |     |                              |      |  |                  |         |                |    |      |     |                  |      |  |
|------------------------------|--|--|---------|---------------------------|----|-----------------|-----|------------------------------|------|--|------------------|---------|----------------|----|------|-----|------------------|------|--|
| <b>Eligibility</b>           | The LTVR Plan rewards the achievement of Group financial results. For FY23, participation is limited to the CEO. From FY24, it is proposed to extend the plan to the Executive Team, as outlined in section 4.<br><br>The face value of the maximum potential LTVR award for the CEO is 50% of their fixed remuneration.   |  |         |                           |    |                 |     |                              |      |  |                  |         |                |    |      |     |                  |      |  |
| <b>Performance measures</b>  | Relative performance measure:<br>Relative total shareholder return (50%).  | Absolute performance measure:<br>Underlying earnings per share growth (50%).   |         |                           |    |                 |     |                              |      |  |                  |         |                |    |      |     |                  |      |  |
|                              | Relative TSR is measured over a four-year period against a peer group determined by the Board at the time of the offer. Currently, it is based on the ASX 100, excluding property trusts. The peer group may change as a result of specific events such as mergers and acquisitions or de-listings. The Plan rules determine the adjustments of the peer group following such events.  | Underlying EPS performance is measured over a four-year period using the most recent financial year-end prior to the granting of the award as the base year, and the final financial year in the performance period as the end-year.   |         |                           |    |                 |     |                              |      |  |                  |         |                |    |      |     |                  |      |  |
| <b>Vesting schedule</b>      | <table border="1"> <thead> <tr> <th>Performance</th> <th>Vesting</th> </tr> </thead> <tbody> <tr> <td>Less than 51st percentile</td> <td>0%</td> </tr> <tr> <td>51st percentile</td> <td>25%</td> </tr> <tr> <td>Greater than 76th percentile</td> <td>100%</td> </tr> </tbody> </table> <p>Vesting occurs in a straight line between the 51st and 76th percentile.</p>  | Performance  | Vesting | Less than 51st percentile | 0% | 51st percentile | 25% | Greater than 76th percentile | 100% | <table border="1"> <thead> <tr> <th>Performance p.a.</th> <th>Vesting</th> </tr> </thead> <tbody> <tr> <td>Less than 5.1%</td> <td>0%</td> </tr> <tr> <td>5.1%</td> <td>50%</td> </tr> <tr> <td>Greater than 10%</td> <td>100%</td> </tr> </tbody> </table> <p>Vesting occurs in a straight line between 5.1% and 10%.</p> | Performance p.a. | Vesting | Less than 5.1% | 0% | 5.1% | 50% | Greater than 10% | 100% |  |
| Performance                  | Vesting  |  |         |                           |    |                 |     |                              |      |  |                  |         |                |    |      |     |                  |      |  |
| Less than 51st percentile    | 0%   |  |         |                           |    |                 |     |                              |      |  |                  |         |                |    |      |     |                  |      |  |
| 51st percentile              | 25%  |  |         |                           |    |                 |     |                              |      |  |                  |         |                |    |      |     |                  |      |  |
| Greater than 76th percentile | 100%   |  |         |                           |    |                 |     |                              |      |  |                  |         |                |    |      |     |                  |      |  |
| Performance p.a.             | Vesting  |  |         |                           |    |                 |     |                              |      |  |                  |         |                |    |      |     |                  |      |  |
| Less than 5.1%               | 0%   |  |         |                           |    |                 |     |                              |      |  |                  |         |                |    |      |     |                  |      |  |
| 5.1%                         | 50%  |  |         |                           |    |                 |     |                              |      |  |                  |         |                |    |      |     |                  |      |  |
| Greater than 10%             | 100%   |  |         |                           |    |                 |     |                              |      |  |                  |         |                |    |      |     |                  |      |  |
| <b>Calculation</b>           | <p>The TSR of ASX and the peer group is calculated as the movement in share price and dividends received, assuming the re-investment of dividends.</p> <p>The TSR is calculated over a four-year period, using the three-month volume weighted average price up to (and including) the start date, and the three-month volume weighted average price including the reinvestment of dividends up to (and including) the end date of the performance period.</p> | <p>Underlying EPS is calculated by dividing the underlying profit after tax for the relevant reporting period (profit after tax adjusted for the after tax effect of any significant items) by the weighted average number of ordinary shares of ASX. This is then compared to the starting EPS, calculated in a similar fashion, to determine the EPS performance.</p> <p>To arrive at underlying profit after tax, significant items may be excluded. These items are determined by the Board and may include revenues and expenses associated with specific events or the results of corporate actions. Exclusion of these items would be clearly identified and explained if such action impacted any vesting outcome.</p> |         |                           |    |                 |     |                              |      |  |                  |         |                |    |      |     |                  |      |  |
| <b>Performance period</b>    | Four years   |  |         |                           |    |                 |     |                              |      |  |                  |         |                |    |      |     |                  |      |  |
| <b>Instrument</b>            | Performance rights over ASX ordinary shares. For grants made from FY19 onwards, the Board may, at its discretion, elect to settle vested LTVR allocations with a cash equivalent payment. The value of the cash payment will be determined based on the number of rights that have vested, multiplied by the volume weighted average price over the 20 trading days prior to the vesting date.   |  |         |                           |    |                 |     |                              |      |  |                  |         |                |    |      |     |                  |      |  |

# Remuneration report

## 3. Executive remuneration framework continued

### 3.5 Long-term variable reward continued

|  |   |
|--|---|
| Determining the number of performance rights | The number of performance rights allocated is based on the volume weighted average price of ASX shares on the 10 business days preceding the grant date (face value).   |
| Expiry                                       | The expiry date is the date of the end of the performance period. At this point any performance rights that have not vested will lapse.   |
| Dividends                                    | Dividends are not paid on performance rights.   |
| Retesting                                    | No  |
| Treatment upon departure                     | If an Executive KMP ceases employment for a qualifying reason, any performance rights may remain on foot in accordance with their original terms, except that any service condition will be waived. The Board retains a discretion to determine whether performance rights that remain on foot subsequently vest or lapse. A qualifying reason includes death, permanent disability, mutual agreement with ASX, termination by ASX on notice, redundancy, retirement, or other circumstances determined by the Board. Unless the Board determines otherwise, performance rights will lapse if an Executive KMP's employment is terminated for cause, poor performance, or if the Executive KMP resigns. |

### 3.6 Executive remuneration mix

Executive remuneration is aligned to the executive remuneration principles set out in section 3.1. All Executive KMP receive fixed remuneration and STVR. In addition, the CEO receives an LTVR component. Other Executive KMP's are currently not eligible to receive the LTVR under this framework. For all Executive KMP, a significant portion of their potential remuneration is deferred between two and four years from the end of the current performance year. Section 4 outlines proposed changes to the executive remuneration framework for FY24.

The chart below sets out the current maximum remuneration structure and mix for the CEO.

#### Chief Executive Officer



The chart below sets out the current maximum remuneration structure and mix for Executive KMP other than the CEO. These Executive KMP comprise the CFO, CRO, GE Securities and Payments, and GE Markets.

#### Executive KMP



# Remuneration report

## 4. Proposed remuneration framework from FY24

### 4.1 Proposed changes to the LTVR Plan

Throughout FY23, a review was undertaken of the executive remuneration framework. The review focused on the LTVR Plan to determine the appropriate future performance hurdles, how the performance hurdles should be calibrated and eligibility for the LTVR Plan.

The proposed changes to the LTVR Plan are outlined in the table below:

| Element                     | Current Plan   | Proposed Plan  | Rationale   |                |           |       |    |       |    |       |     |       |     |       |     |       |      |       |      |
|-----------------------------|--|--|---|----------------|-----------|-------|----|-------|----|-------|-----|-------|-----|-------|-----|-------|------|-------|------|
| Eligibility                 | CEO only.  | LTVR eligibility will be expanded to the Executive Team.   | Support long-term performance alignment for the Executive Team and 'one ASX' strategic principle.   |                |           |       |    |       |    |       |     |       |     |       |     |       |      |       |      |
| Performance hurdles         | EPS compound annual growth rate.                             | Underlying ROE will replace EPS hurdle.  | <p>The underlying ROE metric focuses the Executive Team on investment and resource allocation decisions that meet appropriate return objectives. Underlying ROE is a key metric in measuring ASX's five-year strategy.</p> <p>Underlying ROE is used rather than statutory ROE as underlying net profit after tax is used to determine ASX's dividends. This aligns remuneration outcomes for the Executive Team with shareholder outcomes.</p> <p>The underlying ROE target will be reviewed annually and will consider Board- approved capital management plans outlining any share issues/buybacks, gearing introduced to the capital structure and dividend payout and reinvestment policies.</p> <p>The Board will review the underlying ROE outcome and any associated vesting to ensure reward outcomes are appropriate, including assessing earnings quality and the impact of any significant items.</p> |                |           |       |    |       |    |       |     |       |     |       |     |       |      |       |      |
|                             | Vesting scale outlined in table 3.5.                         | <p>The vesting scale is aligned to ASX's near-term guidance.</p> <p>Threshold performance will result in a lower minimum vesting than the existing EPS hurdle.</p>   | <p>We believe the proposed hurdle represents appropriate reward for delivering sustained underlying ROE over four years.</p> <table border="1"> <caption>Vesting Scale Data</caption> <thead> <tr> <th>Underlying ROE</th> <th>% Vesting</th> </tr> </thead> <tbody> <tr> <td>12.0%</td> <td>0%</td> </tr> <tr> <td>12.5%</td> <td>0%</td> </tr> <tr> <td>13.0%</td> <td>20%</td> </tr> <tr> <td>13.5%</td> <td>40%</td> </tr> <tr> <td>14.0%</td> <td>60%</td> </tr> <tr> <td>14.5%</td> <td>100%</td> </tr> <tr> <td>15.0%</td> <td>100%</td> </tr> </tbody> </table>   | Underlying ROE | % Vesting | 12.0% | 0% | 12.5% | 0% | 13.0% | 20% | 13.5% | 40% | 14.0% | 60% | 14.5% | 100% | 15.0% | 100% |
| Underlying ROE              | % Vesting  |  |   |                |           |       |    |       |    |       |     |       |     |       |     |       |      |       |      |
| 12.0%                       | 0%   |  |   |                |           |       |    |       |    |       |     |       |     |       |     |       |      |       |      |
| 12.5%                       | 0%   |  |   |                |           |       |    |       |    |       |     |       |     |       |     |       |      |       |      |
| 13.0%                       | 20%  |  |   |                |           |       |    |       |    |       |     |       |     |       |     |       |      |       |      |
| 13.5%                       | 40%  |  |   |                |           |       |    |       |    |       |     |       |     |       |     |       |      |       |      |
| 14.0%                       | 60%  |  |   |                |           |       |    |       |    |       |     |       |     |       |     |       |      |       |      |
| 14.5%                       | 100%   |  |   |                |           |       |    |       |    |       |     |       |     |       |     |       |      |       |      |
| 15.0%                       | 100%   |  |   |                |           |       |    |       |    |       |     |       |     |       |     |       |      |       |      |
|                             | Relative TSR peer group is ASX100 excluding property trusts. | Relative TSR peer group will reference the ASX100 index as the performance peer group.   | The previous peer group referenced the ASX100 excluding property trusts. The proposed peer group measures ASX's TSR relative to the broad market index without excluding specific sectors. This approach is aligned with other international exchanges that have relative TSR measures.   |                |           |       |    |       |    |       |     |       |     |       |     |       |      |       |      |
| Dividend equivalent payment | No dividends are payable on unvested performance rights.     | <p>No dividends will be payable on unvested performance rights (no change).</p> <p>An additional amount of shares or cash may be allocated to an equivalent value to the dividends paid by the company over the performance period on those shares, assuming the dividends were reinvested on the ex-dividend date. Participants will not receive any franking credits or value in lieu of franking credits.</p> | <p>This approach aligns the interests of management with those of shareholders, as it reflects the importance of dividends to ASX's shareholders within the reward framework.</p> <p>The number of LTVR rights awarded is based on face value. This does not consider the dividends foregone during the performance period.</p> <p>By providing a dividend equivalent payment, the method of determining the number of rights granted is consistent with the value of the shares ultimately received by the Executive Team.</p>   |                |           |       |    |       |    |       |     |       |     |       |     |       |      |       |      |

# Remuneration report

## 4. Proposed remuneration framework from FY24 continued

### 4.2 Changes to total reward opportunities

ASX's intent is to keep total target reward opportunities as consistent as possible, while ensuring the Executive Team have appropriate variable reward aligned to shareholder value. To do this, the Executive Team will be forfeiting some STVR opportunity to be eligible to receive LTVR. STVR is inherently lower risk than LTVR, which has a lower fair value. To ensure the new remuneration package for the Executive Team is not materially higher, we have compared remuneration elements by assessing both target and fair value.

The proposed structure improves the alignment of reward outcomes to company performance. The Executive Team will receive a lower total reward outcome than the previous reward structure where ASX's performance does not meet the challenging TSR and ROE targets set. Conversely, there is a higher reward opportunity available for outperformance.

### 4.3 Proposed changes to the STVR Plan

To accommodate an award of LTVR without materially increasing the total reward opportunity, the STVR will be reduced by removing the four-year deferred portion of STVR.

In addition, the following changes are proposed for the STVR program for the Executive Team:

- > Reduce the overall STVR opportunity by around 25%
- > Reduce the portion of STVR deferred from 60% to 50%
- > Change the deferral period to be 50% after one year and 50% after two years.

### 4.4 Executive remuneration mix

The charts below illustrate the maximum remuneration mix for the CEO and Executive KMP.

#### Chief Executive Officer

|               | Year 1     | Year 2  | Year 3 | Year 4 |
|---------------|------------|---|--------|--------|
| Fixed pay 31% | Cash       |   |        |        |
| Max STVR 38%  | Cash (50%) | 1 year deferred equity (25%)<br>2 years deferred equity (25%) |        |        |
| Max LTVR 31%  |            | Relative TSR (50% of award)<br>Underlying ROE (50% of award)  |        |        |

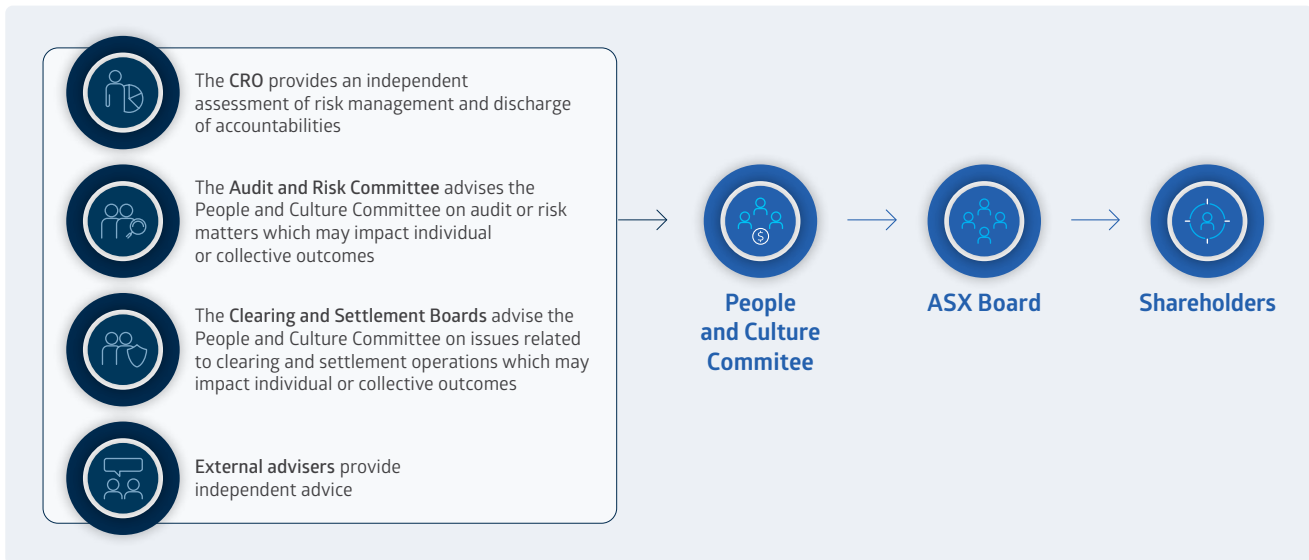
#### Executive KMP

|                   | Year 1     | Year 2  | Year 3 | Year 4 |
|-------------------|------------|---|--------|--------|
| Fixed pay 35%-60% | Cash       |   |        |        |
| Max STVR 25%-45%  | Cash (50%) | 1 year deferred equity (25%)<br>2 years deferred equity (25%) |        |        |
| Max LTVR 15%-25%  |            | Relative TSR (50% of award)<br>Underlying ROE (50% of award)  |        |        |

# Remuneration report

## 5. Remuneration governance

The diagram below provides an overview of governance arrangements relating to remuneration.



### 5.1 Role of the ASX Board

The Board oversees and approves the non-executive director remuneration and executive remuneration arrangements. The Board has established a People and Culture Committee for recommending remuneration policy for the Group. The ultimate responsibility for remuneration policy matters rests with the Board. The People and Culture Committee was previously named the Remuneration Committee.

### 5.2 Role and responsibilities of the People and Culture Committee

The People and Culture Committee develops the remuneration principles, framework and policies for the Group. The People and Culture Committee's responsibilities are outlined below.

Recommend to the Board:

- > remuneration arrangements and all reward outcomes for the Executive Team;
- > performance against goals and targets for each Executive Team member, incorporating an evaluation of risk management performance and the appropriate; discharge of the role's accountabilities;
- > remuneration for Executive Team members' appointment and retention matters;
- > ASX's remuneration and variable reward framework, including STVR and LTVR arrangements and participation; and
- > non-executive director fees.

Conduct reviews of:

- > the effectiveness of the remuneration policy in supporting ASX's values while complying with regulatory requirements;
- > Executive Team and key staff succession plans;
- > progress against gender diversity objectives and the active promotion of a collaborative and inclusive culture; and
- > capabilities required to deliver the organisation's strategy.

### 5.3 Ensuring appropriate remuneration outcomes

The Board understands to make good remuneration decisions it needs both a robust framework and to proactively and consistently exercise judgement. The Board takes into account information from a range of sources. This ensures that decisions are well-informed and consider the outcomes achieved for the Group's stakeholders. The Board has an established process to seek performance feedback from the Audit and Risk Committee and the Clearing and Settlement Boards, risk management feedback from the CRO and other control functions. Using this information, the Board evaluates remuneration outcomes against an agreed set of remuneration principles and relevant precedents. Executive KMP are not able to participate in discussions impacting their own remuneration. This promotes independence, objectivity, fairness and consistency in the process of determining remuneration outcomes.

The Board has enhanced the governance of remuneration outcomes for FY23 by implementing an accountability framework. This applies to all ASX's Accountable Persons, comprising the Executive Team and the General Manager, Internal Audit. The framework ensures Accountable Persons are rewarded for delivering sustainable outcomes, and that there are consequences where conduct does not meet the expectations of the role. The Board considers accountabilities in the following two ways.



# Remuneration report

## 5. Remuneration governance *continued*

### 5.3 Ensuring appropriate remuneration outcomes *continued*

#### Reasonable steps are taken to manage accountabilities

Each Accountable Person is assessed against their agreed accountabilities and the steps outlined to reasonably manage these. We believe timely and regular assessment will reduce the risk of a material adverse outcome occurring. This assessment is built into the annual performance and reward cycle. To support a positive risk culture, we reward people who have role modelled positive behaviours, and adjust remuneration downwards where expectations have not been met.

#### Remuneration consequences are applied where there is a material adverse outcome

In the event of a material adverse outcome, the accountability framework assists the Board in determining appropriate remuneration outcomes. The framework guides decision-making by considering who was accountable, the impact the event had on the organisation and our stakeholders, and what reasonable steps the Accountable Person may have taken to mitigate this outcome. A detailed framework supports this assessment so that remuneration adjustments are proportionate, consistent and appropriate. Where an adjustment to variable remuneration is required, this may be to that year's STVR, or made to deferred remuneration previously awarded.

### 5.4 Remuneration Adjustments Policy

The Board retains the discretion to adjust performance-based remuneration that has not yet been realised or vested without restrictions (*malus*), for any employee or group of employees within the ASX Group, if it considers that such remuneration would be an inappropriate benefit.

The Board has absolute discretion to determine what constitutes an inappropriate benefit. Examples may include:

- > mismanagement of material risk issues for the Group;
- > fraudulent or dishonest behaviour, or acting in a manner that brings ASX into disrepute;
- > a material misstatement or omission in ASX's financial statements;
- > a breach of obligations to ASX; and
- > any other circumstances which the Board determines in good faith to have resulted in an inappropriate benefit.

### 5.5 External advice

When an external perspective is needed, the People and Culture Committee may seek professional assistance from remuneration advisers. Remuneration advisers are engaged by the Committee independently of management. The People and Culture Committee engaged Guerdon Associates to provide information related to the long term variable reward framework. This information did not comprise remuneration recommendations as defined by the *Corporations Act 2001*.

### 5.6 Engagement with external stakeholders

Each year, the ASX Chair meet with major investors and proxy advisers. These meetings provide an opportunity to discuss remuneration practices and policies, and any issues raised by an investor or proxy adviser.

### 5.7 Share ownership

Share ownership is encouraged among Executive KMP and non-executive directors to strengthen the alignment between their interests and the interests of shareholders. Executive KMP are expected to hold a number of ASX shares equivalent in value to their fixed remuneration. Executive KMP have five years to accumulate the shares, as outlined in the following table:

| Role                | Value of shareholding<br>(% of fixed remuneration) |
|---------------------|--|
| CEO                 | 100%   |
| CRO                 | 50%  |
| Other Executive KMP | 100%   |

All eligible Executive KMP, that have been at ASX at least five years, currently hold a number of shares at or in excess of this level.

It is expected that all ASX non-executive directors hold a number of ASX shares equivalent in value to their base annual director fee (and in the case of the ASX Chair, the base annual director fee plus the Chair fee), by the third anniversary of their appointment. All eligible non-executive directors, with at least three years' service, currently hold a number of shares at or in excess of this level.

# Remuneration report

## 6. Statutory remuneration disclosure – Executive KMP

### 6.1 Statutory remuneration

The remuneration table below has been prepared in accordance with accounting standards as required by the *Corporations Act 2001*.

The accounting standards require the disclosure of the expense or cost to the Group in the financial years presented, which may result in only a portion of total awarded remuneration being disclosed where payments are deferred to future financial years. In addition, the accounting standards require the share-based payments expense to be calculated using the grant date fair value of the shares, rather than current market prices.

|  | Year | Short-term          |                   |                           |                    | Termination benefits <sup>5</sup> | Long-term                               |                             | Share-based payments   |                        |                            | Total            | Performance-related <sup>10</sup> |
|--|------|---------------------|-------------------|---------------------------|--------------------|-----------------------------------|---|-----------------------------|------------------------|------------------------|----------------------------|------------------|-----------------------------------|
|  |      | Salary <sup>1</sup> | STVR <sup>2</sup> | Non-monetary <sup>3</sup> | Other <sup>4</sup> |                                   | Long service leave accrual <sup>6</sup> | Superannuation <sup>7</sup> | STVR Plan <sup>8</sup> | LTVR Plan <sup>9</sup> | Other share-based payments |                  |                                   |
| <b>Current</b>   |      |                     |                   |                           |                    |                                   |   |                             |                        |                        |                            |                  |                                   |
| H M Lofthouse <sup>11</sup><br>Managing Director and CEO | 2023 | 1,884,323           | 400,000           | –                         | (18,858)           | –                                 | 105,144                                 | 25,292                      | 558,360                | 127,136                | –                          | 3,081,397        | 35%                               |
|  | 2022 | 801,432             | 380,000           | –                         | (5,778)            | –                                 | 12,596                                  | 23,568                      | 511,879                | –                      | 25,000                     | 1,748,697        | 51%                               |
| A L Tobin <sup>12</sup><br>Chief Financial Officer       | 2023 | 626,297             | 235,134           | –                         | 33,690             | –                                 | 974                                     | 23,355                      | 82,273                 | –                      | –                          | 1,001,723        | 32%                               |
| H J Treleaven <sup>13</sup><br>Chief Risk Officer        | 2023 | 1,054,262           | 100,000           | 20,446                    | (19,830)           | –                                 | 15,907                                  | 25,292                      | 173,600                | –                      | –                          | 1,369,677        | 20%                               |
|  | 2022 | 897,788             | 126,000           | 18,644                    | 38,072             | –                                 | 10,915                                  | 23,568                      | 181,787                | –                      | –                          | 1,296,774        | 24%                               |
| D C Yip <sup>12</sup><br>GE Markets                      | 2023 | 267,311             | 102,132           | –                         | 21,181             | –                                 | 409                                     | 9,612                       | 16,835                 | –                      | –                          | 417,480          | 28%                               |
| <b>Former</b>  |      |                     |                   |                           |                    |                                   |   |                             |                        |                        |                            |                  |                                   |
| D J Stevens <sup>14</sup><br>Managing Director and CEO   | 2023 | 150,430             | –                 | 1,470                     | 12,640             | 329,118                           | 116,152                                 | 8,269                       | 172,025                | 48,234                 | –                          | 838,338          | 26%                               |
|  | 2022 | 1,957,788           | 480,000           | 18,644                    | (119,699)          | –                                 | 20,085                                  | 23,568                      | 2,772,577              | 343,958                | –                          | 5,496,921        | 65%                               |
| T J Hogben <sup>15</sup><br>GE Securities and Payments   | 2023 | 799,332             | 65,916            | –                         | 15,482             | –                                 | 31,001                                  | 24,514                      | 367,650                | –                      | –                          | 1,303,895        | 33%                               |
|  | 2022 | 776,432             | 240,000           | –                         | 23,719             | –                                 | 38,561                                  | 23,568                      | 334,522                | –                      | –                          | 1,436,802        | 40%                               |
| G L Larkins <sup>16</sup><br>Chief Financial Officer     | 2023 | 156,240             | –                 | –                         | 12,271             | 345,182                           | (14,079)                                | 6,323                       | 154,221                | –                      | –                          | 660,158          | 23%                               |
|  | 2022 | 776,432             | 336,000           | –                         | 4,914              | –                                 | 4,108                                   | 23,568                      | 1,118,354              | –                      | –                          | 2,263,376        | 64%                               |
| <b>Total</b>   | 2023 | <b>4,938,195</b>    | <b>903,182</b>    | <b>21,916</b>             | <b>56,576</b>      | <b>674,300</b>                    | <b>255,508</b>                          | <b>122,657</b>              | <b>1,524,964</b>       | <b>175,370</b>         | <b>–</b>                   | <b>8,672,668</b> | <b>30%</b>                        |
|  | 2022 | 5,209,872           | 1,562,000         | 37,288                    | (58,772)           | –                                 | 86,265                                  | 117,840                     | 4,919,119              | 343,958                | 25,000                     | 12,242,570       | 56%                               |

1. Base salary excluding payments made under the compulsory superannuation guarantee.

2. The cash component of the STVR earned, paid in August each year.

3. Salary-sacrificed items paid over the year including car parking (and associated fringe benefits tax).

4. Movement of annual leave accrued over the year, salary continuance insurance provided by the Group and participation in the Employee Share Plan.

5. Termination benefits consist of a payment for Dominic Stevens and Gillian Larkins in lieu of notice, applicable under their employment contracts.

6. Movement in long service leave accrued over the year. The long service leave accrual is negative for Gillian Larkins as she was not entitled to a long service leave payment upon termination.

7. Post-employment benefits, comprising the compulsory superannuation guarantee.

8. Annual share-based payments expense for restricted shares issued under the deferred STVR Plan.

9. Annual share-based payments expense for performance rights issued under the LTVR Plan. The expense is calculated using the fair value of performance rights as at the grant date, less any write-back for performance rights lapsed as a result of non-market hurdles deemed to not vest in future. The LTVR may be either equity or cash settled as determined by the Board.

10. Reflects the percentage of total remuneration that is performance-related (short-term cash settled STVR and share-based payments relating to the STVR and LTVR Plans).

11. The fixed remuneration, other remuneration and STVR awarded shown for Helen Lofthouse in 2022 is based on her role as GE, Markets. Helen commenced in the role of CEO on 1 August 2022 and the increase in remuneration in 2023 reflects her change in role.

12. Andrew Tobin and Darren Yip commenced part way through FY23. There is no comparative remuneration in FY22.

13. Hamish Treleaven received a fixed remuneration increase in FY23 to reflect the market pay rate for his role.

14. Dominic Stevens ceased as KMP on 31 July 2022 and ceased employment on 30 September 2022. The deferred STVR and LTVR expense recognised for Mr Stevens in 2023 and 2022 reflects the accelerated accounting charge of the fair value of the equities awarded, up to the date that he ceased as KMP. Mr Stevens' LTVR was subsequently cancelled by the Board in 2022. Under the accounting standards the expense recognised for the LTVR cannot be reversed on cancellation.

15. Timothy Hogben ceased as KMP on 20 June 2023. The deferred STVR expense recognised for Mr Hogben reflects the accelerated accounting charge of the fair value of the equities awarded, up to the date that he will cease employment. The expense recognised in FY23 is pro-rated based on his period of service as a KMP. The cancellation of the FY22 deferred STVR awards outlined in table 2.2 occurred subsequent to year end.

16. Gillian Larkins ceased employment on 31 August 2022. The deferred STVR expense for Ms Larkins in 2023 and 2022 recognises the accelerated accounting charge of the fair value of the equities awarded, up to the date she ceased employment.

# Remuneration report

## 6. Statutory remuneration disclosure – Executive KMP *continued*

### 6.2 FY23 Executive KMP shareholdings

The following table shows the movement in ASX shares during the financial year. Shares relating to grants of performance rights that have vested are allocated from a trust established to hold shares for this purpose.

|                           | Held at<br>1 July 2022 | Allocated<br>under<br>deferred<br>STVR Plan | Other<br>changes | Cancelled/<br>lapsed<br>during<br>the year <sup>1</sup> | Held at<br>30 June 2023 | Vested<br>during<br>the year | Deferred<br>STVR<br>subject to<br>restrictions |
|---------------------------|------------------------|---|------------------|---|-------------------------|------------------------------|--|
| <b>Current</b>            |                        |   |                  |   |                         |                              |  |
| H M Lofthouse             | 31,772                 | 7,214                                       | —                | —   | 38,986                  | 6,031                        | 18,682   |
| A L Tobin                 | —                      | —   | —                | —   | —                       | —                            | —  |
| H J Treleaven             | 10,243                 | 2,392                                       | 14               | —   | 12,649                  | 2,600                        | 6,323  |
| D C Yip                   | —                      | —   | —                | —   | —                       | —                            | —  |
| <b>Former<sup>2</sup></b> |                        |   |                  |   |                         |                              |  |
| D J Stevens               | 76,594                 | —   | —                | —   | 76,594                  | —                            | 41,693   |
| T J Hogben                | 11,554                 | 4,556                                       | 14               | —   | 16,124                  | 4,056                        | 12,002   |
| G Larkins                 | 11,761                 | 6,200                                       | —                | —   | 17,961                  | 2,691                        | 15,270   |

1. 4,556 shares relating Mr. Hogben were cancelled as described in table 2.2. The cancellation was determined after 30 June 2023 and are not reflected in this table.

2. For former Executive KMP, their closing balance is reflected as at the date they ceased as Executive KMP.

### 6.3 FY23 Executive KMP LTVR allocations

The following table shows the movement during the financial year in the number of performance-related rights issued over ordinary shares in ASX held directly, indirectly or beneficially by the Executive KMP, including their personally related parties.

|                | Held as at<br>1 July 2022 | Granted as<br>compensation<br>during<br>the year | Vested<br>during<br>the year | Cancelled/<br>lapsed<br>during<br>the year <sup>3</sup> | Held at<br>30 June 2023 |
|----------------|---------------------------|--|------------------------------|---|-------------------------|
| <b>Current</b> |                           |  |                              |   |                         |
| H M Lofthouse  | —                         | 13,821   | —                            | —   | 13,821                  |
| <b>Former</b>  |                           |  |                              |   |                         |
| D J Stevens    | 52,175                    | —  | —                            | (52,175)  | —                       |

3. The Board has exercised discretion to cancel all outstanding LTVR awards issued from 2018 to 2021 to the former CEO.

No other Executive KMP had performance-related rights over issued ordinary shares in ASX directly, indirectly or beneficially.

### 6.4 Outstanding STVR and LTVR grants for Executive KMP

The following table sets out a summary of the STVR and LTVR grants that were in operation during FY23. The minimum value of all performance rights is zero.

| Award                | Type               | Grant date | Performance<br>period start date | Vesting date <sup>4</sup> | Fair value <sup>5</sup> | Maximum value<br>of grants yet to<br>be expensed <sup>6</sup> |
|----------------------|--------------------|------------|----------------------------------|---------------------------|-------------------------|---|
| LTVR 2022 – EPS      | Performance rights | 28/9/2022  | 29/9/2022                        | 28/9/2026                 | 63.86                   | 358,588   |
| LTVR 2022 – TSR      | Performance rights | 28/9/2022  | 29/9/2022                        | 28/9/2026                 | 34.25                   | 192,334   |
| DSTVR FY22 Tranche 1 | Restricted shares  | 1/9/2022   | 1/7/2021                         | 16/8/2024                 | 78.30                   | 126,500   |
| DSTVR FY22 Tranche 2 | Restricted shares  | 1/9/2022   | 1/7/2021                         | 14/8/2026                 | 78.30                   | 227,700   |
| DSTVR FY21 Tranche 2 | Restricted shares  | 30/8/2021  | 1/7/2020                         | 19/8/2025                 | 87.72                   | 129,600   |
| DSTVR FY20 Tranche 2 | Restricted shares  | 28/8/2020  | 1/7/2019                         | 16/8/2024                 | 88.93                   | 68,760  |

4. Vesting date for deferred STVR is the business day after the release of the ASX's annual results in the relevant year. The vesting date provided for future years is indicative.

5. The fair value for the deferred STVR is calculated based on the closing price at the date the offer closes for the relevant year.

6. Represents the remaining amount of STVR and LTVR to be amortised over the remaining life of the plan.

# Remuneration report

## 6. Statutory remuneration disclosure – Executive KMP continued

### 6.5 Current Executive KMP service agreements

The following table sets out the minimum notice period (in months) for current Executive KMP contracts.

| Name          | Position held           | Contract effective date <sup>1</sup> | Executive KMP initiated | ASX initiated | Poor performance |
|---------------|-------------------------|--------------------------------------|-------------------------|---------------|------------------|
| H M Lofthouse | CEO                     | 1 August 2022                        | 6                       | 12            | 3 <sup>2</sup>   |
| A L Tobin     | Chief Financial Officer | 5 September 2022                     | 6                       | 12            | 3 <sup>2</sup>   |
| H J Treleaven | Chief Risk Officer      | 1 March 2017                         | 6                       | 12            | 3 <sup>2</sup>   |
| D C Yip       | GE Markets              | 13 March 2023                        | 6                       | 12            | 3 <sup>2</sup>   |

1. All Executive KMP have permanent ongoing contracts. Amounts payable on termination include the contractual notice period and any rewards that may be payable under the terms of the STVR and LTVR Plans, which are outlined in sections 3.4 and 3.5.

2. The notice period for termination for poor performance requires an initial written notice of one month.

### 6.6 Entitlements for leaving Executive KMP

Dominic Stevens ceased as CEO on 31 July 2022 and retired from ASX on 30 September 2022. Upon retirement, Mr Stevens received contractual entitlements and benefits which are applied in the usual operation of ASX's incentive plans in circumstances of retirement, being:

- > a cash payment equivalent to two months' fixed remuneration, being the balance of six months' notice less the period Mr Stevens worked
- > payment of statutory accrued annual leave and long service leave entitlements
- > unvested deferred STVR held at the time of retirement was retained and the restriction period was lifted in accordance with Mr Stevens' contract of employment. Mr Stevens was not eligible for any STVR for the FY23 performance year
- > unvested LTVR held at the time of retirement was retained. In November 2022, the Board determined that all outstanding LTVR awards issued between 2018 and 2021 were cancelled. Refer to section 2.2 for details.

Gillian Larkins ceased as CFO on 31 August 2022. Upon cessation, Ms Larkins received contractual entitlements and benefits which are applied in the usual operation of ASX's incentive plans in circumstances where an Executive KMP is deemed a Good Leaver, being:

- > a cash payment equivalent to four months' notice, being the balance of six months' notice less the period Ms Larkins worked
- > payment of statutory accrued annual leave
- > unvested equity relating to FY19 to FY22 deferred STVR remained on-foot. Any vesting will be according to the original vesting schedule and subject to ASX's Remuneration Adjustments Policy.

Timothy Hogben ceased as Group Executive, Securities and Payments on 20 June 2023 and will act in an advisory role until his termination date of 20 June 2024. Upon termination, Mr Hogben will receive contractual entitlements and benefits which are applied in the usual operation of ASX's incentive plans in circumstances where an Executive KMP is deemed a Good Leaver, being:

- > payment of statutory accrued annual leave and long service leave entitlements
- > unvested deferred STVR relating to awards other than the FY22 deferred STVR award will remain on-foot. Any vesting will be according to the original vesting schedule and subject to ASX's Remuneration Adjustments Policy. FY22 deferred STVR has been cancelled as outlined in section 2.2, in recognition of Mr Hogben's accountability for the CHESS replacement project prior to November 2022.

The 'termination benefits' as defined under s200B of the *Corporations Act 2001* for all terminated Executives did not exceed the threshold required for ASX to seek shareholder approval.

### 6.7 Loans and other transactions

No transactions or loans involving non-executive directors or Executive KMP, their close family members or entities they control or have significant influence over, were made during the year (FY22: nil).

# Remuneration report

## 7. Non-executive director remuneration arrangements

Non-executive directors receive fees for their contribution on the boards and associated committees on which they serve. The People and Culture Committee reviews and recommends to the Board the fees provided to non-executive directors.

Non-executive director fees are set to ensure:

- > ASX non-executive directors are remunerated fairly for their services, recognising the workload and level of skill and experience required for the role
- > ASX can attract and retain talented non-executive directors.

### 7.1 Remuneration structure

Under the non-executive director fee structure, remuneration comprises one base fee (plus superannuation) in respect of a non-executive director appointment to the ASX Limited Board and any committee and/or its subsidiaries. An additional amount is paid to the Chair of the ASX Limited Board or a committee or subsidiary board.

The aggregate amount paid to non-executive directors is approved by shareholders at the AGM. The maximum aggregate amount for FY23 that may be paid to all ASX non-executive directors in their capacity as members of the ASX Limited Board and its committees, and as non-executive directors of subsidiary boards, is \$3.5 million. This was approved by shareholders at the 2022 AGM. The amount paid in FY23 was \$2.8 million. Non-executive directors of independent subsidiary boards who do not serve on the ASX Limited Board are not included in the fee pool.

Non-executive directors have no entitlement to any performance-based remuneration or participation in any share-based reward schemes. ASX does not have a non-executive director retirement scheme.

### 7.2 Non-executive director fee schedule

The following table summarises the fees received for each role on the Board.

| Board/Committee              | Role   | 2023<br>\$ | 2022<br>\$ |
|------------------------------|--------|------------|------------|
| Board <sup>1</sup>           | Chair  | 550,000    | 550,000    |
|                              | Member | 235,000    | 235,000    |
| Audit and Risk Committee     | Chair  | 45,000     | 45,000     |
| People and Culture Committee | Chair  | 45,000     | 20,000     |
| Technology Committee         | Chair  | 45,000     | 40,000     |

1. ASX Limited Board fees include payment for membership of ASX Limited Board committees and Clearing and Settlement Boards.

### 7.3 Director fees for FY22 and FY23

The following table sets out the statutory remuneration details for non-executive directors for FY22 and FY23.

|                          | Year | Short-term<br>salary and fees | Post-employment<br>superannuation | Total   |
|--------------------------|------|-------------------------------|-----------------------------------|---------|
| <b>Current</b>           |      |                               |                                   |         |
| D Roche                  | 2023 | 550,000                       | 25,292                            | 575,292 |
|                          | 2022 | 567,692                       | 23,568                            | 591,260 |
| Y A Allen                | 2023 | 235,000                       | 24,675                            | 259,675 |
|                          | 2022 | 235,000                       | 23,517                            | 258,517 |
| V A Carter <sup>2</sup>  | 2023 | 96,712                        | 10,155                            | 106,867 |
| M B Conrad               | 2023 | 266,500                       | 25,138                            | 291,638 |
|                          | 2022 | 235,000                       | 23,517                            | 258,517 |
| D T Curran               | 2023 | 280,000                       | 25,292                            | 305,292 |
|                          | 2022 | 64,904                        | 5,892                             | 70,796  |
| P R Marriott             | 2023 | 235,000                       | 24,675                            | 259,675 |
|                          | 2022 | 240,966                       | 23,517                            | 264,483 |
| P S Nash                 | 2023 | 280,000                       | 25,292                            | 305,292 |
|                          | 2022 | 291,710                       | 5,892                             | 297,602 |
| L A Randell <sup>2</sup> | 2023 | 58,750                        | 6,169                             | 64,919  |
| H J Smith                | 2023 | 235,000                       | 24,675                            | 259,675 |
|                          | 2022 | 1,808                         | 181                               | 1,989   |

2. Fees disclosed for Vicki Carter and Luke Randell reflect the period from their commencement as a non-executive director.

# Remuneration report

## 7. Non-executive director remuneration arrangements *continued*

### 7.3 Director fees for FY22 and FY23 *continued*

|               | Year | Short-term<br>salary and fees | Post-employment<br>superannuation | Total     |
|---------------|------|-------------------------------|-----------------------------------|-----------|
| <b>Former</b> |      |                               |                                   |           |
| K R Henry     | 2023 | 56,970                        | 5,982                             | 62,952    |
|               | 2022 | 235,000                       | 23,517                            | 258,517   |
| H L Ridout    | 2023 | 160,827                       | 15,778                            | 176,605   |
|               | 2022 | 255,000                       | 23,568                            | 278,568   |
| R J Woods     | 2023 | 164,500                       | 17,273                            | 181,773   |
|               | 2022 | 265,962                       | 23,568                            | 289,530   |
| <b>Total</b>  | 2023 | 2,619,259                     | 230,396                           | 2,849,655 |
|               | 2022 | 2,393,042                     | 176,737                           | 2,569,779 |

### 7.4 Equity holdings

The table below sets out current equity holdings for non-executive directors.

|                          | Held as at<br>1 July 2022 | Other<br>changes | Held as at<br>30 June 2023 |
|--------------------------|---------------------------|------------------|----------------------------|
| <b>Current</b>           |                           |                  |                            |
| D Roche                  | 14,000                    | —                | 14,000                     |
| Y A Allen                | 5,000                     | —                | 5,000                      |
| V A Carter <sup>1</sup>  | —                         | 1,121            | 1,121                      |
| M B Conrad               | 5,000                     | —                | 5,000                      |
| D T Curran               | —                         | 1,800            | 1,800                      |
| P R Marriott             | 5,316                     | —                | 5,316                      |
| P S Nash                 | 3,000                     | —                | 3,000                      |
| L A Randell <sup>1</sup> | —                         | —                | —                          |
| H J Smith                | —                         | 2,000            | 2,000                      |
| <b>Former</b>            |                           |                  |                            |
| K R Henry <sup>2</sup>   | 5,000                     | —                | 5,000                      |
| H M Ridout <sup>2</sup>  | 5,000                     | —                | 5,000                      |
| R J Woods <sup>2</sup>   | 3,000                     | —                | 3,000                      |

1. The opening balances for Vicki Carter and Luke Randell are reported as at their commencement date.

2. The closing balances for Ken Henry, Heather Ridout and Robert Woods are reported as at the date they ceased as a director.

# Directors' report

The directors present their report, which includes the Remuneration Report, together with the financial statements of ASX Limited (ASX or the Company) and its subsidiaries (together referred to as the Group), for the year ended 30 June 2023 (FY23) and the auditor's report thereon. The 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 financial year and at the date of this report (unless otherwise stated) were as follows:

### Current

- > Damian Roche (*Chair*)
- > Helen Lofthouse (*Managing Director and CEO, appointed on 1 August 2022*)
- > Yasmin Allen
- > Vicki Carter (*appointed on 2 February 2023*)
- > Melinda Conrad
- > David Curran
- > Peter Nash
- > Luke Randall (*appointed on 3 April 2023*)
- > Dr Heather Smith PSM

### Former

- > Ken Henry AC (*retired on 28 September 2022*)
- > Peter Marriott (*retired on 16 August 2023*)
- > Heather Ridout AO (*retired on 15 February 2023*)
- > Dominic Stevens (*retired as Managing Director and CEO, on 31 July 2022*)
- > Rob Woods (*retired on 14 March 2023*)

Directors' meetings and attendance at those meetings for FY23 (including meetings of committees of directors) are disclosed on page 46. The qualifications and experience of directors, including current and recent directorships, are detailed on pages 40 to 43.

## Company secretaries

### Current

#### > **Johanna O'Rourke** *Group General Counsel and Company Secretary*

BCom (UNSW), LLB (UNSW), LLM (NYU)

*Appointed Company Secretary on 30 September 2022*

Johanna O'Rourke is ASX's Group General Counsel and Company Secretary. Ms O'Rourke was appointed Company Secretary on 30 September 2022, and assumed the role of Group General Counsel and Company Secretary on 1 October 2022. Ms O'Rourke joined ASX in January 2021 as Deputy General Counsel. Since joining ASX, Ms O'Rourke has worked across ASX's businesses and engaged closely with ASX's Board and committees as a lawyer and company secretary.

Prior to joining ASX, Ms O'Rourke was General Counsel – Commercial & Technology at QBE Insurance Group. She has 20 years' experience practising law in-house and in top tier law firms in New York and Australia.

#### > **Timothy Swan** *General Manager Company Secretariat*

BCom/LLB (Hons) (UNSW), GIA (Affiliated)

*Appointed Company Secretary on 16 March 2023*

Tim Swan, General Manager Company Secretariat, is also a Company Secretary, and was appointed on 16 March 2023. He is responsible for managing the company secretariat function and providing corporate governance support across the Group. Mr Swan joined the ASX in September 2022 as Senior Legal Counsel and Deputy Company Secretary.

Prior to joining the ASX, Mr Swan worked for the Commonwealth Bank of Australia. He also worked for the Qantas Group for over 10 years, including two and half years at Qantas Superannuation Limited in legal and company secretarial roles. Mr Swan started his career in private practice at a top tier Australian firm.

### Former

The Company Secretaries of ASX who held office during the financial year were as follows:

- > Daniel Moran from 21 August 2017 to 1 January 2023
- > Lucy Barnett from 19 October 2022 to 17 February 2023.

# Directors' report

## Report on the business

### Principal activities and review of operations

The principal activities of the Group and its review of operations are detailed in the Operating and Financial Review on pages 10 to 23.

### Dividends

Since the end of the financial year, the Board determined a final dividend of 112.1 cents per share in accordance with the current dividend payout ratio policy of 90% of underlying net profit after tax. Information relating to dividends for the current and prior financial year, is disclosed in note B8 of the financial statements on page 90.

### Significant changes in the state of affairs

Other than those disclosed in notes B2 and F5, there were no significant changes to the Group's state of affairs during the year.

### Events subsequent to balance date

Other than the dividend determination noted above, there have been no material matters or circumstances that have arisen which have significantly affected the operations of the Group, the results of those operations or the state of affairs of the Group from the end of the period to the date of this report.

### Likely developments

For further information about likely developments in the operations of the Group, refer to the Operating and Financial Review on pages 10 to 23. The expected results from those operations in future financial years have not been included because they depend on factors such as general economic conditions, the risks outlined and the success of ASX's strategies, some of which are outside the control of the Group.

### Environmental regulation

The operations of the Group are not subject to any particular or significant environmental regulations under a Federal, State or Territory law.

### Indemnification and insurance of officers

The Group has paid insurance premiums for directors' and officers' liability insurance for current and former directors and officers of the Company, its subsidiaries and related entities.

The insurance policies prohibit disclosure of the nature of the liabilities insured against and the amount of the premiums.

The Constitution of ASX provides that every person who is or has been a director, secretary or executive officer of the Company, and each other officer or former officer of the Company (or of its related bodies corporate as the directors in each case determine), is indemnified by the Company to the maximum extent permitted by law. The indemnity covers losses or liabilities incurred by the person as a director or officer, including but not limited to liability for negligence and for legal costs on a full indemnity basis.

### Performance rights over issued shares

At the date of this report, ASX had 13,821 performance rights outstanding (2022: 72,283). For further details on the performance rights for vesting, refer to note B5 in the financial report.

### Proceedings on behalf of the Group

No application for leave has been made under section 237 of the *Corporations Act 2001* in respect of the Group and no proceedings have been brought or intervened in on behalf of the Group under that section.

## Remuneration Report

Information on remuneration for the ASX Limited Board and Key Management Personnel (KMP), is contained in the Remuneration Report on pages 47 to 68, which forms part of the Directors' report.

### Non-audit services

Details of the amounts paid or payable to the Group's auditor PricewaterhouseCoopers (PwC) and its related practices for non-audit services provided during the year are set out in note B6 of the financial report.

### Directors' declaration of satisfaction with independence of auditor

The Board of directors has considered the non-audit services provided during the year by the auditor and in accordance with advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- > non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Committee.
- > non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.
- > a copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is on page 71.

### Rounding of amounts

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

Signed in accordance with a resolution of the directors.



**Damian Roche**  
Chair



**Helen Lofthouse**  
Managing Director and Chief Executive Officer

Sydney, 17 August 2023



# Auditor's independence declaration



## Auditor's Independence Declaration

As lead auditor for the audit of ASX Limited for the year ended 30 June 2023, 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 audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in black ink that reads 'V. Papageorgiou'.

Voula Papageorgiou  
Partner  
PricewaterhouseCoopers

Sydney  
17 August 2023

PricewaterhouseCoopers, ABN 52 780 433 757  
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)  
Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124  
T: +61 2 9659 2476, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

# Financial report

## Consolidated financial statements

|  |    |
|--|----|
| Consolidated statement of comprehensive income | 73 |
| Consolidated balance sheet                     | 74 |
| Consolidated statement of changes in equity    | 75 |
| Consolidated statement of cash flows           | 76 |

## Notes to the consolidated financial statements

### Overview

|                          |    |
|--------------------------|----|
| A1. Basis of preparation | 77 |
|--------------------------|----|

### Performance of the Group

|  |    |
|--|----|
| B1. Segment reporting                                  | 78 |
| B2. Significant items                                  | 81 |
| B3. Revenue from contracts with customers              | 82 |
| B4. Net Interest Income                                | 84 |
| B5. Staff expenses and share-based payments            | 84 |
| B6. Administration expenses                            | 87 |
| B7. Taxation   | 88 |
| B8. Dividends  | 90 |
| B9. Earnings per share                                 | 90 |
| B10. Notes to the consolidated statement of cash flows | 91 |

### Assets

|   |    |
|---|----|
| C1. Trade and other receivables                           | 92 |
| C2. Financial assets at amortised cost                    | 93 |
| C3. Financial assets at fair value through profit or loss | 94 |
| C4. Equity accounted investments                          | 94 |
| C5. Investment in equity instruments                      | 95 |
| C6. Intangible assets                                     | 97 |
| C7. Property, plant and equipment                         | 99 |

### Liabilities

|                              |     |
|------------------------------|-----|
| D1. Trade and other payables | 100 |
| D2. Provisions               | 101 |
| D3. Leases                   | 101 |
| D4. Borrowings               | 103 |

### Capital and Risk Management

|                               |     |
|-------------------------------|-----|
| E1. Capital                   | 103 |
| E2. Risk Management Framework | 105 |

### Other Group disclosures

|   |     |
|---|-----|
| F1. Group companies                     | 113 |
| F2. Deed of Cross Guarantee             | 115 |
| F3. Related party transactions          | 117 |
| F4. Parent entity financial information | 117 |
| F5. Contingent liabilities              | 119 |
| F6. Commitments                         | 119 |
| F7. Subsequent events                   | 119 |

|  |     |
|--|-----|
| Directors' declaration                                     | 120 |
| Independent auditor's report to the members of ASX Limited | 121 |

# Consolidated statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE

|  | Note       | 2023<br>\$m    | 2022<br>\$m    |
|--|------------|----------------|----------------|
| <b>Revenue</b>   |            |                |                |
| Listings   | B3         | 221.1          | 216.7          |
| Markets  | B3         | 293.1          | 300.2          |
| Technology and Data  | B3         | 243.1          | 224.2          |
| Securities and Payments  | B3         | 258.6          | 300.7          |
| Interest income  | B4         | 403.9          | 54.9           |
| Share of net loss of equity accounted investments                                    | C4         | (15.5)         | (13.9)         |
|  |            | <b>1,404.3</b> | <b>1,082.8</b> |
| <b>Expenses</b>  |            |                |                |
| Staff  | B5         | (200.8)        | (171.7)        |
| Occupancy  |            | (9.9)          | (8.9)          |
| Equipment  |            | (54.8)         | (50.6)         |
| Administration   | B6         | (96.5)         | (55.1)         |
| Interest expense   | B4         | (333.1)        | (13.8)         |
| Depreciation and amortisation  | C6, C7, D3 | (39.1)         | (52.4)         |
| Reversal of prior period impairment losses on equity accounted investment            | B2         | 25.5           | –              |
| Derecognition of CHESS replacement project capitalised costs                         | B2         | (248.4)        | –              |
|  |            | <b>(957.1)</b> | <b>(352.5)</b> |
| <b>Profit before income tax expense</b>  |            | <b>447.2</b>   | <b>730.3</b>   |
| Income tax expense   | B7         | (129.9)        | (221.8)        |
| <b>Net profit for the year attributable to owners of the Company</b>                 |            | <b>317.3</b>   | <b>508.5</b>   |
| <b>Other comprehensive income</b>  |            |                |                |
| Items that may be reclassified to profit or loss                                     |            |                |                |
| Change in the fair value of cash flow hedges   |            | –              | 0.1            |
| Items that cannot be reclassified to profit or loss                                  |            |                |                |
| Change in the fair value of investments in equity instruments                        |            | (23.9)         | 2.0            |
| <b>Other comprehensive (loss)/income for the year, net of tax</b>                    |            | <b>(23.9)</b>  | <b>2.1</b>     |
| <b>Total comprehensive income for the year attributable to owners of the Company</b> |            | <b>293.4</b>   | <b>510.6</b>   |
| <b>Earnings per share</b>  |            |                |                |
| Basic earnings per share (cents per share)   | B9         | 163.9          | 262.7          |
| Diluted earnings per share (cents per share)   | B9         | 163.9          | 262.7          |

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

# Consolidated balance sheet

AS AT 30 JUNE

|   | Note | 2023<br>\$m     | 2022<br>\$m     |
|---|------|-----------------|-----------------|
| <b>Current assets</b>                                 |      |                 |                 |
| Cash  | B10  | 1,008.6         | 4,972.2         |
| Financial assets at amortised cost                    | C2   | 11,957.5        | 8,959.2         |
| Financial assets at fair value through profit or loss | C3   | 490.6           | 525.6           |
| Trade and other receivables                           | C1   | 619.4           | 857.1           |
| Prepayments   |      | 22.0            | 17.8            |
| Current tax assets                                    |      | 2.3             | —               |
| Equity accounted investment held for sale             | C4   | 54.6            | —               |
| <b>Total current assets</b>                           |      | <b>14,155.0</b> | <b>15,331.9</b> |
| <b>Non-current assets</b>                             |      |                 |                 |
| Equity accounted investments                          | C4   | 22.2            | 50.5            |
| Investments in equity instruments                     | C5   | 29.6            | 47.1            |
| Intangible assets                                     | C6   | 2,468.9         | 2,637.3         |
| Property, plant and equipment                         | C7   | 42.6            | 51.7            |
| Right-of-use assets                                   | D3   | 47.9            | 58.3            |
| Deferred tax assets                                   | B7   | 64.4            | 55.1            |
| Prepayments   |      | 2.7             | 5.6             |
| <b>Total non-current assets</b>                       |      | <b>2,678.3</b>  | <b>2,905.6</b>  |
| <b>Total assets</b>                                   |      | <b>16,833.3</b> | <b>18,237.5</b> |
| <b>Current liabilities</b>                            |      |                 |                 |
| Amounts owing to participants                         | E2   | 12,075.3        | 13,076.7        |
| Trade and other payables                              | D1   | 623.7           | 810.5           |
| Revenue received in advance                           | B3   | 112.5           | 119.0           |
| Borrowings  | D4   | 20.0            | —               |
| Current tax liabilities                               |      | —               | 31.8            |
| Provisions  | D2   | 23.7            | 21.3            |
| Lease liabilities                                     | D3   | 11.1            | 10.6            |
| <b>Total current liabilities</b>                      |      | <b>12,866.3</b> | <b>14,069.9</b> |
| <b>Non-current liabilities</b>                        |      |                 |                 |
| Amounts owing to participants                         | E2   | 200.0           | 200.0           |
| Revenue received in advance                           | B3   | 73.5            | 99.8            |
| Provisions  | D2   | 5.4             | 5.4             |
| Lease liabilities                                     | D3   | 47.5            | 57.0            |
| <b>Total non-current liabilities</b>                  |      | <b>326.4</b>    | <b>362.2</b>    |
| <b>Total liabilities</b>                              |      | <b>13,192.7</b> | <b>14,432.1</b> |
| <b>Net assets</b>                                     |      | <b>3,640.6</b>  | <b>3,805.4</b>  |
| <b>Equity</b>   |      |                 |                 |
| Issued capital  | E1   | 3,027.2         | 3,027.2         |
| Retained earnings                                     |      | 557.8           | 697.8           |
| Reserves  |      | 55.6            | 80.4            |
| <b>Total equity</b>                                   |      | <b>3,640.6</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 YEAR ENDED 30 JUNE

|  | Note | Issued capital<br>\$m | Retained<br>earnings<br>\$m | Reserves <sup>2</sup><br>\$m | Total equity<br>\$m |
|--|------|-----------------------|-----------------------------|------------------------------|---------------------|
| <b>Opening balance at 1 July 2022</b>                        |      | 3,027.2               | 697.8                       | 80.4                         | 3,805.4             |
| Profit for the year  |      | —                     | 317.3                       | —                            | 317.3               |
| Other comprehensive loss for the year                        |      | —                     | —                           | (23.9)                       | (23.9)              |
| <b>Total comprehensive income for the period, net of tax</b> |      | —                     | <b>317.3</b>                | <b>(23.9)</b>                | <b>293.4</b>        |
| <b>Transactions with owners in their capacity as owners:</b> |      |                       |                             |                              |                     |
| Share-based payments <sup>1</sup>                            | B5   | —                     | —                           | (0.9)                        | (0.9)               |
| Dividends paid   | B8   | —                     | (457.3)                     | —                            | (457.3)             |
| <b>Closing balance at 30 June 2023</b>                       |      | <b>3,027.2</b>        | <b>557.8</b>                | <b>55.6</b>                  | <b>3,640.6</b>      |
| <b>Opening balance at 1 July 2021</b>                        |      | 3,027.2               | 629.9                       | 79.2                         | 3,736.3             |
| Profit for the year  |      | —                     | 508.5                       | —                            | 508.5               |
| Other comprehensive income for the year                      |      | —                     | —                           | 2.1                          | 2.1                 |
| <b>Total comprehensive income for the period, net of tax</b> |      | —                     | <b>508.5</b>                | <b>2.1</b>                   | <b>510.6</b>        |
| <b>Transactions with owners in their capacity as owners:</b> |      |                       |                             |                              |                     |
| Share-based payments <sup>1</sup>                            | B5   | —                     | —                           | (0.9)                        | (0.9)               |
| Dividends paid   | B8   | —                     | (440.6)                     | —                            | (440.6)             |
| <b>Closing balance at 30 June 2022</b>                       |      | <b>3,027.2</b>        | <b>697.8</b>                | <b>80.4</b>                  | <b>3,805.4</b>      |

1. This amount comprises of current share based payment expense of \$8.0 million (FY22: \$10.2 million) (refer to note B5), offset by costs of acquiring the shares of \$6.1 million under the share plans (FY22: \$7.4 million), and transfers to the equity compensation reserve during the year.

2. Reserves comprise the restricted capital reserve, asset revaluation reserve and the equity compensation reserve. Refer to note E1 for further details.

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

# Consolidated statement of cash flows

FOR THE YEAR ENDED 30 JUNE

|  | Note | 2023<br>\$m      | 2022<br>\$m    |
|--|------|------------------|----------------|
| <b>Cash flows from operating activities</b>                          |      |                  |                |
| Receipts from customers  |      | 1,081.7          | 1,129.7        |
| Payments to suppliers and employees                                  |      | (419.0)          | (357.4)        |
|  |      | <b>662.7</b>     | <b>772.3</b>   |
| (Decrease)/increase in participants' margins                         |      | (981.3)          | 1,006.3        |
| Increase in financial assets at amortised cost                       |      | (2,968.4)        | (1,388.9)      |
| Interest received  |      | 354.0            | 46.4           |
| Interest paid  |      | (297.6)          | (13.1)         |
| Income taxes paid  |      | (173.4)          | (219.6)        |
| <b>Net cash (outflow)/inflow from operating activities</b>           |      | <b>(3,404.0)</b> | <b>203.4</b>   |
| <b>Cash flows from investing activities</b>                          |      |                  |                |
| Payments for investments in equity instruments                       |      | (1.9)            | (2.5)          |
| Payments for equity accounted investments                            |      | (16.3)           | (18.6)         |
| Payments for other non-current assets                                |      | (103.1)          | (105.8)        |
| <b>Net cash outflow from investing activities</b>                    |      | <b>(121.3)</b>   | <b>(126.9)</b> |
| <b>Cash flows from financing activities</b>                          |      |                  |                |
| Dividends paid   | B8   | (457.3)          | (440.6)        |
| Proceeds from borrowings   | D4   | 406.5            | 90.0           |
| Repayment of borrowings  | D4   | (386.5)          | (90.0)         |
| Payment of lease liabilities   | D3   | (9.9)            | (10.2)         |
| <b>Net cash outflow from financing activities</b>                    |      | <b>(447.2)</b>   | <b>(450.8)</b> |
| <b>Net decrease in cash</b>  |      | <b>(3,972.5)</b> | <b>(374.3)</b> |
| Increase/(decrease) in cash due to changes in foreign exchange rates |      | 8.9              | (11.3)         |
| Cash at the beginning of the year                                    |      | 4,972.2          | 5,357.8        |
| <b>Cash at the end of the year</b>                                   | B10  | <b>1,008.6</b>   | <b>4,972.2</b> |

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

# Overview

## A1. Basis of preparation

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 year ended 30 June 2023 are for the consolidated entity which consists of ASX and its subsidiaries (together referred to as the Group) and were authorised for issue by the Board of Directors on 17 August 2023. The directors have the power to amend and reissue the financial statements.

The financial statements are general purpose financial statements that:

- > have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards 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 30 June 2023 and the results of the subsidiaries for the year ended 30 June 2023. 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 (FVTPL) and investments in equity instruments which have been measured at fair value through other comprehensive income (FVTOCI); and
- > are measured and presented in Australian dollars which is ASX's functional and presentation currency with all values rounded to the nearest thousand or hundred thousand dollars in accordance with ASIC Legislative Instrument 2016/191, unless otherwise indicated.

### Foreign currency translation

Foreign currency transactions are translated into Australian dollars, being the currency of the primary economic environment in which the Group operates (the functional currency), using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss, except where they are deferred in equity for investments at FVTOCI.

### Goods and Services Tax (GST)

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the item of expense to which it relates.

Assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability.

Cash flows are reported on a gross basis and inclusive of GST. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

### Other accounting policies

Other significant accounting policies are contained in shaded text and are included in the relevant note. These policies have been consistently applied to all years presented, unless otherwise stated.

### Reclassification of prior period balances

Certain comparative balances have been reclassified to ensure consistency with changes to current period presentation and classification.

### Key judgements and estimates

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates concerning future events. Judgements and estimates that are material to the financial statements are found in the following notes:

- B3 Revenue from contracts with customers;
- C4 Equity accounted investments;
- C5 Investments in equity instruments; and
- C6 Intangible assets.

Key judgements and estimates are contained in shaded text and included in the relevant note.

### New and amended standards and interpretations adopted by the Group

The Australian Accounting Standards Board (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 financial report for the year ended 30 June 2023, that materially affect the Group's accounting policies or any of the amounts recognised in the financial statements.

### New and amended standards and interpretations in issue but not yet effective

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 these standards and interpretations 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

## B1. 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 product offering under the following business units:

|              | Line of business        | Activities  |
|--------------|-------------------------|---|
| ASX<br>Group | Listings                | <ul style="list-style-type: none"> <li>&gt; Provides an efficient regulated framework for entities to raise capital and have their securities publicly traded</li> <li>&gt; Offers a range of support services to listed entities including education programs, research and insights, investor access and peer group networking</li> <li>&gt; Efficient distribution facility for quoted exchange traded funds (ETFs) and debt securities</li> </ul>                                 |
|              | Markets                 | <ul style="list-style-type: none"> <li>&gt; Provides trading of futures and options on interest rate, equity index, agriculture and energy products and options over individual securities</li> <li>&gt; Provides cash market trading of equities, warrants, exchange-traded funds (ETFs) and debt securities</li> <li>&gt; Offers clearing of exchange-traded derivatives and over-the-counter interest rate and equity derivatives via ASX Clear (Futures) and ASX Clear</li> </ul> |
|              | Technology and Data     | <ul style="list-style-type: none"> <li>&gt; Information services offers a range of data products including pricing and trading data.</li> <li>&gt; Technical services facilitates market access, connectivity, hosting and co-location services in ASX's data centre, the Australian Liquidity Centre and global distribution through ASX Net</li> </ul>  |
|              | Securities and Payments | <ul style="list-style-type: none"> <li>&gt; Provides central counterparty clearing and settlement services for equities</li> <li>&gt; Offers settlement, depository and registry services for debt securities</li> <li>&gt; Facilitates the utilisation of debt securities held in Austraclear as collateral to meet obligations via ASX Collateral</li> <li>&gt; Provides a payment platform for property transactions, high value payments and electricity providers</li> </ul>     |

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 material business restructuring or individual transactions of an infrequent nature.

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; interest income is presented net of interest expense, with significant items removed from operating revenue and expenses.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

B1. Segment reporting *continued***b. Segment results**

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

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

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

| For the year ended 30 June                               | 2023                    |                 |  | 2022                    |                 |  |
|--|-------------------------|-----------------|--|-------------------------|-----------------|--|
|  | Segment information \$m | Adjustments \$m | Consolidated statement of comprehensive income \$m | Segment information \$m | Adjustments \$m | Consolidated statement of comprehensive income \$m |
| <b>Revenue</b>   |                         |                 |  |                         |                 |  |
| Annual listing <sup>1</sup>                              | 108.3                   | 2.5             | 110.8  | 108.8                   | 2.8             | 111.6  |
| Initial listing  | 23.0                    | —               | 23.0   | 22.9                    | —               | 22.9   |
| Subsequent raisings                                      | 78.3                    | —               | 78.3   | 73.1                    | —               | 73.1   |
| Investment products and other listing                    | 9.0                     | —               | 9.0  | 9.1                     | —               | 9.1  |
| <b>Listings</b>  | <b>218.6</b>            | <b>2.5</b>      | <b>221.1</b>                                       | <b>213.9</b>            | <b>2.8</b>      | <b>216.7</b>                                       |
| Equity options   | 17.3                    | —               | 17.3   | 15.5                    | —               | 15.5   |
| Futures and Over-the-counter (OTC) clearing <sup>2</sup> | 211.8                   | 0.7             | 212.5  | 211.8                   | 1.6             | 213.4  |
| Cash market trading                                      | 63.3                    | —               | 63.3   | 71.3                    | —               | 71.3   |
| <b>Markets</b>   | <b>292.4</b>            | <b>0.7</b>      | <b>293.1</b>                                       | <b>298.6</b>            | <b>1.6</b>      | <b>300.2</b>                                       |
| Information services                                     | 144.8                   | 0.1             | 144.9  | 130.5                   | 0.2             | 130.7  |
| Technical services <sup>3</sup>                          | 96.0                    | 2.2             | 98.2   | 91.4                    | 2.1             | 93.5   |
| <b>Technology and Data</b>                               | <b>240.8</b>            | <b>2.3</b>      | <b>243.1</b>                                       | <b>221.9</b>            | <b>2.3</b>      | <b>224.2</b>                                       |
| Issuer services  | 61.1                    | 0.4             | 61.5   | 78.5                    | 0.1             | 78.6   |
| Cash market clearing <sup>4</sup>                        | 68.5                    | (7.5)           | 61.0   | 76.0                    | (0.2)           | 75.8   |
| Cash market settlement <sup>4</sup>                      | 66.3                    | (7.5)           | 58.8   | 77.1                    | —               | 77.1   |
| Austraclear <sup>2</sup>                                 | 62.5                    | 14.8            | 77.3   | 56.7                    | 12.5            | 69.2   |
| <b>Securities and Payments</b>                           | <b>258.4</b>            | <b>0.2</b>      | <b>258.6</b>                                       | <b>288.3</b>            | <b>12.4</b>     | <b>300.7</b>                                       |
| <b>Operating revenue</b>                                 | <b>1,010.2</b>          |                 |  | <b>1,022.7</b>          |                 |  |
| Interest income <sup>5</sup>                             |                         | 403.9           | 403.9  |                         | 54.9            | 54.9   |
| Share of net (loss) of equity accounted investments      |                         | (15.5)          | (15.5)   |                         | (13.9)          | (13.9)   |
| <b>Total revenue</b>                                     |                         | <b>394.1</b>    | <b>1,404.3</b>                                     |                         | <b>60.1</b>     | <b>1,082.8</b>                                     |

1. Segment information excludes revenue set aside to fund research to support small to mid-cap listed companies. These costs are reclassified from expenses to revenue in the Consolidated statement of comprehensive income.

2. Segment information includes share of net losses for equity accounted investments within revenue. The share of net losses from Sympli of \$14.8 million (FY22: \$12.5 million) were attributed to Austraclear segment revenue. The share of net losses from Yieldbroker of \$0.7 million (FY22: \$1.6 million) were attributed to Futures and OTC Clearing segment revenue. Share of net losses from equity accounted instruments are classified as a separate item under the Consolidated statement of comprehensive income.

3. Depreciation on fibre optic leases is included as revenue under segment information, but within depreciation and amortisation in the Consolidated statement of comprehensive income.

4. Segment information excludes rebates paid under the CHES Replacement Partnership Program, which are presented as significant items. Refer to note B2. The rebates are presented as a reduction to revenue, in the Consolidated statement of comprehensive income.

5. Segment information presents interest income net of interest expense. Interest revenue and interest expense are presented on a gross basis under the Consolidated statement of comprehensive income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

B1. Segment reporting *continued*b. Segment results *continued*

| For the year ended 30 June   | 2023                       |                    |   | 2022                       |                    |   |
|--|----------------------------|--------------------|---|----------------------------|--------------------|---|
|  | Segment information<br>\$m | Adjustments<br>\$m | Consolidated statement of comprehensive income<br>\$m | Segment information<br>\$m | Adjustments<br>\$m | Consolidated statement of comprehensive income<br>\$m |
| <b>Expenses</b>  |                            |                    |   |                            |                    |   |
| Staff  | (200.8)                    | —                  | (200.8)   | (171.7)                    | —                  | (171.7)   |
| Occupancy  | (9.9)                      | —                  | (9.9)   | (8.9)                      | —                  | (8.9)   |
| Equipment <sup>1</sup>   | (52.6)                     | (2.2)              | (54.8)  | (47.8)                     | (2.8)              | (50.6)  |
| Administration <sup>1</sup>  | (54.8)                     | (41.7)             | (96.5)  | (31.6)                     | (23.5)             | (55.1)  |
| Variable <sup>2</sup>  | (12.2)                     | 12.2               | —   | (15.5)                     | 15.5               | —   |
| ASIC levy <sup>2</sup>   | (7.4)                      | 7.4                | —   | (7.7)                      | 7.7                | —   |
| <b>Operating expenses</b>  | <b>(337.7)</b>             |                    |   | <b>(283.2)</b>             |                    |   |
| <b>EBITDA</b>  | <b>672.5</b>               |                    |   | <b>739.5</b>               |                    |   |
| Interest expense <sup>3</sup>  |                            | (333.1)            | (333.1)   |                            | (13.8)             | (13.8)  |
| Depreciation and amortisation <sup>4</sup>   | (36.9)                     | (2.2)              | (39.1)  | (50.3)                     | (2.1)              | (52.4)  |
| Derecognition of CHESS replacement project costs <sup>1</sup>                          | —                          | (248.4)            | (248.4)   | —                          | —                  | —   |
| Reversal of prior period impairment losses on equity accounted investment <sup>1</sup> | —                          | 25.5               | 25.5  | —                          | —                  | —   |
| <b>Total expenses</b>  | <b>(374.6)</b>             |                    |   | <b>(333.5)</b>             |                    |   |
|  |                            |                    | <b>(957.1)</b>  |                            |                    | <b>(352.5)</b>  |
| <b>EBIT</b>  | <b>635.6</b>               |                    |   | <b>689.2</b>               |                    |   |
| <b>Net interest income</b>   |                            |                    |   |                            |                    |   |
| Net interest income/(expense)  | 30.0                       | (30.0)             | —   | (3.5)                      | 3.5                | —   |
| Net interest on participant balances   | 40.8                       | (40.8)             | —   | 44.6                       | (44.6)             | —   |
| <b>Net interest income<sup>3</sup></b>   | <b>70.8</b>                |                    | <b>—</b>  | <b>41.1</b>                |                    | <b>—</b>  |
| <b>Profit before tax</b>   | <b>706.4</b>               | <b>(259.2)</b>     | <b>447.2</b>  | <b>730.3</b>               | <b>—</b>           | <b>730.3</b>  |
| Income tax expense   | (215.3)                    | 85.4               | (129.9)   | (221.8)                    | —                  | (221.8)   |
| <b>Underlying profit after tax</b>   | <b>491.1</b>               |                    |   | <b>508.5</b>               |                    |   |
| <b>Significant items after tax<sup>1</sup></b>   | <b>(173.8)</b>             |                    |   | <b>—</b>                   |                    |   |
| <b>Statutory profit after tax</b>  | <b>317.3</b>               |                    | <b>317.3</b>  | <b>508.5</b>               |                    | <b>508.5</b>  |

1. Segment information excludes significant items. Significant items are reported in either administration or equipment expenses, or as separate categories disclosed in the Consolidated statement of comprehensive income. Refer to note B2 for further information.

2. Variable costs, and ASIC levy expenses, are reported within administration expenses in the Consolidated statement of comprehensive income.

3. Segment information presents interest expense net of interest income. Interest income and interest expense are presented on a gross basis under the Consolidated statement of comprehensive income.

4. Depreciation of fibre optic leases is included as a deduction to revenue under segment information, but within depreciation and amortisation in the Consolidated statement of comprehensive income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

## B2. Significant items

During the year, the Group incurred the following costs which are classified as significant items for segment reporting:

| For the year ended 30 June  | 2023<br>\$m    | 2022<br>\$m |
|---|----------------|-------------|
| Derecognition of CHES replacement project costs                           | (248.4)        | —           |
| CHES replacement project ancillary costs                                  | (3.5)          | —           |
| CHES Replacement Partnership Program rebate costs                         | (15.0)         | —           |
| CHES Replacement Partnership Program Development Incentive Pool costs     | (17.8)         | —           |
| Reversal of prior period impairment losses on equity accounted investment | 25.5           | —           |
| <b>Total significant items before tax</b>                                 | <b>(259.2)</b> | <b>—</b>    |
| <b>Tax on significant items</b>   | <b>85.4</b>    | <b>—</b>    |
| <b>Total significant items after tax</b>                                  | <b>(173.8)</b> | <b>—</b>    |

**a. Derecognition of CHES replacement project and ancillary costs**

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

As a result of the report findings, combined with ASX's own assessment, 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 capitalised costs have been derecognised at 31 December 2022. The non-cash derecognition and associated project wind-down costs for the CHES replacement project were \$251.9 million pre-tax (\$176.3 million post-tax). The amounts derecognised comprise \$236.7 million from intangible assets and \$11.7 million from property, plant and equipment.

Other ancillary costs, comprising project wind down costs of \$3.5 million, were incurred during the period and are recognised within administration expenses in the Consolidated statement of comprehensive income.

**b. CHES Replacement Partnership Program**

The CHES Replacement Partnership Program was announced by the Group on 16 February 2023, and includes rebates to clearing and settlement (CS) participants as well as 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 Program is \$15.0 million. The Development Incentive Pool of up to \$55.0 million will be available to certain stakeholders who are developing technology applications to connect and interact with the CHES replacement solution, or otherwise meet the eligibility criteria.

During the period, the Group incurred \$15.0 million in relation to the Rebate Pool component (recognised as a revenue rebate within Securities and Payments revenue in the Consolidated statement of comprehensive income) and \$17.8 million in relation to the Development Incentive Pool component (recognised within administration expenses in the Consolidated statement of comprehensive income).

**c. Reversal of prior period impairment losses on equity accounted investment**

On 25 May 2023, ASX entered into a binding agreement to sell its interest (44.7%) in Yieldbroker Pty Limited (Yieldbroker). ASX expects to realise \$54.6 million (after estimated transaction costs) under the terms of this transaction.

The sale of the Group's investment in Yieldbroker is subject to a number of conditions, including regulatory approval, and is expected to be completed prior to 30 June 2024. Given that the sale was not settled at 30 June 2023, the investment in Yieldbroker has been classified as an equity accounted investment held for sale.

Prior period impairments totalling \$25.5 million were reversed, to revalue ASX's investment in Yieldbroker to the higher of its carrying value, or fair value less costs to sell of \$54.6 million.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

## B3. 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 as shown by the major business units below:

| For the year ended 30 June 2023                    | Services satisfied<br>at a point in time<br>\$m | Services satisfied<br>over time<br>\$m | Total<br>\$m   |
|--|---|--|----------------|
| Listings   | 4.8   | 216.3                                  | 221.1          |
| Markets  | 292.6   | 0.5                                    | 293.1          |
| Technology and Data                                | 4.1   | 239.0                                  | 243.1          |
| Securities and Payments                            | 218.6   | 40.0                                   | 258.6          |
| <b>Total revenue from contracts with customers</b> | <b>520.1</b>                                    | <b>495.8</b>                           | <b>1,015.9</b> |

| For the year ended 30 June 2022                    | Services satisfied<br>at a point in time<br>\$m | Services satisfied<br>over time<br>\$m | Total<br>\$m   |
|--|---|--|----------------|
| Listings   | 4.5   | 212.2                                  | 216.7          |
| Markets  | 299.8   | 0.4                                    | 300.2          |
| Technology and Data                                | 3.7   | 220.5                                  | 224.2          |
| Securities and Payments                            | 254.1   | 46.6                                   | 300.7          |
| <b>Total revenue from contracts with customers</b> | <b>562.1</b>                                    | <b>479.7</b>                           | <b>1,041.8</b> |

## b. Revenue received in advance

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

| As at 30 June  | 2023<br>\$m  | 2022<br>\$m  |
|--|--------------|--------------|
| <b>Current</b>                                       |              |              |
| Listings   | 85.7         | 93.5         |
| Technology and Data                                  | 9.1          | 8.2          |
| Securities and Payments                              | 17.7         | 17.3         |
| <b>Total current revenue received in advance</b>     | <b>112.5</b> | <b>119.0</b> |
| <b>Non-current</b>                                   |              |              |
| Listings   | 73.5         | 99.8         |
| <b>Total non-current revenue received in advance</b> | <b>73.5</b>  | <b>99.8</b>  |
| <b>Total revenue received in advance</b>             | <b>186.0</b> | <b>218.8</b> |

The current portion of the above contract liabilities will be recognised as revenue within the next financial year. The non-current portion which relates to initial and subsequent listings will be recognised as revenue between FY25 and FY28.

**Accounting policies**

Revenue from contracts with customers are recognised when services are provided to the customer at an amount that reflects the consideration which the ASX is entitled to in exchange for the service provided.

Performance obligations that have not been satisfied at the reporting date are recognised as revenue received in advance on the Consolidated balance sheet.

There are no contracts with customers that have significant financing components. The Group has considered the time difference between when it provides the initial and subsequent listing service to the customer and when the customer pays for the service, and determined that this does not result in a significant financing component.

All contracts have standard 30-day payment terms.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

B3. Revenue from contracts with customers *continued***Accounting policies** *continued*

The transaction price is based on the price specified in the contract or in accordance with published fee schedules and is net of any applicable rebates. Rebates are calculated based on actual transactions or trading, clearing or settlement volumes. Where this information is not immediately available within the relevant accounting period, the expected amount is estimated based on previous experience with the customer and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A liability for the rebates is recognised within trade and other payables, and typically have payment terms of 30 days following the end of the relevant period.

Revenue is recognised for the major revenue lines as described below.

| Revenue line            | Revenue earned on services satisfied at a point in time   | Revenue earned on services satisfied over time   |
|-------------------------|---|--|
| Listings                | Application and approval fees are recognised when the application is received and approval for listing is granted.  | Initial and subsequent listing fees are recognised evenly over the period the listing service is expected to be provided, which is five and three years, respectively. The recognition of revenue commences from the date that the entity is admitted to the official list or on quotation of the secondary capital.<br><br>Annual listing fees are recognised evenly over a financial year.                         |
| Markets                 | Revenue from trading and clearing of futures and equity options, and clearing of OTC interest rate derivatives is recognised at transaction date. Where the revenue includes variable consideration for rebates on certain volumes traded, a liability for rebates is recognised at trade date.<br><br>Cash market trading revenue is recognised on settlement date, which is two business days after the initial trade date (T+2).   | Membership fees revenue from participants is recognised over the membership period which is usually over a financial year.   |
| Technology and data     | Fees earned on installation of data connections are recognised when the connection is established.  | Licence fees are earned over the licence period. Revenue earned for the provision of data is earned over the period at which the data is consumed.   |
| Securities and payments | Clearing and settlement fees are received from the clearing and settlement of quoted securities including equities, debt securities, warrants and exchange-traded funds. These fees are recognised at settlement date.<br><br>The revenue recognised is net of rebates expected to be paid, which are estimated based on prior experience with customers.<br><br>Fees for Austraclear settlement and cash transactions are recognised at transaction date. Fees for depository services for debt securities are recognised monthly.<br><br>Issuer services revenue includes revenue for the provision of CHES holding statements, and holder identification numbers (HINs). Revenue is recognised monthly based on the number of CHES statements issued, and the number of HINs held. | Memberships for cash market trading participants are recognised evenly over the financial year in which the period of membership applies.<br><br>Fees for registry services for debt securities are billed upfront and are net of rebates. These are recognised over the registration period which is usually over a 12-month period.<br><br>Austraclear membership fees are recognised evenly over a calendar year. |

**Key judgements and estimates**

For initial and subsequent listings revenue, the Group applied critical judgement in determining the period over which performance obligations are expected to be satisfied. The period over which listings revenue is recognised is determined using historical analysis of the duration of initial and subsequent listings. This estimated service period incorporates an element of uncertainty in relation to the length of a customer listing, which is subject to external factors outside the Group's control. The Group's estimation of the service period is consistent with market practice.

The Group reassesses the estimated service periods on an annual basis. There have been no changes to these periods in the current year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

## B4. Net interest income

| For the year ended 30 June                         | 2023<br>\$m    | 2022<br>\$m   |
|--|----------------|---------------|
| <b>Interest income</b>                             |                |               |
| <i>Effective interest income derived from:</i>     |                |               |
| Cash   | 152.9          | 6.8           |
| Financial assets at amortised cost                 | 224.1          | 17.8          |
| Charge on initial margins provided by participants | 26.9           | 30.3          |
| <b>Total interest income</b>                       | <b>403.9</b>   | <b>54.9</b>   |
| <b>Interest expense</b>                            |                |               |
| <i>Effective interest expense derived from:</i>    |                |               |
| Amounts attributable to participants               | (326.1)        | (8.7)         |
| Borrowings   | (4.4)          | (2.3)         |
| Lease liabilities                                  | (2.6)          | (2.8)         |
| <b>Total interest expense</b>                      | <b>(333.1)</b> | <b>(13.8)</b> |
| <b>Net interest income</b>                         | <b>70.8</b>    | <b>41.1</b>   |

**Accounting policies**

Interest income and interest expense on financial assets and liabilities are recognised on a gross basis through the effective interest rate method.

The charge on initial margins provided by participants is commensurate with the risk exposures a clearing participant brings to the Group's central counterparties (CCPs) and is recognised using the effective interest rate method.

## B5. Staff expenses and share-based payments

**a. Staff expenses**

| For the year ended 30 June    | 2023<br>\$m    | 2022<br>\$m    |
|-------------------------------|----------------|----------------|
| <b>Staff expenses</b>         |                |                |
| Salaries and related on-costs | (179.2)        | (150.4)        |
| Share-based payment expenses  | (8.0)          | (10.2)         |
| Superannuation                | (13.6)         | (11.1)         |
| <b>Total staff expenses</b>   | <b>(200.8)</b> | <b>(171.7)</b> |

**b. Share-based payment expenses**

The following table shows the total share-based payments recognised within staff expenses during the year, and includes the impact of reversals resulting from non-market based performance hurdles not being achieved, accelerations due to changes in service periods, and cancellation of grants during the period.

|   | 2023<br>\$m  | 2022<br>\$m   |
|---|--------------|---------------|
| Long Term Variable Reward (LTVR) Plan   | (0.2)        | (0.7)         |
| Short Term Variable Reward (STVR) Plans | (7.8)        | (9.5)         |
| <b>Total</b>                            | <b>(8.0)</b> | <b>(10.2)</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

B5. Staff expenses and share-based payments *continued***c. Long-term variable reward (LTVR) Plan**

The Group provides performance rights to ordinary shares of the Company to certain Key Management Personnel (KMP) as part of the LTVR Plan to recognise performance, skills and behaviours that deliver sustainable long-term shareholder value. They entitle participants to performance rights over ASX Limited shares. Eligibility is by invitation of the Board and is reviewed annually.

Participants are granted performance rights that only vest if certain performance conditions are met. All performance rights are to be settled by physical delivery of ordinary shares in ASX Limited subject to the performance conditions being attained with 50% of the rights subject to an EPS hurdle being achieved, and 50% on ASX's total shareholder return (TSR) relative to a comparator group. All plans have a contractual life of four years and do not carry rights to dividends.

Only one LTVR grant was made in the current reporting period, as shown in the following table.

| Grant date   | 28 September 2022 | Total  |
|--|-------------------|--------|
| Number of instruments granted                              | 13,821            | 13,821 |
| Fair value of each performance right subject to TSR hurdle | \$34.25           |        |
| Fair value of each performance right subject to EPS hurdle | \$63.86           |        |

The following table shows the movement in the number of performance rights during the current and prior year.

| For the year ended 30 June             | 2023<br>No. of rights | 2022<br>No. of rights |
|--|-----------------------|-----------------------|
| Opening balance at 1 July              | 72,283                | 88,786                |
| Granted during the year                | 13,821                | 11,960                |
| Vested during the year                 | —                     | (10,773)              |
| Lapsed during the year                 | —                     | (17,690)              |
| Cancelled during the year <sup>1</sup> | (72,283)              | —                     |
| <b>Closing balance at 30 June</b>      | <b>13,821</b>         | <b>72,283</b>         |

1. During the year, 72,283 performance rights were cancelled, following determination by the Board.

The fair value of the performance rights for the earnings per share (EPS) component is calculated using the share price at market close on the grant date, less the present value of the expected dividends over the performance period. The fair value of performance rights for the TSR component is calculated by an independent valuer using a Monte-Carlo simulation model. The following key assumptions have been applied in determining fair value:

|   | 2023    | 2022 <sup>2</sup> |
|---|---------|-------------------|
| Dividend yield (per annum)                      | 2.8%    | 2.9%              |
| Expected volatility of share price <sup>3</sup> | 23.0%   | 22.0%             |
| Risk-free interest rate (per annum)             | 3.8%    | 0.5%              |
| Expected time to vesting (years)                | 4 years | n/a               |

2. Cancelled during the period.

3. The expected volatility of the share price is based on the actual volatility of ASX's daily closing share price over the three year period to the valuation date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

B5. Staff expenses and share-based payments *continued***d. Short-term variable reward (STVR) Plan**

The Group operates a deferred equity plan for Key Management Personnel (KMP) and other employees. Under the plan, an employee receives between 40% to 50% of their short-term variable reward (STVR) in cash, and the remainder granted as shares, with deferred vesting for a period of 2 or 4 years from the date of grant. If the employee ceases employment during the restriction period, the shares are forfeited, except in certain limited circumstances.

Employees have full ownership rights of the shares under the plan including voting rights and entitlement to dividends. Provided the employee remains employed by the ASX Group and maintains satisfactory individual performance, the shares are subject to a holding lock until vesting. Post vesting, employees can only deal with the shares in accordance with ASX's dealing rules. The shares cannot be transferred to another person or disposed of during the restriction period.

The number of shares allocated to each eligible employee is the amount of the portion of the STVR award deferred into shares divided by the volume weighted average price (VWAP) over the five business days up to and including the offer close date, rounded to the nearest share.

|                                   | 2023             | 2022           |
|-----------------------------------|------------------|----------------|
| Grant date                        | 1 September 2022 | 30 August 2021 |
| Number of shares allocated        | 84,216           | 73,853         |
| Fair value of each deferred share | \$78.30          | \$87.72        |

The fair value of the shares allocated are recognised at the closing share price at grant date.

**e. Employee Share Purchase Plan**

The ASX Employee Share Purchase Plan offers the opportunity for employees to purchase fully paid ordinary shares in ASX through salary sacrifice up to the value of \$1,000 at a discount of 10%. All Australian permanent full-time and part-time employees, and maximum-term contractors with end dates beyond 30 June are eligible to participate in the scheme.

Employees have full ownership rights of the shares under the scheme including voting rights and entitlement to dividends.

The shares are subject to a three-year holding lock and as such cannot be transferred to another person or disposed of until the earlier of cessation of employment or three years from purchase date, and subject to compliance with ASX's dealing rules.

The number of shares allocated to each employee is the offer amount divided by the VWAP over the five business days up to and including the offer close date, rounded down to the nearest share.

Under the 2023 Plan, 6,720 shares (2022: 5,568) were issued.

**Accounting policies**

Salaries and related on-costs include annual leave, long service leave, employee cash incentives and relevant taxes. Staff expenses are recognised over the period the employee renders the service. Long service leave is discounted to its present value using assumptions relating to staff departures and future salaries.

Share based payments are recognised over the vesting period as an expense based on the grant date fair value with a corresponding increase in the equity compensation reserve.

Fair values include the impact of any market performance conditions and the impact of any non-vesting conditions, but exclude the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of performance rights that are expected to vest. The impact of any revisions to the original estimates are recognised in profit or loss with a corresponding adjustment to the equity compensation reserve.

**f. Key Management Personnel (KMP) remuneration**

KMP remuneration (including non-executive directors) provided during the financial year is set out in the following table. Further details are disclosed in the Remuneration Report on pages 47 to 68.

| For the year ended 30 June   | 2023<br>\$000 | 2022<br>\$000 |
|------------------------------|---------------|---------------|
| Short-term employee benefits | 9,213         | 9,143         |
| Post-employment benefits     | 353           | 295           |
| Long-term benefits           | 256           | 86            |
| Share-based payments         | 1,700         | 5,288         |
| <b>Total</b>                 | <b>11,522</b> | <b>14,812</b> |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

## B6. Administration expenses

| For the year ended 30 June   | 2023<br>\$m   | 2022<br>\$m   |
|--|---------------|---------------|
| Consultants and other professional fees <sup>1</sup>                   | (27.1)        | (10.3)        |
| Variable <sup>2</sup>  | (9.9)         | (12.2)        |
| ASIC Supervision Levy  | (7.4)         | (7.7)         |
| Auditor's remuneration   | (2.1)         | (1.7)         |
| Other expenses <sup>3</sup>  | (28.2)        | (22.9)        |
| CHESS Replacement Project ancillary costs                              | (3.5)         | –             |
| CHESS Replacement Partnership Program Development Incentive Pool costs | (17.8)        | –             |
| Loss allowance and amounts written off                                 | (0.5)         | (0.3)         |
| <b>Total administration expenses</b>                                   | <b>(96.5)</b> | <b>(55.1)</b> |

- Increase due to higher consultancy spend relating to continued investment in technology, risk management and assurance activities, as well as CHESS replacement solution design costs.
- Variable costs primarily relate to postage and stationery costs. The decrease in postage and stationery costs is primarily due to a lower number of statements and notifications issued during FY23.
- Other expenses comprise insurance, marketing, travel and entertainment costs.

**Accounting policies**

Administration expenses are recognised as the relevant service is provided. Administration expenses relating to provisions are recognised for present obligations arising from past events where a payment to settle the obligation is probable and can be reliably measured.

**a. Auditor's remuneration**

The following fees were paid or payable by the Group for and on behalf of all Group entities for services provided by the auditor and its related practices during the financial year:

| PricewaterhouseCoopers Australia   | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------------|----------------|
| <b>Statutory audit services:</b>   |                |                |
| Audit and review of the financial statements and other audit work under the <i>Corporations Act 2001</i> | 1,318          | 988            |
| Audit of information technology platforms  | 460            | 402            |
| <b>Other audit services:</b>   |                |                |
| Code of Practice compliance  | 98             | 91             |
| Other assurance and agreed-upon procedures   | 39             | 45             |
| <b>Non-audit services:</b>   |                |                |
| Tax compliance services  | 224            | 191            |
| <b>Total remuneration for PricewaterhouseCoopers Australia</b>   | <b>2,139</b>   | <b>1,717</b>   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

## B7. Taxation

ASX is the head entity of the tax consolidated group and is therefore responsible for the income tax liabilities of its 100% owned Australian resident subsidiaries in the tax group. The consolidated current and deferred tax amounts arising from temporary differences of the members of the tax group are recognised in the separate financial statements of the members of the tax group using the 'separate taxpayer within group' approach.

ASX has entered into a tax funding agreement with members of the Australian tax group. The agreement has the objective of achieving an appropriate allocation of the Group's income tax expense to the main operating subsidiaries within the Group. The tax funding agreement also has the objective of allocating deferred tax assets relating to tax losses only, and current tax liabilities of the main operating subsidiaries to ASX.

The subsidiaries will reimburse ASX for their portion of the Group's current tax liability and will recognise this payment as an inter-entity payable or receivable in their financial statements for that financial year. ASX will reimburse the subsidiaries for the deferred tax asset from any unused tax losses or credits by making a payment equal to the carrying value of the deferred tax asset.

The movements during the year in the following components of deferred tax asset and liability were recognised in profit or loss, with the exception of revaluations of investments in equity instruments and cash flow hedges, which were recognised in other comprehensive income.

| As at 30 June   | 2023<br>\$m    | 2022<br>\$m    |
|---|----------------|----------------|
| <b>a) Income tax expense</b>  |                |                |
| <b>Profit before income tax expense</b>   | <b>447.2</b>   | <b>730.3</b>   |
| Prima facie income tax expense calculated at 30% (2022: 30%) on the profit before tax | (134.2)        | (219.1)        |
| Movement in income tax expense due to:  |                |                |
| Non-deductible items  | (0.1)          | (0.3)          |
| Equity accounted investment losses  | (4.7)          | (4.2)          |
| Non-assessable income <sup>1</sup>  | 7.6            | —              |
| Research and development tax offset   | —              | 1.6            |
| Adjustments to current tax for prior years  | 1.5            | 0.2            |
| <b>Total income tax expense</b>   | <b>(129.9)</b> | <b>(221.8)</b> |
| <b>b) Major components of income tax expense</b>                                      |                |                |
| Current tax expense   | (145.1)        | (229.4)        |
| Movement in deferred tax liability  | 21.5           | (2.2)          |
| Movement in deferred tax asset  | (7.8)          | 9.6            |
| Adjustments to current tax for prior years  | 1.5            | 0.2            |
| <b>Total income tax expense</b>   | <b>(129.9)</b> | <b>(221.8)</b> |
| <b>c) Income tax on items recognised directly in equity</b>                           |                |                |
| Deferred STVR shares returned to trust  | 0.1            | 0.4            |
| <b>Total</b>  | <b>0.1</b>     | <b>0.4</b>     |
| <b>d) Income tax on items recognised directly in other comprehensive income</b>       |                |                |
| Revaluation of investments in equity instruments                                      | (4.4)          | (0.8)          |
| <b>Total</b>  | <b>(4.4)</b>   | <b>(0.8)</b>   |

1. Relates to the reversal of prior period impairment losses on equity accounted investment. Refer to note B2 for further information.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

B7. Taxation *continued*

| As at 30 June  | 2023<br>\$m   | 2022<br>\$m   |
|--|---------------|---------------|
| <b>e) Deferred tax asset</b>   |               |               |
| Deferred tax asset comprises the estimated future benefit at an income tax rate of 30% (2022: 30%) of the following items:     |               |               |
| Employee entitlements provisions   | 13.7          | 12.7          |
| Lease liabilities  | 17.5          | 20.3          |
| Accrued expenses   | 7.8           | 3.6           |
| Revenue received in advance  | 54.4          | 64.7          |
| Expected credit loss allowance   | 0.3           | 0.2           |
| Revaluation of investments in equity instruments   | —             | 4.0           |
| <b>Deferred tax asset</b>  | <b>93.7</b>   | <b>105.5</b>  |
| Deferred tax liability comprises the estimated future expense at an income tax rate of 30% (2022: 30%) of the following items: |               |               |
| Property, plant and equipment  | (14.3)        | (32.6)        |
| Right-of-use assets  | (14.4)        | (17.5)        |
| LTVR Plan  | (0.3)         | (0.3)         |
| Revaluation of investments in equity instruments   | (0.3)         | —             |
| <b>Deferred tax liability</b>  | <b>(29.3)</b> | <b>(50.4)</b> |
| <b>Net deferred tax asset</b>  | <b>64.4</b>   | <b>55.1</b>   |

**Unrecognised tax losses**

At 30 June 2023, the Group has not recognised a deferred tax asset of \$26.4 million relating to unrealised capital losses on its investments in equity instruments and equity accounted investments.

**Accounting policies**

Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively. Income tax expense recognised in profit or loss comprises current and deferred income tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset if there is a legally enforceable right to offset and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred income tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. Deferred income tax is not recognised for certain temporary differences such as the initial recognition of goodwill.

The amount of deferred income tax is determined using tax rates enacted or substantively enacted at the balance sheet date and expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable amounts will be available against which the asset can be utilised, and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and when the deferred tax balances relate to income taxes levied by the same tax authority.

Further information on the Group's tax obligations can be found in the tax transparency report available on ASX's website.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

## B8. Dividends

Consistent with the prior year, the Board has declared dividends based on a dividend payout ratio policy of 90% of underlying profit after tax.

The following table includes information relating to dividends recognised and paid by ASX during the financial year.

| For the year ended 30 June 2023                  | Cents per share | Total amount \$m |
|--|-----------------|------------------|
| Final dividend for the year ended 30 June 2022   | 120.0           | 232.3            |
| Interim dividend for the year ended 30 June 2023 | 116.2           | 225.0            |
| <b>Total</b>                                     | <b>236.2</b>    | <b>457.3</b>     |

| For the year ended 30 June 2022                  | Cents per share | Total amount \$m |
|--|-----------------|------------------|
| Final dividend for the year ended 30 June 2021   | 111.2           | 215.3            |
| Interim dividend for the year ended 30 June 2022 | 116.4           | 225.3            |
| <b>Total</b>                                     | <b>227.6</b>    | <b>440.6</b>     |

Since the end of the financial year, the directors have determined a final dividend of 112.1 cents per share totalling \$217.0 million. The dividend will be fully franked based on tax paid at 30%, and has been determined based on the payout ratio policy of 90% of underlying profit after tax.

**Accounting policies**

A liability is recognised for the amount of any dividends determined on or before the balance date but not yet paid.

The final dividend in respect of the financial year was determined after balance date, and therefore no provision was recognised.

**Dividend franking account**

| As at 30 June  | 2023 \$m | 2022 \$m |
|--|----------|----------|
| Franking credits available for future years at 30% adjusted for the payment/refund of current income tax | 288.8    | 341.2    |

Adjusting for the payment of the final dividend for the year ended 30 June 2023, the franking credit balance would be \$195.8 million (2022: \$241.7 million).

## B9. Earnings per share

| As at 30 June   | 2023        | 2022        |
|---|-------------|-------------|
| Basic and diluted earnings per share (cents)  | 163.9       | 262.7       |
| Weighted average number of ordinary shares used in calculating basic and diluted earnings per share | 193,579,896 | 193,583,153 |

The decrease in the weighted average number of ordinary shares reflects higher treasury shares held during the current financial year. The basic and diluted earnings per share (EPS) amounts have been calculated on the basis of net profit after tax of \$317.3 million (2022: 508.5 million).

The Group has no potential ordinary shares that will have a material impact on diluted EPS.

**Accounting policies**

Basic EPS is calculated by dividing the consolidated net profit after tax attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares.

Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

## B10. Notes to the consolidated statement of cash flows

## a. Reconciliation of the operating profit after income tax to the net cash flows from operating activities

|   | 2023<br>\$m      | 2022<br>\$m  |
|---|------------------|--------------|
| <b>Net profit after tax</b>   | <b>317.3</b>     | <b>508.5</b> |
| <b>Non-cash items</b>   |                  |              |
| Depreciation and amortisation   | 39.1             | 52.4         |
| Share-based payments  | (0.9)            | (0.9)        |
| Share of net loss of equity accounted investments   | 15.5             | 13.9         |
| Foreign currency revaluation  | (8.9)            | 11.3         |
| Reversal of prior period impairment losses on equity accounted investment                         | (25.5)           | –            |
| Derecognition of CHESS replacement project costs <sup>1</sup>                                     | 251.9            | –            |
| <b>Total non-cash items</b>   | <b>271.2</b>     | <b>76.7</b>  |
| <b>Changes in operating assets and liabilities</b>  |                  |              |
| Increase in financial assets at amortised cost <sup>2</sup>                                       | (2,998.3)        | (1,393.8)    |
| Decrease/(increase) in financial assets at fair value through profit or loss (FVTPL) <sup>3</sup> | 35.0             | (66.9)       |
| (Decrease)/increase in tax balances   | (43.4)           | 2.2          |
| Increase in trade and other receivables <sup>4</sup>  | (15.5)           | (26.1)       |
| (Increase)/decrease in prepayments  | (1.3)            | 4.4          |
| (Decrease)/increase in amounts owing to participants <sup>5</sup>                                 | (1,001.4)        | 1,061.9      |
| Increase in trade and other payables <sup>4</sup>   | 62.8             | 10.7         |
| (Decrease)/increase in revenue received in advance  | (32.8)           | 25.2         |
| Increase in provisions  | 2.4              | 0.6          |
| <b>Net cash (outflow)/inflow from operating activities</b>  | <b>(3,404.0)</b> | <b>203.4</b> |

1. Includes \$32.1 million of costs incurred between 1 July 2022 to 31 December 2022. These costs are included in investment activities under 'Payments for other non-current assets'.

2. Reconciliation of this line item to the Consolidated statement of cash flows on page 76 includes interest from discount securities reflected within net profit after tax.

3. Reflects fair value changes in non-cash collateral held.

4. 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.

5. Reconciliation of this line item in the Consolidated statement of cash flows includes foreign currency revaluation on amounts owing to participants reflected above. This also includes the offsetting fair value changes in non-cash collateral.

## b. Reconciliation of cash

For the purposes of the Consolidated statement of cash flows, cash includes Cash at bank and on hand, and Overnight cash deposits:

|                               | 2023<br>\$m    | 2022<br>\$m    |
|-------------------------------|----------------|----------------|
| Cash at bank and on hand      | 739.8          | 4,585.5        |
| Overnight cash deposits       | 268.8          | 386.7          |
| <b>Total cash<sup>6</sup></b> | <b>1,008.6</b> | <b>4,972.2</b> |

6. Net decrease in Total cash due to increased investments in financial assets at amortised cost during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Performance of the Group

B10. Notes to the consolidated statement of cash flows *continued***c. ASX Group funds**

Total funds available for the Group to invest comprises of the following:

| As at 30 June                                      | 2023<br>\$m     | 2022<br>\$m     |
|--|-----------------|-----------------|
| ASX Group cash and financial assets                | 1,181.4         | 1,180.3         |
| Participants' margins and commitments <sup>1</sup> | 12,275.3        | 13,276.7        |
| Less: non-cash collateral                          | (490.6)         | (525.6)         |
| <b>Total funds available to invest</b>             | <b>12,966.1</b> | <b>13,931.4</b> |
| <i>Invested in:</i>                                |                 |                 |
| Cash   | 1,008.6         | 4,972.2         |
| Financial assets at amortised cost                 | 11,957.5        | 8,959.2         |
| <b>Total</b>                                       | <b>12,966.1</b> | <b>13,931.4</b> |

1. Includes current and non-current amounts owing to participants.

## Assets

## C1. Trade and other receivables

| As at 30 June                            | 2023<br>\$m  | 2022<br>\$m  |
|--|--------------|--------------|
| <b>Current</b>                           |              |              |
| Trade receivables                        | 116.4        | 123.1        |
| Margins receivable <sup>2</sup>          | 471.8        | 721.5        |
| Contract assets                          | 6.6          | 4.1          |
| Interest receivable                      | 25.1         | 4.0          |
| Other debtors                            | 0.1          | 4.8          |
| Less: loss allowance                     | (0.6)        | (0.4)        |
| <b>Total trade and other receivables</b> | <b>619.4</b> | <b>857.1</b> |

2. This is the margin requirements arising from the movement in the underlying positions of relevant clearing participants on the last trading day of the reporting period. These were settled the following business day.

**Expected credit losses (ECL)**

The Group has used the simplified approach for measuring expected credit losses for trade receivables whereby the lifetime ECL is recognised. To measure the loss allowance, the receivables have been grouped based on the number of days overdue. ECL rates have been determined for each group based on historical credit losses. These historical rates are adjusted to reflect current and forward looking information on macroeconomic factors that affect the ability of customers to settle the receivables. These rates have been applied to the gross carrying value of trade receivables to calculate the loss allowance. Where this calculation results in an immaterial amount, no loss allowance is recognised. A loss allowance is also recognised for any debtors individually identified as being credit impaired.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Assets

C1. Trade and other receivables *continued***Ageing of trade receivables**

As at 30 June 2023, the Group provided for an expected credit loss allowance of \$0.6 million (2022: \$0.4 million) for trade receivables that were identified as being impaired.

The following table shows the aged analysis for gross trade receivables of the Group.

| As at 30 June             | 2023<br>\$m  | 2022<br>\$m  |
|---------------------------|--------------|--------------|
| Not past due              | 108.5        | 115.8        |
| Past due 0-30 days        | 3.3          | 2.9          |
| Past due 31-90 days       | 2.1          | 1.8          |
| Past due 91 days and over | 2.5          | 2.6          |
| <b>Trade receivables</b>  | <b>116.4</b> | <b>123.1</b> |

**Accounting policies**

Trade receivables, which generally have terms of 30 days, are initially recognised at their transaction price and subsequently measured at amortised cost using the effective interest method, less any loss allowance.

Margins receivable represents collateral receivable from clearing participants on cash markets and derivative positions held at the end of the day, and are received on the next business day. The amounts include the movement in the fair value of derivative positions and are recognised on trade date. A corresponding margins payable is recognised and disclosed within trade and other payables.

Interest receivable is interest earned but not yet received, on the Group's cash balances, investments in assets measured at amortised cost, and charge on initial margins provided by participants.

**Credit losses**

Assets are credit impaired when there is objective evidence that the Group will not be able to collect all of the original amounts due.

The collectability of trade receivables is reviewed on a regular basis. Debts known to be uncollectable are written off by reducing the carrying amount directly. Financial assets are written off when there is no reasonable expectation of recovery. Indicators that this may be the case include the debtor entering bankruptcy or failure to enter into a payment plan.

Impairment losses are recognised in the Consolidated statement of comprehensive income in administration expenses.

## C2. Financial assets at amortised cost

| As at 30 June                                   | 2023<br>\$m     | 2022<br>\$m    |
|---|-----------------|----------------|
| Reverse repurchase agreements                   | 10,233.3        | 6,868.0        |
| Negotiable certificates of deposit (NCDs)       | 936.9           | 757.0          |
| Promissory notes (P-notes)                      | 787.3           | 1,334.2        |
| <b>Total financial assets at amortised cost</b> | <b>11,957.5</b> | <b>8,959.2</b> |

**Accounting policies**

Financial assets measured at amortised cost are initially recognised at fair value. Subsequent to initial recognition, these assets are amortised using the effective interest rate method. Interest income earned on financial assets at amortised cost is recognised in the Consolidated statement of comprehensive income using the effective interest rate method.

Financial assets at amortised cost have maturities less than one year. A majority of the Group's investments mature within one month. Given the short term nature of financial assets measured at amortised cost, the fair value of these assets approximate their carrying value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Assets

## C3. Financial assets at fair value through profit or loss

|   | 2023           |                |              | 2022           |                |              |
|---|----------------|----------------|--------------|----------------|----------------|--------------|
|   | Level 1<br>\$m | Level 2<br>\$m | Total<br>\$m | Level 1<br>\$m | Level 2<br>\$m | Total<br>\$m |
| <b>As at 30 June</b>  |                |                |              |                |                |              |
| Non-cash collateral   |                |                |              |                |                |              |
| > Australian Commonwealth government debt securities                          | 203.9          | —              | 203.9        | 463.8          | —              | 463.8        |
| > Semi-government (Australian state and territory government) debt securities | —              | 286.7          | 286.7        | —              | 61.8           | 61.8         |
| <b>Total financial assets at fair value through profit or loss</b>            | <b>203.9</b>   | <b>286.7</b>   | <b>490.6</b> | <b>463.8</b>   | <b>61.8</b>    | <b>525.6</b> |

**Accounting policies**

Assets measured at fair value through profit or loss (FVTPL) comprise non-cash collateral provided by participants. The underlying securities of non-cash collateral are debt securities. These assets are non-interest earning as the Group holds these assets as collateral posted by participants. Movements in the balance of non-cash collateral held by the Group affects the exposure of the clearing participant providing the collateral.

**Level 1 fair value hierarchy**

Australian Commonwealth government debt securities are recognised as instruments requiring Level 1 inputs, because the fair value of these assets are determined by reference to readily observable quoted prices for identical assets in active markets.

Level 1 inputs are unadjusted quoted prices in active markets at the measurement date for identical assets and liabilities.

**Level 2 fair value hierarchy**

Semi-government debt securities are recognised as instruments requiring Level 2 inputs, because their fair values are determined using observable market prices for identical assets that are not actively traded.

Level 2 inputs are quoted prices not included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

## C4. Equity accounted investments

The Group has interests in the following associate and joint venture as at 30 June 2023:

**a. Yieldbroker**

Yieldbroker operates licensed electronic markets for trading Australian and New Zealand debt securities and interest rate derivatives. As noted in note B2, Yieldbroker has been reclassified as a current asset (equity accounted investment held for sale), and the increase in carrying value recognised as a reversal of a portion of prior period impairments in the Consolidated statement of comprehensive income.

**b. Sympli**

Sympli is an e-settlement services provider that offers electronic conveyancing solutions for property settlements. Sympli has been assessed for impairment at the reporting date. No impairment was recognised for Sympli in the current or prior year.

The Group's interest and carrying amount of its equity accounted investments are presented below:

| Name of entity                            | Nature of relationship | Ownership interest |           | Carrying amount |             |
|---|------------------------|--------------------|-----------|-----------------|-------------|
|   |                        | 2023<br>%          | 2022<br>% | 2023<br>\$m     | 2022<br>\$m |
| Yieldbroker Pty Limited (Yieldbroker)     | Associate              | 44.7               | 44.7      | 54.6            | 29.8        |
| Sympli Australia Pty Ltd (Sympli)         | Joint venture          | 49.4               | 49.4      | 22.2            | 20.7        |
| <b>Total equity accounted investments</b> |                        |                    |           | <b>76.8</b>     | <b>50.5</b> |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Assets

C4. Equity accounted investments *continued***b. Sympli** *continued*

The country of incorporation and principal place of business for both entities is Australia. Both Yieldbroker and Sympli are private entities and therefore quoted market prices are not available. The following table presents the movements in equity accounted investments during the year:

| For the year ended 30 June                        | 2023<br>\$m | 2022<br>\$m |
|---|-------------|-------------|
| <b>Opening balance</b>                            | <b>50.5</b> | <b>45.8</b> |
| Payments for equity accounted investments         | 16.3        | 18.6        |
| Share of net loss of equity accounted investments | (15.5)      | (13.9)      |
| Reversal of prior period impairment               | 25.5        | —           |
| <b>Closing balance</b>                            | <b>76.8</b> | <b>50.5</b> |
| Classified as current asset                       | 54.6        | —           |
| Classified as non-current asset                   | 22.2        | 50.5        |
| <b>Total equity accounted investments</b>         | <b>76.8</b> | <b>50.5</b> |

**Accounting policies**

Associates are entities over which the Group has significant influence but not control.

Joint ventures are arrangements in which the Group and another party have joint control and have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for using the equity method. The investments are initially recognised at cost and the carrying value is subsequently adjusted to recognise the Group's share of the investee's post-acquisition profit or loss. This is recognised in the Consolidated statement of comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

The carrying amount of each equity accounted investment is tested for impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indicators of impairment include a significant or prolonged decline in the fair value of the investment below its cost. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised as an expense in the Consolidated statement of comprehensive income. The recoverable amount is the higher of the asset's fair value less costs of disposal and value-in-use, and is assessed at the end of each reporting period.

**Yieldbroker**

The Group has applied judgement in determining if it has significant influence, control or joint control of the investees. Through its appointment of two directors to the Board of Yieldbroker, ASX participates in the financial and operating policy decisions of the investee. It also holds more than 20% of the voting rights so it is presumed that ASX has significant influence over the investee. The Group, however, does not have the power to unilaterally direct these decisions to affect the returns of the investee, so does not have control of the investee. The investment in Yieldbroker has therefore previously been classified as an investment in an associate.

The Group has reclassified Yieldbroker as an equity accounted investment held for sale as its carrying amount will be recovered principally through a sale transaction and, given the announcement on 25 May 2023, is considered highly probable. As part of classifying Yieldbroker as an investment held for sale, this investment was re-measured to the higher of its carrying value and fair value less costs to sell. This resulted in an increase in the carrying value of Yieldbroker.

**Sympli**

The arrangement in relation to Sympli requires unanimous consent from both joint venture parties about relevant activities. As ASX has joint control over Sympli and has rights to the net assets of the arrangement, the investment has been classified as a joint venture.

## C5. Investments in equity instruments

The Group holds investments in the following entities:

**a. Digital Asset Holdings (DA)**

Digital Asset Holdings (DA) specialises in developer tools and smart contract applications with its own purpose built programming language which can be used in conjunction with distributed ledgers and traditional databases.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Assets

C5. Investments in equity instruments *continued***b. Grow Inc**

Grow Inc (DSMJ Pty Ltd) develops key infrastructure for superannuation funds to add a secure, digitally signed layer to their existing member sub-register via the implementation of a distributed ledger technology (DLT) application platform.

No dividends were received during the current or prior year.

The ownership held and carrying amount of the holdings are as follows:

|  | Ownership held |           | Carrying amount |             |
|--|----------------|-----------|-----------------|-------------|
|  | 2023<br>%      | 2022<br>% | 2023<br>\$m     | 2022<br>\$m |
| <b>As at 30 June 2023</b>                      |                |           |                 |             |
| Digital Asset Holdings                         | 5.4            | 5.4       | 14.2            | 34.6        |
| Grow Inc                                       | 9.1            | 10.1      | 15.4            | 12.5        |
| <b>Total investments in equity instruments</b> |                |           | <b>29.6</b>     | <b>47.1</b> |

**c. Fair value of investments**

The following table presents the changes in the fair value of equity instruments during the year:

|   | 2023<br>\$m | 2022<br>\$m |
|---|-------------|-------------|
| <b>Investment in unlisted entities</b>            |             |             |
| <b>Opening balance</b>                            | 47.1        | 41.8        |
| Additions   | 1.9         | 2.5         |
| <i>Fair value (losses)/gains during the year:</i> |             |             |
| > Recognised in equity                            | (19.7)      | 2.0         |
| > Recognised in deferred tax                      | 0.3         | 0.8         |
| <b>Closing balance</b>                            | <b>29.6</b> | <b>47.1</b> |

**Sensitivity of fair value inputs**

The fair value of the investment in DA as at 30 June 2023 has been determined using the revenue multiple approach, using estimates of forward revenue and information of revenue multiples of comparable companies. The valuation is sensitive to assumptions on revenue growth and multiples. The fair value of the investment in DA as at 30 June 2022 has been determined with reference to the share price from DA's latest equity fund raising, recent transactions in DA's units and forward revenue trading multiples.

A decrease in the revenue assumptions by 25% with a decrease in revenue multiple of 0.5x, will result in the fair value of DA decreasing to \$9.0 million, with an additional fair value loss of \$5 million recognised in other comprehensive income. An increase in revenue assumptions by 25%, with an increase in revenue multiple of 0.5x, will result in the fair value of DA increasing to \$21.0 million, and the fair value loss recognised in other comprehensive income would reduce by \$7.0 million.

A 5% decrease in the fair value of Grow Inc will result in a \$0.8 million loss, recognised through other comprehensive income.

**Accounting policies**

The investments in equity instruments have been designated at fair value through other comprehensive income (FVTOCI) on initial recognition. The election to measure the investments at FVTOCI rather than FVTPL has been made because the Group considers this to be more relevant as they are held for strategic purposes.

The investments are initially recognised at fair value, being the consideration paid plus transaction costs that are directly attributable to acquiring the asset. After initial recognition, they continue to be measured at fair value and any fair value gains or losses are recognised directly in the asset revaluation reserve in equity. Any gains or losses on disposal remain within equity.

Dividend income is recognised when the right to receive the dividend has been established.

**Level 3 fair value hierarchy**

The fair value of investments in unlisted entities is determined using Level 3 inputs under the fair value hierarchy, because unobservable market data was used to determine their fair values at balance date. Level 3 inputs are based on unobservable market data.

**Key judgements and estimates**

The Group has applied judgement in determining if it has significant influence or control over the investees and has concluded that it does not have significant influence over any of its investees, as it holds less than 20% of the voting power and does not have the power to participate in financial and operating policy decisions. The Group's investments in equity instruments are assessed to be Level 3 instruments under the fair value hierarchy.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Assets

## C6. Intangible assets

The movements in the intangible asset balances are as follows:

|  | 2023            |  |   |                | 2022            |  |   |                |
|--|-----------------|--|---|----------------|-----------------|--|---|----------------|
|  | Goodwill<br>\$m | Software<br>and<br>platforms <sup>1</sup><br>\$m | Trademarks<br>and<br>customer<br>lists<br>\$m | Total<br>\$m   | Goodwill<br>\$m | Software<br>and<br>platforms <sup>1</sup><br>\$m | Trademarks<br>and<br>customer<br>lists<br>\$m | Total<br>\$m   |
| <b>For the year ended 30 June</b>                |                 |  |   |                |                 |  |   |                |
| <b>Opening balance</b>                           |                 |  |   |                |                 |  |   |                |
| Cost   | 2,317.6         | 636.8  | 9.1   | 2,963.5        | 2,317.6         | 539.7  | 9.1   | 2,866.4        |
| Accumulated amortisation and impairment          | —               | (325.0)  | (1.2)   | (326.2)        | —               | (298.8)  | (1.1)   | (299.9)        |
| <b>Net book value at 1 July</b>                  | <b>2,317.6</b>  | <b>311.8</b>                                     | <b>7.9</b>                                    | <b>2,637.3</b> | <b>2,317.6</b>  | <b>240.9</b>                                     | <b>8.0</b>                                    | <b>2,566.5</b> |
| <b>Movement</b>                                  |                 |  |   |                |                 |  |   |                |
| Additions  | —               | 85.3   | —   | 85.3           | —               | 97.1   | —   | 97.1           |
| Amortisation expense                             | —               | (17.0)   | —   | (17.0)         | —               | (26.2)   | (0.1)   | (26.3)         |
| Derecognition of CHESS replacement project costs | —               | (236.7)  | —   | (236.7)        | —               | —  | —   | —              |
| <b>Net book value at 30 June</b>                 | <b>2,317.6</b>  | <b>143.4</b>                                     | <b>7.9</b>                                    | <b>2,468.9</b> | <b>2,317.6</b>  | <b>311.8</b>                                     | <b>7.9</b>                                    | <b>2,637.3</b> |
| <b>Closing balance</b>                           |                 |  |   |                |                 |  |   |                |
| Cost <sup>2</sup>                                | 2,317.6         | 485.4  | 9.1   | 2,812.1        | 2,317.6         | 636.8  | 9.1   | 2,963.5        |
| Accumulated amortisation and impairment          | —               | (342.0)  | (1.2)   | (343.2)        | —               | (325.0)  | (1.2)   | (326.2)        |
| <b>Net book value at 30 June<sup>2</sup></b>     | <b>2,317.6</b>  | <b>143.4</b>                                     | <b>7.9</b>                                    | <b>2,468.9</b> | <b>2,317.6</b>  | <b>311.8</b>                                     | <b>7.9</b>                                    | <b>2,637.3</b> |

1. The carrying value of software and platforms under development was \$85.3 million (2022: \$266.8 million).

2. The cost has been adjusted to reflect the derecognition of the CHESS replacement project of \$236.7m. Refer to note B2.

No impairment of trademarks and customer lists were recognised for the year ended 30 June 2023 (30 June 2022: nil).

### Accounting policies

#### Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the consideration paid over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill has an indefinite useful life and as such is not subject to amortisation and is tested semi-annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. For the purpose of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable CGUs. A CGU includes in its carrying amount an intangible asset that is not yet available for use and that asset is tested for impairment only as part of the CGU. Goodwill is allocated to each of the Group's CGUs that are expected to benefit from the business combination in which the goodwill arose.

#### Software and platforms

Costs incurred in developing platforms or systems, and acquiring software and licences that will contribute to future benefits, are capitalised at cost and amortised on a straight-line basis over their expected useful lives, from the time the assets are in use. Certain staff costs are capitalised when they can be specifically attributed to software development projects. Software purchased from external vendors is classified as externally acquired and may include capitalised staff costs that have been incurred in the implementation of the software.

Costs incurred in configuring or customising software in a cloud computing arrangement can only be recognised as intangible assets if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Those costs that do not result in intangible assets are expensed as incurred, unless they are paid to the supplier of the cloud-based software to significantly customise the cloud-based software for the Group. If this is the case, the costs are recognised as a prepayment for services and amortised over the expected term of the cloud computing arrangement.

Software and platforms are subject to amortisation, and are reviewed for indicators of impairment at the end of each reporting period or when events or changes in circumstances have arisen that indicate the carrying value may be impaired. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised as an expense in the statement of comprehensive income. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. Determining whether the intangibles are impaired requires an estimation of their useful lives, residual values and amortisation method. The effect of any changes will be recognised on a prospective basis.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Assets

C6. Intangible assets *continued***Accounting policies** *continued***Software and platforms** *continued*

Intangible assets not yet available for use are tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

The estimated useful lives of significant software and platforms are as follows:

|                               |             |
|-------------------------------|-------------|
| Trading platforms             | 5 – 7 years |
| Clearing platforms            | 5 – 7 years |
| Depository/registry platforms | 10 years    |

**Other**

Trademarks and customer lists have been externally acquired and are measured at cost. Customer lists are amortised on a straight-line basis over their estimated useful life of five years, while the registered trademark has an indefinite useful life and is not amortised.

The trademark is assessed for impairment at each reporting date or when there are indicators of impairment.

**Key judgements and estimates**

The Group consists of two cash generating units (CGUs), namely exchange-traded and non-exchange-traded. No impairment charge arose in the current or prior financial year, and the goodwill attributable to each CGU for the current and prior year is as follows:

|          | Exchange-traded<br>\$m | Non<br>exchange-traded<br>\$m | Total<br>\$m |
|----------|------------------------|-------------------------------|--------------|
| Goodwill | 2,242.2                | 75.4                          | 2,317.6      |

Goodwill is tested on an annual or semi-annual basis. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised as an expense in the Consolidated statement of comprehensive income. The recoverable amount of each CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial estimates reviewed by management covering a five-year period. Cash flows beyond this five-year period are extrapolated using estimated growth rates that do not exceed the long-term average growth rate for the business in which the CGU operates and are consistent with external sources of information.

Management has determined the budgeted operating results based on past performance and expectations for the future. The growth rates used for revenue and expense projections are consistent with, or lower than, historical trends for the CGUs. The key assumptions used in supporting the carrying value of goodwill and intangible assets not yet available for use are as follows:

| As at 30 June          | 2023                 |                             | 2022                 |                             |
|------------------------|----------------------|-----------------------------|----------------------|-----------------------------|
|                        | Exchange-traded<br>% | Non<br>exchange-traded<br>% | Exchange-traded<br>% | Non<br>exchange-traded<br>% |
| Pre-tax discount rate  | 11.3                 | 11.3                        | 11.1                 | 11.1                        |
| Post-tax discount rate | 8.2                  | 8.2                         | 8.1                  | 8.1                         |
| Terminal growth rate   | 2.0                  | 2.0                         | 2.0                  | 2.0                         |

A reasonably possible change in any key assumptions would not result in an impairment of carrying value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Assets

## C7. Property, plant and equipment

The movements in the property, plant and equipment asset balances are as follows:

| For the year ended 30 June                      | 2023                          |                            |                           |              | 2022                          |                            |                           |              |
|---|-------------------------------|----------------------------|---------------------------|--------------|-------------------------------|----------------------------|---------------------------|--------------|
|   | Leasehold improvements<br>\$m | Plant and equipment<br>\$m | Computer equipment<br>\$m | Total<br>\$m | Leasehold improvements<br>\$m | Plant and equipment<br>\$m | Computer equipment<br>\$m | Total<br>\$m |
| <b>Opening balance</b>                          |                               |                            |                           |              |                               |                            |                           |              |
| Cost  | 32.5                          | 33.5                       | 126.3                     | 192.3        | 32.6                          | 32.4                       | 120.2                     | 185.2        |
| Accumulated depreciation                        | (31.8)                        | (28.3)                     | (80.5)                    | (140.6)      | (30.5)                        | (27.3)                     | (69.2)                    | (127.0)      |
| <b>Net book value at 1 July</b>                 | <b>0.7</b>                    | <b>5.2</b>                 | <b>45.8</b>               | <b>51.7</b>  | <b>2.1</b>                    | <b>5.1</b>                 | <b>51.0</b>               | <b>58.2</b>  |
| <b>Movement</b>                                 |                               |                            |                           |              |                               |                            |                           |              |
| Additions                                       | 0.4                           | 0.6                        | 12.4                      | 13.4         | 0.1                           | 1.8                        | 6.2                       | 8.1          |
| Net disposals, transfers and other              | —                             | —                          | —                         | —            | —                             | 0.1                        | —                         | 0.1          |
| Depreciation                                    | (0.3)                         | (1.2)                      | (9.3)                     | (10.8)       | (1.5)                         | (1.8)                      | (11.4)                    | (14.7)       |
| Derecognition of CHES replacement project costs | —                             | (0.3)                      | (11.4)                    | (11.7)       | —                             | —                          | —                         | —            |
| <b>Net book value at 30 June</b>                | <b>0.8</b>                    | <b>4.3</b>                 | <b>37.5</b>               | <b>42.6</b>  | <b>0.7</b>                    | <b>5.2</b>                 | <b>45.8</b>               | <b>51.7</b>  |
| <b>Closing balance</b>                          |                               |                            |                           |              |                               |                            |                           |              |
| Cost <sup>1</sup>                               | 32.9                          | 33.8                       | 127.3                     | 194.0        | 32.5                          | 33.5                       | 126.3                     | 192.3        |
| Accumulated depreciation                        | (32.1)                        | (29.5)                     | (89.8)                    | (151.4)      | (31.8)                        | (28.3)                     | (80.5)                    | (140.6)      |
| <b>Net book value at 30 June<sup>2</sup></b>    | <b>0.8</b>                    | <b>4.3</b>                 | <b>37.5</b>               | <b>42.6</b>  | <b>0.7</b>                    | <b>5.2</b>                 | <b>45.8</b>               | <b>51.7</b>  |

1. The costs has been adjusted to reflect the derecognition of property, plant and equipment costs relating to the CHES replacement project, of \$11.7 million.

2. The carrying value of property, plant and equipment under development is \$8.5 million (2022: \$15.2 million).

### Accounting policies

#### Leasehold improvements

The cost of improvements to leasehold property is capitalised and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

#### Property, plant and equipment

Property, plant and equipment (inclusive of computer equipment), are measured at cost less accumulated depreciation and any impairment in value. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds on disposal with the carrying amount and are included in the Consolidated statement of comprehensive income.

Depreciation of assets begins from the time an asset is implemented and available for use. Depreciation is provided on a straight-line basis on all plant and equipment, over their estimated useful lives.

The estimated useful lives for each class of asset, for the current and previous years, are as follows:

|                        |   |
|------------------------|---|
| Leasehold improvements | The shorter of minimum lease term and useful life |
| Plant and equipment    | 3 – 10 years                                      |
| Computer equipment     | 3 – 5 years                                       |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Liabilities

## D1. Trade and other payables

| As at 30 June                 | 2023<br>\$m  | 2022<br>\$m  |
|-------------------------------|--------------|--------------|
| Trade payables                | 12.1         | 9.2          |
| Margins payable <sup>1</sup>  | 471.8        | 721.5        |
| Interest payable              | 37.3         | 0.8          |
| Rebates payable               | 35.6         | 14.2         |
| Employee-related payables     | 17.6         | 20.0         |
| Accrued expenses              | 31.1         | 27.1         |
| ASIC supervision levy payable | 8.8          | 9.3          |
| Other                         | 9.4          | 8.4          |
| <b>Total</b>                  | <b>623.7</b> | <b>810.5</b> |

1. This is the margin requirements arising from the movement in the underlying positions of relevant clearing participants on the last trading day of the reporting period. These were settled the following business day.

**Accounting policies**

Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. They represent liabilities for goods and services provided to the Group prior to the end of the reporting period that are unpaid.

All trade and other payables are unsecured and usually paid within one month of recognition, other than certain rebates and accrued expenses which are typically paid within three months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months of the reporting date.

Margins payable represents collateral payable to clearing participants on cash markets and derivative positions held at balance date, and due to be settled on the next business day. The amounts include the movement in the fair value of derivative positions and are recognised on trade date. A corresponding margins receivable is recognised and disclosed within trade and other receivables.

Interest payable includes interest owed to participants on cash collateral and commitments lodged.

Rebates payable represent amounts due to participants and other customers and recognised where the Group has a present obligation to pay the rebates arising from contracts with customers, and the criteria for rebate payments have been met.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Liabilities

## D2. Provisions

| As at 30 June                    | 2023<br>\$m | 2022<br>\$m |
|----------------------------------|-------------|-------------|
| <b>Current</b>                   |             |             |
| Employee provisions <sup>1</sup> | 23.6        | 21.1        |
| Premises make good provisions    | 0.1         | 0.2         |
| <b>Total</b>                     | <b>23.7</b> | <b>21.3</b> |
| <b>Non-current</b>               |             |             |
| Employee provisions <sup>1</sup> | 4.8         | 4.8         |
| Premises make good provisions    | 0.6         | 0.6         |
| <b>Total</b>                     | <b>5.4</b>  | <b>5.4</b>  |

1. Employee provisions predominantly relate to annual and long service leave obligations.

**Accounting policies**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, that it is probable the obligation will be settled and the amount can be reliably estimated. Where the effect of the time value of money is material, the amount of the provision is measured as the present value of expenses required to settle the obligation, based on a market observable rate.

Where a payment to settle an obligation is not probable or cannot be reliably estimated, no provision is recognised. Such obligations are disclosed as contingent liabilities.

Employee provisions are calculated based on expected payments. Where the payments are expected to occur more than one year in the future, these provisions factor in the expected period of service by employees, as well as salary increases. These future obligations are discounted using a market observable rate.

## D3. Leases

The Group has entered into a number of lease arrangements for its premises and fibre optic communications.

**a. Right-of-use assets**

The movements in the right-of-use asset balances are as follows:

|                                   | 2023                      |                              |              | 2022                      |                              |              |
|-----------------------------------|---------------------------|------------------------------|--------------|---------------------------|------------------------------|--------------|
|                                   | Property<br>leases<br>\$m | Fibre optic<br>leases<br>\$m | Total<br>\$m | Property<br>leases<br>\$m | Fibre optic<br>leases<br>\$m | Total<br>\$m |
| <b>For the year ended 30 June</b> |                           |                              |              |                           |                              |              |
| <b>Opening balance</b>            |                           |                              |              |                           |                              |              |
| Cost                              | 79.9                      | 11.6                         | 91.5         | 77.6                      | 8.5                          | 86.1         |
| Accumulated depreciation          | (27.0)                    | (6.2)                        | (33.2)       | (18.1)                    | (3.7)                        | (21.8)       |
| <b>Net book value at 1 July</b>   | <b>52.9</b>               | <b>5.4</b>                   | <b>58.3</b>  | <b>59.5</b>               | <b>4.8</b>                   | <b>64.3</b>  |
| <b>Movement</b>                   |                           |                              |              |                           |                              |              |
| Additions                         | 0.9                       | —                            | 0.9          | 2.3                       | 3.3                          | 5.6          |
| Net disposals                     | —                         | —                            | —            | —                         | (0.2)                        | (0.2)        |
| Depreciation expense              | (8.8)                     | (2.5)                        | (11.3)       | (8.9)                     | (2.5)                        | (11.4)       |
| <b>Net book value at 30 June</b>  | <b>45.0</b>               | <b>2.9</b>                   | <b>47.9</b>  | <b>52.9</b>               | <b>5.4</b>                   | <b>58.3</b>  |
| <b>Closing balance</b>            |                           |                              |              |                           |                              |              |
| Cost                              | 80.8                      | 11.6                         | 92.4         | 79.9                      | 11.6                         | 91.5         |
| Accumulated depreciation          | (35.8)                    | (8.7)                        | (44.5)       | (27.0)                    | (6.2)                        | (33.2)       |
| <b>Net book value at 30 June</b>  | <b>45.0</b>               | <b>2.9</b>                   | <b>47.9</b>  | <b>52.9</b>               | <b>5.4</b>                   | <b>58.3</b>  |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Liabilities

D3. Leases *continued***b. Lease liabilities**

The movements in the lease liabilities balance are as follows:

| For the year ended 30 June            | Note | 2023<br>\$m | 2022<br>\$m |
|---------------------------------------|------|-------------|-------------|
| Opening balance at 1 July             |      | 67.6        | 72.4        |
| Additions                             |      | 0.9         | 5.6         |
| Disposals                             |      | –           | (0.2)       |
| Payment of lease liabilities          |      | (9.9)       | (10.2)      |
| <b>Total lease liabilities</b>        |      | <b>58.6</b> | <b>67.6</b> |
| Total lease liabilities comprises of: |      |             |             |
| Current liabilities                   |      | 11.1        | 10.6        |
| Non-current liabilities               |      | 47.5        | 57.0        |
| <b>Total</b>                          |      | <b>58.6</b> | <b>67.6</b> |

The consolidated Statement of comprehensive income shows the following amounts relating to leases:

| For the year ended 30 June                          | Note | 2023<br>\$m | 2022<br>\$m |
|---|------|-------------|-------------|
| Interest on lease liabilities                       | B4   | 2.6         | 2.8         |
| Expense relating to short-term and low value leases |      | 0.6         | 0.4         |
| Depreciation expense                                |      | 11.3        | 11.4        |
| <b>Total</b>  |      | <b>14.5</b> | <b>14.6</b> |

**Accounting policies**

The right-of-use asset is initially measured at cost which comprises the amount the initial measurement of the lease liability, adjusted for any lease payments made at or before commencement date, plus any initial direct costs incurred, and an estimate of costs to restore the underlying asset, less any lease incentives received.

Depreciation is recognised on a straight-line basis on all right-of-use assets over the term of the lease. The right-of-use asset is periodically assessed for impairment and is adjusted for certain re-measurements of the lease liability.

Lease liabilities are initially measured on a present value basis of the following lease payments:

- > fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- > variable lease payments that are based on an index or a rate; and
- > payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease.

Application of the incremental borrowing rate is adopted where the interest rate implicit in the lease cannot be readily determined, which is generally the case for leases in the Group. The incremental borrowing rate is the rate that the Group would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment, with similar terms, security and conditions.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option with a corresponding adjustment to the right-of-use asset.

Lease payments due within the next 12 months are recognised within current lease liabilities. Payments due after 12 months are recognised within non-current lease liabilities.

Interest expense on the lease liability is a component of interest expense in the Consolidated statement of comprehensive income.

For short-term leases of 12 months or less, and leases of low-value assets, the Group has elected not to recognise right-of-use assets and lease liabilities for these leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Liabilities

## D4. Borrowings

The Group has the following borrowing arrangements:

- > The unsecured bilateral committed corporate debt facility under ASX Limited to assist with short-term working capital requirements.
- > The unsecured bilateral committed liquidity facility under ASX Clear Pty Limited to assist with liquidity support of clearing operations.

The limits, drawn amounts and expiry are as follows:

| As at 30 June                               | Expiry                    | 2023         | 2022         | 2023         | 2022         |
|---|---------------------------|--------------|--------------|--------------|--------------|
|   |                           | Limit<br>\$m | Limit<br>\$m | Drawn<br>\$m | Drawn<br>\$m |
| Bilateral committed corporate debt facility | 27 July 2026 <sup>1</sup> | 300.0        | 300.0        | 20.0         | —            |
| Bilateral committed liquidity facility      | Evergreen facility        | 230.0        | 230.0        | —            | —            |

1. This facility expired on 27 July 2023 and was refinanced, with the maturity date extended to 27 July 2026.

The proceeds and repayments of these borrowing arrangements are summarised below:

| For the year ended 30 June | 2023<br>\$m | 2022<br>\$m |
|----------------------------|-------------|-------------|
| Opening balance            | —           | —           |
| Drawdowns                  | 406.5       | 90.0        |
| Repayments                 | (386.5)     | (90.0)      |
| <b>Closing balance</b>     | <b>20.0</b> | <b>—</b>    |

**Accounting policies**

The drawn component of the bilateral corporate debt facility, and liquidity facility, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Where it is greater than one year from the date that an amount was drawn to when it was repaid, the drawn component will be recognised as a non-current liability in the Consolidated balance sheet.

## Capital and risk management

## E1. Capital

At 30 June 2023, equity of the Group totalled \$3,640.6 million (2022: 3,805.4 million). The Group's capital supports a range of activities and risks, and capital requirements are subject to change from time to time.

The Board's policy is to maintain an appropriate level of capital within the Group and relevant subsidiaries with the objectives of:

- > meeting regulatory compliance obligations and supporting the Group's operations. Regulatory capital arises from capital requirements from Reserve Bank of Australia's Financial Stability Standards (FSS) and other regulations, as required by the various licences held;
- > facilitating growth of the Group's exchange-traded and OTC markets, and providing appropriate risk-adjusted returns to shareholders; and
- > reflecting the risks associated with the Group's operations.

The Group's capital comprises:

| As at 30 June                 | 2023<br>No. of shares<br>on issue <sup>2</sup> | 2022<br>No. of shares<br>on issue <sup>2</sup> | 2023<br>\$m    | 2022<br>\$m    |
|-------------------------------|--|--|----------------|----------------|
| Ordinary share capital        | 193,595,162                                    | 193,595,162                                    | 3,027.2        | 3,027.2        |
| Retained earnings             |  |  | 557.8          | 697.8          |
| Reserves                      |  |  |                |                |
| > Restricted capital reserve  |  |  | 71.5           | 71.5           |
| > Asset revaluation reserve   |  |  | (33.2)         | (9.2)          |
| > Equity compensation reserve |  |  | 17.3           | 18.1           |
| <b>Total</b>                  |  |  | <b>3,640.6</b> | <b>3,805.4</b> |

2. Treasury shares are included in the total number of shares on issue. Refer to note E1(b).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Capital and risk management

E1. Capital *continued*

In accordance with the Group's objectives and policies, regulatory capital is held in the form of cash or other highly liquid investments, taking into consideration the potential claims on that equity that may arise from the Group's activities, predominantly central counterparty (CCP) clearing.

Regulatory capital comprises of default risk capital and non-default risk capital. Non-default risk capital is capital set aside for investment risk and general business risk.

| As at 30 June                   | 2023<br>\$m    | 2022<br>\$m    |
|---------------------------------|----------------|----------------|
| Default risk capital            | 700.0          | 700.0          |
| Non-default risk capital        | 396.0          | 381.6          |
| <b>Total regulatory capital</b> | <b>1,096.0</b> | <b>1,081.6</b> |
| Non-regulatory capital          | 2,544.6        | 2,723.8        |
| <b>Total capital</b>            | <b>3,640.6</b> | <b>3,805.4</b> |

Regulatory risk capital is held to support the activities of the two licensed central counterparty clearing (CCP) and the two licensed securities settlement facilities (SSF) subsidiaries. Refer to note E2 for Default risk capital held by the CCPs.

The Group's objective is also to maintain its credit rating at the current AA- long-term and A-1+ short-term as rated by Standard & Poor's (S&P).

**a. Ordinary share capital**

Fully paid ordinary shares carry the right to participate in dividends. Ordinary shares also entitle the holder to the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Ordinary shares have no par value and ASX does not have a limited amount of authorised capital. At 30 June 2023, all ordinary shares issued were fully paid. On a show of hands, every holder of ordinary shares present in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote.

There were no movements in the balance of ordinary share capital or the number of shares outstanding in the current or prior financial year as illustrated in the table above.

**Accounting policies**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

**b. Treasury shares**

The following table presents the movement in treasury shares during the financial year:

| For the year ended 30 June                                       | 2023<br>No. of shares | 2022<br>No. of shares |
|--|-----------------------|-----------------------|
| Opening balance  | 17,972                | 2,027                 |
| Purchase of long-term variable remuneration (LTVR) Plan shares   | –                     | 10,773                |
| Issue of shares under the LTVR Plan                              | (6,214)               | (10,773)              |
| Shares transferred to the long-term incentive plan trust (LTIPT) | 3,381                 | 15,945                |
| <b>Closing balance</b>   | <b>15,139</b>         | <b>17,972</b>         |

**Accounting policies**

Treasury shares are shares in ASX held by a trust for the benefit of employees under the ASX Long-Term Variable Reward (LTVR) Plan as described in the Remuneration Report. The purchase price of the shares, net of any tax effect, is deducted from the equity compensation reserve in equity.

Shares allocated to employees under the Deferred Short-Term Variable Reward (STVR) Plan are held as treasury shares when forfeited, until such time that they are reallocated under another STVR Plan or LTVR Plan.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

# Capital and risk management

## E1. Capital continued

### c. Reserves

The Group's reserves in equity includes the restricted capital reserve, the asset revaluation reserve and the equity compensation reserve.

#### Restricted capital reserve

The restricted capital reserve was created when funds were transferred from the National Guarantee Fund (NGF) to ASX Clear Pty Ltd (ASX Clear) in 2005. From this point in time, ASX Clear assumed the clearing participant default risk of the clearing house. Under the terms of the transfer, ASX Clear must not, without first obtaining the consent in writing of the Assistant Treasurer (the Minister), take action to use these funds for a purpose other than clearing support.

#### Asset revaluation reserve

Changes in the fair value of investments in equity instruments are recognised in the asset revaluation reserve. The cumulative gain or loss that has been recognised within the reserve is transferred directly to retained earnings and is not recycled through profit or loss when the associated equity instrument is sold.

#### Equity compensation reserve

The equity compensation reserve is used to recognise the share-based payment expense relating to performance rights issued under ASX equity plans, as well as costs incurred to acquire shares on-market to satisfy the shares allocated to employees under the Employee Share Purchase Plan, STVR and LTVR plans. Refer to note B5.

## E2. Risk Management Framework

The Group is exposed to clearing risk, financial risks, non-financial risks and strategic risks. Clearing risk and financial risk exposures, and how these are managed, are discussed below. Non-financial risks and strategic risks are discussed on pages 21 to 23 of the Operating and Financial Review in the Annual Report, including how the ASX manages these risks.

The sections below document the resources, exposures and sensitivities as it relates to the Group's management of:

1. Clearing risk; and
2. Financial risks.

### 1. Clearing risk management

The principal source of clearing risk lies in the potential for one or more clearing members (participants) to default. The Group has two central counterparties (CCPs), which act as a buyer to every seller, and a seller to every buyer. Through the CCP function the Group plays, the CCPs provide financial security for each transaction for the duration of the position by limiting counterparty credit risk.

The Group has two wholly owned subsidiaries that act as CCPs and provide clearing services:

- > ASX Clear Pty Limited (ASX Clear), which provides clearing services for cash market securities and equity derivatives; and
- > ASX Clear (Futures) Pty Limited (ASX Clear (Futures)), which provides clearing services for exchange-traded and over-the-counter (OTC) derivatives.

The Group manages the risk of CCP clearing activities by collecting margins from clearing participants as security for clearing risk undertaken. Margins primarily consists of cash and can also include highly liquid securities. Participants also contribute to default funds managed by ASX Clear (Futures) as commitments, per below. The Group's CCPs then invests participants' margins and default funds in highly liquid assets with low credit risk, primarily consisting of commonwealth government securities and semi-government securities.

Sub-sections (a) and (b) below discuss participants' obligations and the nature of collateral and commitments lodged, as well as ASX's recognition principles concerning these liabilities.

#### a. Novation

Transactions between the two clearing participant organisations are novated to the CCPs. This makes the CCPs contractually responsible for the obligations entered into by clearing participants on both the buying and selling legs of the same transaction. Through novation, the respective CCP assumes the credit risk of the underlying clearing participant in the event of a participant default. The novation process results in all positions held by the CCPs being matched.

#### b. Participants' margins

The Group mitigates its exposure to clearing risks by requiring clearing participants to lodge an amount (initial margin) on open cash market, derivative and OTC positions novated to the Group's CCPs. These margins are based on risk parameters for the underlying security or contract at trade date and may include additional margins called on participants. The margin rates are subject to regulatory standards, including a high level of confidence that they meet expected movements based on historical events. However, there could be circumstances where losses are greater than the margins held.

Clearing participants may lodge cash or certain equity and debt securities to cover their margin obligations. In accordance with Group policies, the cash lodged by participants may subsequently be invested into approved products which are recognised as cash or financial assets at amortised cost on the Consolidated balance sheet. The following table shows the form in which participants lodged margins and commitments at 30 June. This excludes equity securities lodged by participants which are not recognised on the Consolidated balance sheet.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Capital and risk management

E2. Risk Management Framework *continued*

| As at 30 June  | 2023             |                               |                 | 2022             |                               |                 |
|--|------------------|-------------------------------|-----------------|------------------|-------------------------------|-----------------|
|  | ASX Clear<br>\$m | ASX Clear<br>(Futures)<br>\$m | Total \$m       | ASX Clear<br>\$m | ASX Clear<br>(Futures)<br>\$m | Total<br>\$m    |
| <b>Current</b>   |                  |                               |                 |                  |                               |                 |
| Cash   | 970.5            | 10,614.2                      | 11,584.7        | 1,257.7          | 11,293.4                      | 12,551.1        |
| Non-cash collateral <sup>1</sup>                       | —                | 490.6                         | 490.6           | —                | 525.6                         | 525.6           |
| <b>Total current amounts owing to participants</b>     | <b>970.5</b>     | <b>11,104.8</b>               | <b>12,075.3</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           | —                | 200.0                         | 200.0           |
| <b>Total non-current amounts owing to participants</b> | <b>—</b>         | <b>200.0</b>                  | <b>200.0</b>    | <b>—</b>         | <b>200.0</b>                  | <b>200.0</b>    |
| <b>Total amounts owing to participants</b>             | <b>970.5</b>     | <b>11,304.8</b>               | <b>12,275.3</b> | <b>1,257.7</b>   | <b>12,019.0</b>               | <b>13,276.7</b> |
| <b>Equity securities<sup>2</sup></b>                   | <b>3,187.5</b>   | <b>—</b>                      | <b>3,187.5</b>  | <b>3,056.6</b>   | <b>—</b>                      | <b>3,056.6</b>  |

1. Financial assets at fair value through profit or loss. Refer to note C3 for further information.

2. Equity securities lodged by participants are not recognised in the Consolidated balance sheet as the Group has no title to these instruments.

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 cash commitments to clearing guarantee funds, which at reporting date had no determined repayment date.

In addition to the initial margin, participants must also settle changes in the fair value of derivatives contracts (variation margin), and in certain circumstances must lodge additional margins. Participants must settle both initial and variation margins daily, including possible intraday and additional margin calls. The amounts owing to participants are repayable on settlement or closure of the contracts.

In the event of default by a clearing participant, ASX Clear and ASX Clear (Futures) are required to provide funds or settle securities of the defaulting participant. The CCPs also have the authority to retain collateral and commitments deposited by the defaulting clearing participant to satisfy its obligations.

All net delivery and net payment obligations relating to cash market and derivative securities owing to or by participants as at 30 June 2023 were subsequently settled.

### Accounting policies

Margins that are settled by cash or debt securities are initially recognised in the Consolidated balance sheet at fair value and are classified as amounts owing to participants within current liabilities. These financial liabilities are subsequently measured at amortised cost. Refer to note E2.

Balances lodged in cash are interest bearing and are carried at the amounts deposited which represent fair value. Margins that are settled by equity securities are not recognised in the Consolidated balance sheet, as the Group is not party to the contractual provisions of the instruments other than in the event of a default.

### c. Financial resources available to CCPs

The Financial Stability Standards require each CCP to have adequate financial resources to cover its exposures in the event of default by the two participants and their affiliates that would potentially cause the largest aggregate credit exposure for the CCP in extreme but plausible market conditions.

Financial resources include the clearing default funds shown in the next two tables as well as eligible collateral and commitments. The level of clearing default funds which the CCPs must maintain may therefore increase from time to time.

The Financial Stability Standards also require each CCP to have a process for replenishing clearing default funds after depletion caused by a default loss. The replenished fund, which may be less than the original fund, is then available to support new activity after the default loss.

To comply with this obligation, the Group has, in certain circumstances, committed to provide funds up to pre-determined levels for replenishment of the clearing default funds.

The Group may utilise a number of alternative funding sources to contribute to an increase in, or replenishment of, the CCPs' clearing default funds, including its own cash reserves. In certain circumstances participants may have an obligation to the CCP to contribute to an increase in, or replenishment of, the clearing default funds.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Capital and risk management

E2. Risk Management Framework *continued*

The CCPs' operating rules also provide for the CCPs to undertake certain actions to deal with events of default and utilisation of collateral, commitments and clearing default funds. These include the ability to call recovery assessments, impose payment reductions or implement termination of positions.

The following tables show the financial resources available to the CCPs to support their clearing activities (over and above the collateral lodged by participants).

**ASX Clear**

| As at 30 June                    | 2023<br>\$m  | 2022<br>\$m  |
|----------------------------------|--------------|--------------|
| Restricted capital               | 71.5         | 71.5         |
| Equity provided by the Group     | 178.5        | 178.5        |
| <b>Paid-in resources</b>         | <b>250.0</b> | <b>250.0</b> |
| Recovery assessments             | 300.0        | 300.0        |
| <b>Total financial resources</b> | <b>550.0</b> | <b>550.0</b> |

The financial resources at 30 June 2023 available to ASX Clear in the event of a participant default would be applied in the following order, in accordance with the ASX Clear Operating Rules:

1. Collateral and other margins lodged by the defaulting participant.
2. Restricted capital reserve of \$71.5 million.
3. Equity capital of \$178.5 million.
4. Contributions lodged by non-defaulting participants under the ASX Clear operating rules (no contributions were lodged in the current or prior year).
5. Recovery assessments of \$300.0 million which can be levied on participants (no amounts were levied in the current or prior year).

**ASX Clear (Futures)**

| As at 30 June                           | 2023<br>\$m  | 2022<br>\$m  |
|---|--------------|--------------|
| Equity provided by the Group            | 450.0        | 450.0        |
| Cash commitments lodged by participants | 200.0        | 200.0        |
| <b>Total paid-in resources</b>          | <b>650.0</b> | <b>650.0</b> |
| Recovery assessments                    | 200.0        | 200.0        |
| <b>Total financial resources</b>        | <b>850.0</b> | <b>850.0</b> |

The financial resources at 30 June 2023 available to ASX Clear (Futures) in the event of a participant default would be applied in the following order, in accordance with the ASX Clear (Futures) Operating Rules:

1. Collateral and commitments lodged by the defaulting participant
2. Equity capital of \$120.0 million
3. Commitments lodged by non-defaulting participants, totalling \$100.0 million less the defaulting participants' commitments included in item 1 above
4. Equity capital of \$150.0 million
5. Commitments lodged by participants, totalling \$100.0 million
6. Equity capital of \$180.0 million
7. Recovery assessments of \$200.0 million which can be levied on participants (no amounts were levied in the current or prior year).

The order of application with respect to items 3 and 5 above will depend on the market in which the defaulting participant operates. If the defaulting participant is a futures participant, then item 3 will comprise the cash commitments lodged by non-defaulting futures participants and item 5 will comprise the cash commitments lodged by over-the-counter (OTC) participants. If the defaulting participant is an OTC participant, then item 3 will comprise the cash commitments lodged by non-defaulting OTC participants and item 5 will comprise the cash commitments lodged by futures participants. If the defaulting participant is both a futures and OTC participant, then the non-defaulting participants' commitments are apportioned for items 3 and 5.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Capital and risk management

E2. Risk Management Framework *continued*

## 2. Financial risk management

The Group's activities expose it to a variety of financial risks including market risk (comprising interest rate, foreign currency and equity price risk), credit risk and liquidity risk. For further detail on the Group's non-financial, strategic and financial risks and how these are managed, please refer to the Operating and Financial Review on pages 10 to 23.

The Group holds the following financial assets and liabilities by category:

| As at 30 June                                   | Note | 2023                  |  |  | 2022                  |  |  |
|---|------|-----------------------|--|--|-----------------------|--|--|
|   |      | Amortised cost<br>\$m | Fair value through profit or loss (FVTPL)<br>\$m | Fair value through other comprehensive income (FVOCI)<br>\$m | Amortised cost<br>\$m | Fair value through profit or loss (FVTPL)<br>\$m | Fair value through other comprehensive income (FVOCI)<br>\$m |
| <b>Financial assets</b>                         |      |                       |  |  |                       |  |  |
| Cash  | B10  | 1,008.6               | —  | —  | 4,972.2               | —  | —  |
| Financial assets at amortised cost <sup>1</sup> | C2   | 11,957.5              | —  | —  | 8,959.2               | —  | —  |
| Non-cash collateral <sup>2</sup>                | C3   | —                     | 490.6  | —  | —                     | 525.6  | —  |
| Trade and other receivables                     | C1   | 619.4                 | —  | —  | 857.1                 | —  | —  |
| Investments in equity instruments               | C5   | —                     | —  | 29.6   | —                     | —  | 47.1   |
| <b>Total financial assets</b>                   |      | <b>13,585.5</b>       | <b>490.6</b>                                     | <b>29.6</b>  | <b>14,788.5</b>       | <b>525.6</b>                                     | <b>47.1</b>  |
| <b>Financial liabilities at amortised cost</b>  |      |                       |  |  |                       |  |  |
| Amounts owing to participants <sup>3</sup>      |      | 11,784.7              | 490.6  | —  | 12,751.1              | 525.6  | —  |
| Trade and other payables <sup>4</sup>           | D1   | 616.9                 | —  | —  | 803.1                 | —  | —  |
| Lease liabilities                               | D3   | 58.6                  | —  | —  | 67.6                  | —  | —  |
| Borrowings                                      | D4   | 20.0                  | —  | —  | —                     | —  | —  |
| <b>Total financial liabilities</b>              |      | <b>12,480.2</b>       | <b>490.6</b>                                     | <b>—</b>   | <b>13,621.8</b>       | <b>525.6</b>                                     | <b>—</b>   |

1. Comprises reverse repurchase agreements, negotiable certificates of deposit, and promissory notes.

2. Non-cash collateral comprises commonwealth government and semi-government debt securities.

3. Comprises current and non-current amounts owing to participants.

4. Excludes transaction taxes payable which are not financial instruments as they are statutory obligations.

The maximum exposure to credit risk at the end of the reporting period for each class of financial asset is the carrying amount as detailed in the previous table.

## a. Market risk

Market risk is the risk of loss arising from movements in observable market variables such as interest rates, foreign exchange rates and other market prices.

## i. Interest rate risk

| Exposure arising from   | Risk management  |
|---|--|
| Variable rate cash investments and money market instruments expose the Group to cash flow interest rate risk. | <ul style="list-style-type: none"> <li>&gt; Most of the Group's investments in financial assets at amortised cost mature within one month, minimising the period of interest rate changes in a rising interest rate environment.</li> <li>&gt; Board-approved policies and mandates are in place which set the Group's risk appetite on interest rate risk.</li> <li>&gt; Board-approved mandates also allow investments in assets with a longer duration.</li> <li>&gt; Managed by policies that enable the Group to pay a variable rate of interest to participants on the cash margins held.</li> </ul> |
| Fixed rate investments in debt securities expose ASX Clear (Futures) to fair value risk.                      | <ul style="list-style-type: none"> <li>&gt; Fixed rate investments are medium term and arise from non-cash initial margins lodged by participants. No fair value exposure arises as the exposures are 100% matched with amounts owed by participants through the margining process.</li> </ul>   |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Capital and risk management

E2. Risk Management Framework *continued*a. **Market risk** *continued*

The Group holds the following financial asset and liabilities that are exposed to interest rate risk:

| For the year ended 30 June                                 | 2023                       |                         |                 | 2022                       |                         |                 |
|--|----------------------------|-------------------------|-----------------|----------------------------|-------------------------|-----------------|
|  | Floating interest rate \$m | Fixed interest rate \$m | Total \$m       | Floating interest rate \$m | Fixed interest rate \$m | Total \$m       |
| <b>Interest earning financial assets</b>                   |                            |                         |                 |                            |                         |                 |
| Cash   | 1,008.6                    | —                       | 1,008.6         | 4,972.2                    | —                       | 4,972.2         |
| Financial assets at amortised cost                         | —                          | 11,957.5                | 11,957.5        | —                          | 8,959.2                 | 8,959.2         |
| Non-cash collateral  | —                          | 490.6                   | 490.6           | —                          | 525.6                   | 525.6           |
| <b>Total interest bearing financial assets</b>             | <b>1,008.6</b>             | <b>12,448.1</b>         | <b>13,456.7</b> | <b>4,972.2</b>             | <b>9,484.8</b>          | <b>14,457.0</b> |
| Weighted average interest rate at period end               | 4.79%                      | 4.03%                   |                 | 0.87%                      | 0.80%                   |                 |
| <b>Interest bearing financial liabilities</b>              |                            |                         |                 |                            |                         |                 |
| Current and non-current amounts owing to participants      | 11,784.7                   | 490.6                   | 12,275.3        | 12,751.1                   | 525.6                   | 13,276.7        |
| Current and non-current lease liabilities                  | —                          | 58.6                    | 58.6            | —                          | 67.6                    | 67.6            |
| Borrowings   | 20.0                       | —                       | 20.0            | —                          | —                       | —               |
| <b>Total interest bearing financial liabilities</b>        | <b>11,804.7</b>            | <b>549.2</b>            | <b>12,353.9</b> | <b>12,751.1</b>            | <b>593.2</b>            | <b>13,344.3</b> |
| Weighted average interest rate at period end               | 3.58%                      | 4.08%                   |                 | 0.45%                      | 3.93%                   |                 |
| <b>Net interest bearing financial (liabilities)/assets</b> | <b>(10,796.1)</b>          | <b>11,898.9</b>         | <b>1,102.8</b>  | <b>(7,778.9)</b>           | <b>8,366.0</b>          | <b>1,112.7</b>  |

With respect to the above table:

- > Floating interest rate refers to financial instruments where the interest rate is subject to change prior to maturity or repayment. The weighted average interest rate earned on cash at period end was 4.79% (2022: 0.87%). The weighted average floating interest rate at period end of 3.58% (2022: 0.45%) for interest bearing financial liabilities predominantly represent the interest paid to participants, net of interest income received by the ASX on initial margins provided by participants and ASX's own funds.
- > Fixed interest rate refers to financial instruments where the interest rate is fixed up to maturity – predominantly NCDs, P-Notes, and reverse repurchase agreements. The weighted average interest rate at period end, earned on the asset portfolio was 4.03% (2022: 0.80%). The fixed interest rate at period end of 4.08% (2022: 3.93%) for interest bearing financial liabilities represents the weighted average incremental borrowing rate applied for evaluating the present value of leases under AASB 16 *Leases*. The range of interest rates applied on the Group's leases is between 2.16% and 5.28% (2022: 2.16% and 4.30%).
- > Most of the Group's investments in financial assets at amortised cost mature within one month, minimising the period of interest rate changes in a rising interest rate environment.

ii. **Foreign currency risk**

| Exposure arising from   | Risk management   |
|---|---|
| Cash denominated in foreign currency.   | The Group has a number of cash at bank accounts denominated in foreign currency (primarily in NZD). Cash is held to support participants margins, and as such is not hedged, because margins received in foreign currency are repaid in the same foreign currency of the margin lodged by participants. |
| Cash flow commitments in foreign currencies entered into by the Group.  | Where the Group enters into material cash flow commitments in foreign currencies, its policy is to enter into hedging arrangements to mitigate the exchange risk where possible.  |
| Investments in foreign currency expose the Group to foreign currency risk.  | Board-approved policies and mandates are in place which set the Group's risk appetite on foreign currency risk.   |
| Collateral on clearing participants' derivatives exposures lodged in foreign currency and held by the Group's CCPs. | The collateral held in foreign currency is offset by an equal payable in the same currency to the participant, which reduces foreign currency risk in the normal course of business. Where non-matching currency is lodged as collateral, a discount is applied to its value.                           |

The majority of the Group's net foreign currency risk is associated with foreign denominated cash, and an investment in equity instruments denominated in USD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Capital and risk management

E2. Risk Management Framework *continued*a. **Market risk** *continued*ii. **Foreign currency risk** *continued*

The following table shows the Group's material exposures in its Consolidated balance sheet to foreign currency risk at the end of the year, expressed in AUD.

| As at 30 June                      | 2023       |             | 2022       |             |
|------------------------------------|------------|-------------|------------|-------------|
|                                    | NZD<br>\$m | USD<br>\$m  | NZD<br>\$m | USD<br>\$m  |
| <b>Financial assets</b>            |            |             |            |             |
| Cash                               | 534.9      | 0.3         | 467.2      | 28.1        |
| Investment in equity instruments   | —          | 14.6        | —          | 34.7        |
| Receivables                        | —          | —           | 0.1        | —           |
| <b>Financial liabilities</b>       |            |             |            |             |
| Amounts owing to participants      | 528.4      | —           | 462.9      | 27.9        |
| <b>Net exposure</b>                | <b>6.5</b> | <b>14.9</b> | <b>4.4</b> | <b>34.9</b> |
| Exchange rate for conversion AUD1: | 1.0871     | 0.6664      | 1.1055     | 0.6903      |

iii. **Equity price risk****Exposure arising from****Risk management**

Other price movements associated with underlying equities and derivatives on trades novated to the CCPs.

Novated equity and derivatives trades are 100% matched, and therefore there is no residual equity price risk to the Group.

Equity price movements impact the Group's investments in equity instruments.

The Group manages equity price risk by limiting the quantum of investments held that expose the Group to equity price risk, as well as maintaining sufficient capital reserves to absorb any losses that may arise. Refer to note C5 for sensitivities arising from equity price risk.

iv. **Market risk sensitivity analysis (net of tax)**

The table below provides sensitivity analysis showing how profit after tax and equity would have been impacted by changes in market risk variables. The analysis shows:

1. The direct impact of a reasonably possible change in market rates and is not intended to illustrate a remote, worst case stress test scenario;
2. For interest rate risk sensitivity analysis, the hypothetical change in basis points (bps) has been applied to interest rate risk exposures that exist at the reporting dates. All other variables have been held constant; and
3. For foreign currency exchange sensitivity analysis, the hypothetical change has been applied to foreign currency exposures that exist at the reporting date. All other variables, including interest rates, have been held constant.

| As at 30 June             | Change in variables            | 2023                       |                            | 2022                       |                            |
|---------------------------|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                           |                                | Impact<br>on profit<br>\$m | Impact<br>on equity<br>\$m | Impact<br>on profit<br>\$m | Impact<br>on equity<br>\$m |
| <b>Interest rate risk</b> | FY23: +100 bps (FY22: +25 bps) | 7.9                        | 7.9                        | 2.0                        | 2.0                        |
|                           | FY23: -100 bps (FY22: -25 bps) | (7.9)                      | (7.9)                      | (2.0)                      | (2.0)                      |
| <b>Currency risk</b>      | 10% strengthening of AUD       | (0.5)                      | (1.1)                      | (0.3)                      | (2.5)                      |
|                           | 10% weakening of AUD           | 0.5                        | 1.1                        | 0.3                        | 2.5                        |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Capital and risk management

E2. Risk Management Framework *continued***b. Credit risk**

| Exposure arising from   | Risk management  |
|---|--|
| Through its CCP activities, the Group is exposed to the potential loss that may arise from the failure of a counterparty to meet its obligations or commitments. The obligations mainly relate to T+2 settlement risk for cash market trades and daily mark-to-market movements on open derivative positions. Failure of clearing participants to meet these obligations exposes the Group to potential losses. | <ul style="list-style-type: none"> <li>&gt; Clearing participant membership requirements and admission standards, including minimum capital requirements.</li> <li>&gt; Participant surveillance, including capital monitoring.</li> <li>&gt; Daily and intraday counterparty credit risk control, including margining and collateral management.</li> <li>&gt; Position limits based on the capital of the participant.</li> <li>&gt; Financial resource adequacy, including fixed capital and stress-testing of clearing participants' exposure limits against the amount and liquidity of variable and fixed financial resources available.</li> <li>&gt; Operating rules that deal with recovery and resolution of losses in the event of a clearing participant default. Refer to the section above on Clearing Risk Management (page 105).</li> <li>&gt; Initial margin calls outside of Australian business hours.</li> </ul> |
| Investment counterparty credit risk arises on certain financial assets including cash, other financial assets at amortised cost, trade and other receivables, margins receivable from participants, accrued revenue, and interest receivable.   | <ul style="list-style-type: none"> <li>&gt; Board-approved policies and mandates that limit the amount of credit exposure and concentration to any one counterparty, as well as minimum credit ratings for counterparties. Investments are limited to non-derivative assets.</li> <li>&gt; Investment loss rules that address the allocation of losses between the Group and clearing participants.</li> <li>&gt; Capital allocated in the Group's balance sheet to cater for investment losses.</li> <li>&gt; Active debt collection procedures and regular review of trade receivables ageing.</li> </ul>  |

S&P short-term credit ratings are used to determine the credit quality of the counterparty/issuer with whom cash and financial assets at amortised cost are secured.

| S&P short-term credit rating                    | 2023            |              |                 | 2022           |              |                |
|---|-----------------|--------------|-----------------|----------------|--------------|----------------|
|   | A-1+<br>\$m     | A-1<br>\$m   | Total<br>\$m    | A-1+<br>\$m    | A-1<br>\$m   | Total<br>\$m   |
| Cash at bank and on hand                        | 739.6           | 0.2          | 739.8           | 4,585.4        | 0.1          | 4,585.5        |
| Overnight cash deposits                         | 108.3           | 160.5        | 268.8           | 214.6          | 172.1        | 386.7          |
| <b>Total cash</b>                               | <b>847.9</b>    | <b>160.7</b> | <b>1,008.6</b>  | <b>4,800.0</b> | <b>172.2</b> | <b>4,972.2</b> |
| Reverse repurchase agreements <sup>1</sup>      | 10,233.3        | —            | 10,233.3        | 6,868.0        | —            | 6,868.0        |
| NCDs  | 471.9           | 465.0        | 936.9           | 361.3          | 395.7        | 757.0          |
| P-Notes   | 787.3           | —            | 787.3           | 1,334.2        | —            | 1,334.2        |
| <b>Total financial assets at amortised cost</b> | <b>11,492.5</b> | <b>465.0</b> | <b>11,957.5</b> | <b>8,563.5</b> | <b>395.7</b> | <b>8,959.2</b> |
| Bonds (lodged by participants)                  | 490.6           | —            | 490.6           | 525.6          | —            | 525.6          |
| <b>Total financial assets at FVTPL</b>          | <b>490.6</b>    | <b>—</b>     | <b>490.6</b>    | <b>525.6</b>   | <b>—</b>     | <b>525.6</b>   |

1. Reverse repurchase agreements are collateralised by commonwealth, semi-government, or foreign government debt securities.

The maximum credit exposure to credit risk for trade and other receivables, margins receivable, accrued revenue and interest receivable are their carrying value at reporting date.

Intercompany receivables consist of balances owing between the entities of the Group and are eliminated on consolidation. The ultimate parent entity, and parent entities (refer to note F1), considers the credit risk on these balances to be low. The maximum credit exposure to the ultimate parent entity, and parent entities, is the carrying value of these exposures at reporting date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Capital and risk management

E2. Risk Management Framework *continued*

## c. Liquidity risk

## Exposure arising from

Margins to cover derivatives and cash market exposures are settled with participants and invested in the short-term money market on a daily basis. The investment of these balances requires strict management to provide sufficient liquidity for the routine daily margin settlement.

## Risk management

- > The Board has implemented policies that specify liquidity requirements, based on whether assets can be liquidated and converted to cash on a same-day basis, including maximum average maturity limits. Instruments that are eligible for repurchase agreements with the Reserve Bank of Australia are treated as liquid by repurchasing underlying collateral.
- > The Group maintains forward plans and forecasts liquidity requirements on a daily basis.
- > ASX Clear maintains an unsecured committed liquidity facility that assists with liquidity support for clearing operations.
- > The Group maintains a corporate debt facility which is available to be drawn for operational use.

The expected undiscounted contractual cash flows of the Group's liabilities are shown in the following table. All financial liabilities of the Group are non-derivative.

The values on the Consolidated balance sheet may differ from liabilities in the following table due to the inclusion of contractual cash flows up to maturity, in the table below.

| As at 30 June 2023                 | Up to 1 month<br>\$m | >1 month<br>to 3 months<br>\$m | >3 months<br>to 1 year<br>\$m | >1 year<br>\$m | No specific<br>maturity<br>\$m | Total<br>\$m    |
|------------------------------------|----------------------|--------------------------------|-------------------------------|----------------|--------------------------------|-----------------|
| <b>Financial liabilities</b>       |                      |                                |                               |                |                                |                 |
| Trade and other payables           | 615.2                | 0.8                            | —                             | —              | 0.9                            | 616.9           |
| Amounts owing to participants      | 12,075.3             | —                              | —                             | —              | 200.0                          | 12,275.3        |
| Lease liabilities                  | 1.1                  | 2.2                            | 9.8                           | 52.8           | —                              | 65.9            |
| Borrowings <sup>1</sup>            | 20.0                 | —                              | —                             | —              | —                              | 20.0            |
| <b>Total financial liabilities</b> | <b>12,711.6</b>      | <b>3.0</b>                     | <b>9.8</b>                    | <b>52.8</b>    | <b>200.9</b>                   | <b>12,978.1</b> |

1. Represents the drawn component on the Group's bilateral committed corporate debt facility.

| As at 30 June 2022                 | Up to 1 month<br>\$m | >1 month<br>to 3 months<br>\$m | >3 months<br>to 1 year<br>\$m | >1 year<br>\$m | No specific<br>maturity<br>\$m | Total<br>\$m    |
|------------------------------------|----------------------|--------------------------------|-------------------------------|----------------|--------------------------------|-----------------|
| <b>Financial liabilities</b>       |                      |                                |                               |                |                                |                 |
| Trade and other payables           | 789.0                | 3.8                            | 9.3                           | —              | 1.0                            | 803.1           |
| Amounts owing to participants      | 13,076.7             | —                              | —                             | —              | 200.0                          | 13,276.7        |
| Lease liabilities                  | 1.1                  | 2.2                            | 9.8                           | 65.1           | —                              | 78.2            |
| <b>Total financial liabilities</b> | <b>13,866.8</b>      | <b>6.0</b>                     | <b>19.1</b>                   | <b>65.1</b>    | <b>201.0</b>                   | <b>14,158.0</b> |

While amounts owing to participants may have contractual cash flows greater than one month, they have been classified as having maturities up to one month as these are due on demand.

## d. Enforceable netting arrangements

There are no financial assets and financial liabilities recognised on a net basis. In the event that a clearing participant defaults and ASX assumes open positions under novation, ASX's policy is to recognise the net open positions where it has the right to offset exposures.

In the event that a clearing participant defaults, ASX may utilise collateral and commitments lodged by that participant to offset net losses realised from the close-out of positions. While ASX has the right to offset this collateral from the open position, its policy is to only offset following the close-out.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Group disclosures

## F1. Group companies

Ultimate parent entity<sup>1</sup>: ASX Limited

**Subsidiaries of ASX Limited:**

ACN 611 659 664 Limited<sup>2</sup>  
 ASX Acceler8 Pty Limited  
 ASX Benchmarks Pty Limited  
 ASX Clearing Corporation Limited  
 ASX Compliance Pty Limited  
 ASX Data Analytics Pty Limited  
 ASX Financial Settlements Pty Limited  
 ASX Futures Exchange Pty Limited  
 ASX Long-Term Incentive Plan Trust  
 ASX Operations Pty Limited<sup>2</sup>  
 ASX Settlement Corporation Limited<sup>2</sup>  
 Australian Securities Exchange Limited<sup>2</sup>  
 Australian Stock Exchange Pty Limited  
 SFE Corporation Limited<sup>2</sup>

**Subsidiaries of ASX Operations Pty Limited<sup>1</sup>:**

ASX Collateral Management Services Pty Limited  
 Australian Clearing Corporation Limited<sup>2</sup>  
 Australian Clearing House Pty Limited  
 Equityclear Pty Limited  
 Options Clearing House Pty Limited  
 Sydney Futures Exchange Pty Limited

**Subsidiaries of ASX Clearing Corporation Limited<sup>1</sup>:**

ASX Clear (Futures) Pty Limited  
 ASX Clear Pty Limited  
 ASX Clearing Corporation Trust

**Subsidiaries of ASX Settlement Corporation Limited<sup>1</sup>:**

ASX Settlement Pty Limited  
 Austraclear Limited

**Subsidiaries of ASX Settlement Pty Limited<sup>1</sup>:**

CHESS Depository Nominees Pty Limited

**Subsidiaries of Austraclear Limited<sup>1</sup>:**

Austraclear Services Limited

**Subsidiaries of Australian Securities Exchange Limited<sup>1</sup>:**

Australian Securities Exchange (US) Inc

1. The ultimate parent entity's (ASX Limited) investment in its subsidiaries was 100% (2022: 100%). The immediate parent entity's investment in all subsidiaries during the financial year was 100% (2022: 100%).

2. These subsidiaries are parties to the Deed of Cross Guarantee (the Deed) and have been granted relief from preparing financial statements in accordance with ASIC Legislative Instrument 2016/785. Refer to note F2 for details of the Deed.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

# Group disclosures

## F1. Group companies continued

ASX Limited and Australian Securities Exchange Limited are licensed to operate financial markets. ASX Clear and ASX Clear (Futures) are licensed to operate clearing facilities. Austraclear Limited and ASX Settlement Pty Limited are licensed to operate settlement facilities.

In accordance with the *Corporations Act 2001*, the Group maintains two fidelity funds for claims about the defalcation of monies in relation to cash market and derivative trading. ASX Limited acts as manager for the ASX Division 3 Compensation Fund and Australian Securities Exchange Limited acts as trustee for the Sydney Futures Exchange Limited Fidelity Fund. ASX Limited is also a member of the Securities Exchanges Guarantee Corporation (SEGC), along with CBOE Australia Pty Limited (formerly known as Chi-X Australia Pty Limited) (CBOE), which are responsible for administering the National Guarantee Fund (NGF), a compensation fund available to meet certain types of claims arising from dealings with participants of ASX Limited, CBOE and, in limited circumstances, participants of ASX Clear, in accordance with the *Corporations Act 2001*.

ASX Division 3 Compensation Fund, Sydney Futures Exchange Limited Fidelity Fund and SEGC are not consolidated into the Group.

All subsidiaries are incorporated in Australia except for Australian Securities Exchange (US) Inc (which is incorporated in the US). All subsidiaries have the same reporting date.

### Entities deregistered resulting in loss of control

New Zealand Futures and Options Exchange Limited, a fully owned subsidiary of ASX Operations Limited was deregistered on 20 December 2022. This was a dormant company. There was no financial impact on deregistration.

### Accounting policies

Subsidiaries are consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with that entity and has the ability to affect those returns through its power to direct the activities of the entity. In addition to considering the existence of potential voting rights that are presently exercisable or convertible, the Company also considers relationships with other parties that may result in the Company controlling an entity on the basis of de facto circumstances.

The Group has two established trusts. The Long-Term Incentive Plan Trust (LTIPT) administers the Group's employee share scheme while ASX Clearing Corporation Trust manages the cash and financial assets at amortised cost of the two CCP subsidiaries. Both trusts are consolidated as they are controlled by the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Group disclosures

## F2. Deed of Cross Guarantee

The entities identified in the subsidiaries list in note F1 as parties to the Deed of Cross Guarantee represent a 'closed group' for the purposes of the ASIC Legislative Instrument 2016/785. As there are no other parties to the Deed that are controlled by the Company, these entities also represent the 'extended closed group'.

No entities were added or removed from the Deed during the year.

**a. Consolidated statement of comprehensive income and summary of movements in retained earnings**

The consolidated statement of comprehensive income and summary of movements in consolidated retained earnings for the closed group is set out below.

|  | 2023<br>\$m  | 2022<br>\$m  |
|--|--------------|--------------|
| <b>Statement of comprehensive income for the year ended 30 June</b>                      |              |              |
| Total revenue  | 1,023.4      | 1,056.3      |
| Total expenses   | (644.1)      | (342.3)      |
| <b>Profit before income tax expense</b>  | <b>379.3</b> | <b>714.0</b> |
| Income tax expense   | (109.5)      | (208.5)      |
| <b>Net profit for the period</b>   | <b>269.8</b> | <b>505.5</b> |
| <b>Items that may be reclassified to profit or loss:</b>                                 |              |              |
| Change in the fair value of investments in equity instruments                            | (24.6)       | 2.0          |
| Change in the fair value of cash flow hedges   | —            | 0.1          |
| Other comprehensive (loss)/income for the period, net of tax                             | (24.6)       | 2.1          |
| <b>Total comprehensive income for the period</b>   | <b>245.2</b> | <b>507.6</b> |
| <b>Summary of movements in consolidated retained earnings for the year ended 30 June</b> |              |              |
| Opening retained earnings at 1 July  | 699.5        | 634.6        |
| Dividends paid   | (457.3)      | (440.6)      |
| Profit for the period  | 269.8        | 505.5        |
| <b>Closing retained earnings at 30 June</b>  | <b>512.0</b> | <b>699.5</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Group disclosures

F2. Deed of Cross Guarantee *continued***b. Consolidated balance sheet**

The consolidated balance sheet for the closed group is set out below.

| As at 30 June                             | 2023<br>\$m    | 2022<br>\$m    |
|---|----------------|----------------|
| <b>Current assets</b>                     |                |                |
| Cash                                      | 73.4           | 146.8          |
| Financial assets at amortised cost        | 128.9          | 99.9           |
| Trade and other receivables               | 63.7           | 108.5          |
| Prepayments                               | 22.0           | 17.7           |
| Current tax asset                         | 2.3            | —              |
| Equity accounted investment held for sale | 54.6           | —              |
| <b>Total current assets</b>               | <b>344.9</b>   | <b>372.9</b>   |
| <b>Non-current assets</b>                 |                |                |
| Investments in subsidiaries               | 966.1          | 950.1          |
| Investments in equity instruments         | 29.6           | 47.1           |
| Equity accounted investments              | 22.2           | 50.5           |
| Intangible assets                         | 2,406.1        | 2,574.5        |
| Property, plant and equipment             | 42.6           | 51.7           |
| Right-of-use assets                       | 47.9           | 58.3           |
| Net deferred tax asset                    | 64.3           | 54.9           |
| Prepayments                               | 2.7            | 5.6            |
| <b>Total non-current assets</b>           | <b>3,581.5</b> | <b>3,792.7</b> |
| <b>Total assets</b>                       | <b>3,926.4</b> | <b>4,165.6</b> |
| <b>Current liabilities</b>                |                |                |
| Trade and other payables                  | 109.2          | 85.1           |
| Current tax liabilities                   | —              | 31.8           |
| Provisions                                | 23.7           | 21.3           |
| Lease liabilities                         | 11.1           | 10.6           |
| Revenue received in advance               | 132.5          | 119.0          |
| <b>Total current liabilities</b>          | <b>276.5</b>   | <b>267.8</b>   |
| <b>Non-current liabilities</b>            |                |                |
| Provisions                                | 5.4            | 5.4            |
| Lease liabilities                         | 47.5           | 57.0           |
| Revenue received in advance               | 73.5           | 99.8           |
| <b>Total non-current liabilities</b>      | <b>126.4</b>   | <b>162.2</b>   |
| <b>Total liabilities</b>                  | <b>402.9</b>   | <b>430.0</b>   |
| <b>Net assets</b>                         | <b>3,523.5</b> | <b>3,735.6</b> |
| <b>Equity</b>                             |                |                |
| Issued capital                            | 3,027.2        | 3,027.2        |
| Retained earnings                         | 512.0          | 699.5          |
| Reserves                                  | (15.7)         | 8.9            |
| <b>Total equity</b>                       | <b>3,523.5</b> | <b>3,735.6</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Group disclosures

## F3. Related party transactions

**a. Transactions between subsidiaries**

ASX Operations Pty Limited provides operational support for the majority of the Group's activities. Expenses paid, revenues collected and purchase of capital items on behalf of other entities within the Group are booked into inter-entity accounts. Interest is not charged on any inter-entity account, other than trust balances.

Transactions between the Company and subsidiaries are eliminated on consolidation.

Balances (payable)/receivable by the Company from wholly owned subsidiaries within the Group are as follows:

| As at 30 June                          | 2023<br>\$000 | 2022<br>\$000 |
|--|---------------|---------------|
| <b>Current</b>                         |               |               |
| Amounts (due to)/due from subsidiaries | (73,626)      | 195,497       |

The following transactions occurred between subsidiaries and the Company during the year:

| For the year ended 30 June          | 2023<br>\$000 | 2022<br>\$000 |
|-------------------------------------|---------------|---------------|
| Dividends paid to the parent entity | 238,800       | 518,000       |

**b. Transactions with other related entities**

The following transactions occurred with other related entities during the year:

| For the year ended 30 June          | 2023<br>\$000 | 2022<br>\$000 |
|-------------------------------------|---------------|---------------|
| Purchase of services from associate | 454           | 434           |

**c. Key Management Personnel (KMP) remuneration**

Refer to note B5 for details on KMP remuneration.

## F4. Parent entity financial information

**a. Summary financial information**

The individual financial statements for the parent entity show the following aggregate amounts:

| Statement of comprehensive income for the year ended 30 June | 2023<br>\$m  | 2022<br>\$m  |
|--|--------------|--------------|
| Total revenue  | 245.9        | 504.1        |
| Total expenses   | —            | (1.4)        |
| <b>Profit before income tax expense</b>                      | <b>245.9</b> | <b>502.7</b> |
| Income tax benefit   | 0.8          | 0.3          |
| <b>Net profit for the period</b>                             | <b>246.7</b> | <b>503.0</b> |
| Other comprehensive (loss)/income for the period, net of tax | (23.9)       | 2.0          |
| <b>Total comprehensive income for the period</b>             | <b>222.8</b> | <b>505.0</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Group disclosures

F4. Parent entity financial information *continued*a. Summary financial information *continued*

| Balance sheet as at 30 June | 2023<br>\$m    | 2022<br>\$m    |
|-----------------------------|----------------|----------------|
| Current assets              | 56.1           | 196.9          |
| Non-current assets          | 3,469.7        | 3,503.6        |
| <b>Total assets</b>         | <b>3,525.8</b> | <b>3,700.5</b> |
| Current liabilities         | 91.5           | 31.9           |
| Non-current liabilities     | 0.3            | —              |
| <b>Total liabilities</b>    | <b>91.8</b>    | <b>31.9</b>    |
| <b>Net assets</b>           | <b>3,434.0</b> | <b>3,668.6</b> |
| Issued capital              | 3,027.2        | 3,027.2        |
| Retained earnings           | 424.7          | 635.3          |
| Asset revaluation reserve   | (33.2)         | (9.2)          |
| Equity compensation reserve | 15.3           | 15.3           |
| <b>Total equity</b>         | <b>3,434.0</b> | <b>3,668.6</b> |

**Accounting policies**

The financial information for the parent entity, ASX, has been prepared on the same basis as the consolidated financial statements, except as set out below.

Unlisted shares in subsidiaries are accounted for at cost in the financial statements of ASX.

**b. Guarantees entered into by the parent entity**

The parent entity, ASX, is party to a Deed of Cross Guarantee together with the entities defined in note F1. Under the Deed, the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. No deficiencies of assets exist in any of these entities.

**c. Contractual commitments and contingencies**

ASX has an agreement with CHES Depository Nominees Pty Limited (CDN) which provides \$10.0 million (2022: \$10.0 million) in funds to support CDN's licence obligations if required.

No payments were made under either facility in the current or prior financial year.

The NGF, which is administered by SEGC, is maintained to provide compensation for prescribed claims arising from dealings with market participants as set out in the *Corporations Act 2001*. If the net assets of the NGF fall below the minimum amount determined by the Minister, SEGC may determine that ASX or participants must pay a levy to SEGC. No levies were called on ASX in the current or prior financial year.

In accordance with the Financial Stability Standards recovery rules, the parent entity, ASX, is obligated in certain circumstances to replenish a shortfall in the financial resources available to the CCPs up to predetermined levels for any one participant default.

No replenishments were made in the current or prior year. In accordance with the Australian Financial Services Licence of ASX Collateral Management Services Pty Limited, ASX Limited has an obligation to fund any amounts required by the subsidiary.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

# Group disclosures

## F5. Contingent liabilities

As part of the operations of the business, the Group is subject to various regulatory actions and reviews by RBA, ASIC and the Australian Competition and Consumer Commission (ACCC), and legal actions and claims by third parties. The financial impact that might arise from any potential regulatory actions, changes, 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.

### ASIC investigation into CHES replacement

On 28 March 2023, ASIC confirmed to ASX that it had commenced an investigation into suspected contraventions of the *ASIC Act 2001* and the *Corporations Act 2001* in relation to the CHES replacement program. ASIC is investigating whether ASX Limited, ASX Clear Pty Limited, ASX Settlement Pty Limited and/or their directors and officers breached obligations under the *Corporations Act 2001* and the *ASIC Act 2001*, during the period 28 October 2020 to 28 March 2022, in relation to oversight of the program, and statements and disclosures made by or on behalf of ASX as to the status of the program. The investigation is ongoing and ASX is fully cooperating with ASIC in the investigation.

### CHES Replacement Partnership Program

On 16 February 2023, ASX announced the CHES Replacement Partnership Program. The purpose of the Partnership Program is to establish a framework to provide financial contribution toward stakeholder participation with respect to the successful progress and completion of the CHES replacement project. The Partnership Program consists of two components:

- > Participant Rebate Pool of \$15.0 million, from which amounts will be paid to clearing and settlement (CS) participants, distributed proportionately based on CS fees paid to ASX by those participants during the period 1 January 2023 to 30 June 2023. The \$15.0 million rebate was expensed during the period and will be paid in August 2023.
- > The Development Incentive Pool of up to \$55.0 million, which will be available to certain stakeholders who are developing technology applications to connect with and interact with the CHES replacement solution, and otherwise meet the other eligibility criteria. An amount of \$17.8 million of the Development Incentive Pool has been expensed during the period. The balance to be paid out of the Development Incentive Pool will be confirmed following the determination of the CHES replacement project solution design and subsequent market consultation on the implementation plan, and has not been accrued as at 30 June 2023.

### Accounting policies

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events, and present obligations where the transfer of economic resources is not probable or cannot be reliably measured.

## F6. Commitments

### Capital and operating commitments

Capital and operating commitments contracted for, but not yet incurred, as at balance date are as follows:

| As at 30 June                     | 2023<br>\$m | 2022<br>\$m |
|-----------------------------------|-------------|-------------|
| Capital and operating commitments | 49.5        | 84.3        |

## F7. Subsequent events

There have been no material matters or circumstances that have arisen which have significantly affected the operations of the Group, the results of those operations or the state of affairs of the Group from the end of the 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 72 to 119 in the Annual 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 30 June 2023 and of its performance for the financial year ended on that date, and
  - ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements
- 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
- c. at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note F1 will be able to meet any liabilities to which they are, or may become, subject to by virtue of the Deed of Cross Guarantee described in note F1, and
- d. the financial statements also comply with International Financial Reporting Standards as disclosed in note A1.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 30 June 2023.

Signed in accordance with a resolution of the directors:



**Damian Roche**  
Chair



**Helen Lofthouse**  
Managing Director and Chief Executive Officer

Sydney, 17 August 2023

# Independent auditor's report

TO THE MEMBERS OF ASX LIMITED



## Independent auditor's report

To the members of ASX Limited

### Report on the audit of the financial report

#### Our opinion

In our opinion:

The accompanying financial report of ASX Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 30 June 2023
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

#### 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 financial report* 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 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757  
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001  
T: +61 2 8266 0000, F: +61 2 8266 9999  
Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124  
T: +61 2 9659 2476, F: +61 2 8266 9999

Liability limited by a scheme approved under Professional Standards Legislation.

# Independent auditor's report

TO THE MEMBERS OF ASX LIMITED



## Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



### Materiality

- For the purpose of our audit we used overall Group materiality of \$34.8 million, which represents approximately 5% of the Group's profit before tax, adjusted to exclude the impact of a one-off, significant item for the derecognition of CHES replacement project capitalised costs during the year.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

### Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

# Independent auditor's report

TO THE MEMBERS OF ASX LIMITED



## Key audit matter

### Valuation of Goodwill impairment assessment (Refer to note C6)

The Group's goodwill is allocated to two Cash Generating Units (CGUs): 'exchange-traded' (\$2,242.2m) and 'non-exchange traded' (\$75.4m).

We considered this a key audit matter due to the financial significance of the goodwill balance and the inherent judgement and estimation uncertainty in the Group's assessment of the value in use of each CGU. This includes the impact and uncertainty surrounding inflation driven economic pressures and rising interest rates on the Group's judgements over future cash flows, and the terminal growth and discount rates applied to cash flow forecasts.

The Group performed an annual impairment assessment over the goodwill balance, as required by Australian Accounting Standards, by:

1. Calculating the value in use for each CGU using a discounted cash flow model. The key assumptions in this model include cash flows (revenues, expenses and capital expenditure) for each CGU for five years and a growth rate to extrapolate cash flow projections beyond 5 years (terminal growth rate). The cash flows were discounted to net present value using a discount rate determined to be appropriate by the Group.
2. Comparing the value in use of each CGU to their respective carrying values.

The Group also performed a sensitivity analysis over the value in use calculations, by varying the assumptions used (terminal growth rate and discount rate) to assess the impact on the impairment assessment.

## How our audit addressed the key audit matter

Our procedures included:

- Understanding and evaluating the Group's relevant controls over the impairment assessment of goodwill.
- Evaluating the determination and composition of the CGUs to which goodwill is allocated.
- Evaluating the Group's cash flow forecasts and the process by which they were developed, including considering the mathematical accuracy of the underlying calculations in the discounted cash flow model (the model).
- Assessing whether the value in use cash flow forecasts were consistent with previous performance, the Board-approved budgets and that significant assumptions in the budgets were subject to oversight by the directors.
- Comparing the forecast cash flows and growth rates used in the Group's cash flow forecasts to historical results and economic and industry forecasts.
- Assessing the reasonableness of the Group's disclosures in the financial report against the requirements of Australian Accounting Standards.

Together with PwC valuation experts, we also:

- Evaluated the appropriateness of the value in use methodology based on the requirements of Australian Accounting Standards.
- Assessed the appropriateness of the discount rate used in the model by comparing the cost of capital for the Group to market data and industry research.

# Independent auditor's report

TO THE MEMBERS OF ASX LIMITED



## Key audit matter

### **Derecognition of CHES replacement project capitalised costs** (Refer to note B2)

Following the announcement of the findings of an independent review on the CHES replacement project, implementation activities on the project were paused. CHES replacement project costs of \$251.9m were subsequently derecognised.

We considered this a key audit matter due to the financial significance of the balance.

### **Valuation and existence of financial assets at amortised cost** (Refer to note C2)

Financial assets at amortised cost were \$12.0bn and comprised of reverse repurchase agreements, negotiable certificates of deposits and promissory notes.

We considered this a key audit matter due to the financial significance of the balance.

## How our audit addressed the key audit matter

Our procedures included:

- Evaluating the Group's derecognition assessment against the requirements of Australian Accounting Standards.
- Considering the completeness of capitalised costs considered for derecognition.
- Assessing the reasonableness of the Group's disclosures in the financial report against the requirements of Australian Accounting Standards.

Our procedures included:

- Understanding and evaluating the Group's relevant controls over the existence of financial assets at amortised cost.
- Evaluating the appropriateness and reliability of a sample of data used in the Group's calculations by agreeing key inputs to source documentation.
- Verifying the existence of other financial assets at amortised cost as at 30 June 2023 through trade confirmations provided by counterparties.
- Assessing the reasonableness of the Group's disclosures in the financial report against the requirements of Australian Accounting Standards.
- Assessing the mathematical accuracy of the Group's valuation calculations through reperformance.

# Independent auditor's report

TO THE MEMBERS OF ASX LIMITED



## **Valuation and existence of financial assets at fair value**

(Refer to note C3)

Financial assets at fair value through profit and loss (FVTPL) were \$490.6m and comprised non-cash collateral.

\$203.9m financial assets at fair value are classified as 'level 1' in accordance with the categorisation criteria under Australian Accounting Standards, where quoted prices in active markets are available for identical assets.

The remaining \$286.7m are classified as 'level 2', where values are derived from observable prices (or inputs to valuation models) other than quoted prices included within 'level 1'. The valuation of 'level 2' securities therefore requires a higher degree of judgement by the Group.

We considered this a key audit matter due to the financial significance of the balance, as well as the inherent judgement involved in valuing level 2 financial instruments at fair value.

## **Accuracy of revenue recognition**

(Refer to note B3)

Revenue from contracts with customers totalled \$1,015.9m.

Listings (\$221.1m) comprises: initial and subsequent listing fees, which are deferred and recognised evenly over the period the listing services are expected to be provided, which is five years for initial listings and three years for subsequent listings; and annual listing fees, which are recognised evenly over the financial year the service is provided.

All other revenue streams (\$794.8m) (Markets; Technology and Data; and Securities and Payments) are recognised either at the point in time or over the service period. There is limited judgement in determining the period over which revenue is recognised.

We considered this a key audit matter due to the financial significance of total revenue and the inherent judgement required by the Group in determining the period that it expects to satisfy its performance obligations in relation to listing services.

Our procedures included:

- Understanding and evaluating the Group's relevant controls over the valuation of financial assets at FVTPL.
- Confirming the existence of financial assets at fair value with counterparties as at 30 June 2023.
- Assessing the reasonableness of the Group's fair value disclosures in the financial report, including the classification of the financial assets at FVTPL as 'level 1' and as 'level 2' against the requirements of Australian Accounting Standards.

Together with PwC valuation experts, we also:

- Assessed the valuation of all level 1 and 2 classified financial assets at FVTPL held by the Group as at 30 June 2023, by reference to quoted prices in active markets.

Our procedures included:

- Understanding and evaluating the Group's relevant controls over revenue recognition.
- Evaluating the appropriateness and reliability of data used in the Group's revenue calculations by agreeing a sample of inputs to source documentation.
- Assessing the mathematical accuracy of a sample of the Group's revenue calculations through reperformance.
- Considering whether revenue recognised during the current year was recognised in the appropriate accounting period and did not relate to an earlier or later period.
- Evaluating the appropriateness of the Group's methodology and significant assumptions used to determine the deferral periods applied to initial and subsequent listings revenue against the requirements of Australian Accounting Standards.

# Independent auditor's report

TO THE MEMBERS OF ASX LIMITED



- Assessing the mathematical accuracy of the Group's calculations of the deferral periods by recalculating revenue recognised and revenue received in advance for a sample of initial and subsequent listing fees, using the Group's methodology.
- Assessing the reasonableness of the Group's disclosures in the financial report against the requirements of Australian Accounting Standards.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report of the annual report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report 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



# Independent auditor's report

TO THE MEMBERS OF ASX LIMITED



if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our auditor's report.

## Report on the remuneration report

### Our opinion on the remuneration report

We have audited the remuneration report included in pages 47 to 68 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of ASX Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

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

PricewaterhouseCoopers

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

Voula Papageorgiou  
Partner

Sydney  
17 August 2023

# Key financial ratios

|   | FY23        | FY22        | FY21        | FY20        | FY19        |
|---|-------------|-------------|-------------|-------------|-------------|
| Basic earnings per share (EPS) <sup>1</sup>   | 163.9c      | 262.7c      | 248.4c      | 257.6c      | 254.1c      |
| Diluted EPS <sup>1</sup>  | 163.9c      | 262.7c      | 248.4c      | 257.6c      | 254.1c      |
| Underlying EPS <sup>2</sup>   | 253.7c      | 262.7c      | 248.4c      | 265.4c      | 254.1c      |
| Dividend per share – interim  | 116.2c      | 116.4c      | 112.4c      | 116.4c      | 114.4c      |
| Dividend per share – final  | 112.1c      | 120.0c      | 111.2c      | 122.5c      | 114.3c      |
| Dividend per share – special  | —           | —           | —           | —           | 129.1c      |
| Statutory return on equity <sup>3</sup>   | 8.7%        | 13.7%       | 13.1%       | 13.6%       | 12.8%       |
| Underlying return on equity <sup>4</sup>  | 13.4%       | 13.7%       | 13.1%       | 14.0%       | 12.8%       |
| EBITDA/operating revenue <sup>5,6</sup>   | 66.6%       | 72.3%       | 73.0%       | 74.9%       | 75.1%       |
| EBIT/operating revenue <sup>5,6</sup>   | 62.9%       | 67.4%       | 67.4%       | 69.5%       | 69.6%       |
| Total expenses (including depreciation and amortisation)/<br>operating revenue <sup>5,6</sup> | 37.1%       | 32.6%       | 32.6%       | 30.5%       | 30.4%       |
| Capital expenditure (\$m)   | \$98.7      | \$105.2     | \$109.8     | \$80.4      | \$75.1      |
| Net tangible asset backing per share  | \$6.05      | \$6.03      | \$6.04      | \$6.32      | \$7.53      |
| Net asset backing per share   | \$18.81     | \$19.66     | \$19.30     | \$19.22     | \$20.23     |
| Shareholders' equity as a % of total assets<br>(excluding participants' balances)             | 79.9%       | 76.7%       | 85.3%       | 78.5%       | 86.5%       |
| Shareholders' equity as a % of total assets<br>(including participants' balances)             | 21.6%       | 20.9%       | 22.5%       | 21.4%       | 25.5%       |
| Share price at end of period  | \$63.00     | \$81.71     | \$77.71     | \$85.38     | \$82.37     |
| Ordinary shares on issue at end of period   | 193,595,162 | 193,595,162 | 193,595,162 | 193,595,162 | 193,595,162 |
| Weighted average number of ordinary shares<br>(excluding treasury shares) <sup>7</sup>        | 193,579,896 | 193,583,153 | 193,591,795 | 193,587,739 | 193,576,187 |
| Market value of ordinary shares on issue at end of period (\$m)                               | \$12,197    | \$15,819    | \$15,044    | \$16,529    | \$15,946    |
| Market to book ratio at end of period   | 3.35        | 4.16        | 4.03        | 4.44        | 4.07        |
| <b>Headcount<sup>8</sup></b>  |             |             |             |             |             |
| Number at period end  | 1,050       | 925         | 848         | 807         | 748         |
| Average during the period   | 967         | 876         | 819         | 773         | 700         |

1. Based on statutory net profit after tax (NPAT) including significant items and weighted average number of shares.

2. Based on underlying NPAT excluding significant items and weighted average number of shares.

3. Based on statutory NPAT including significant items.

4. Based on underlying NPAT excluding significant items.

5. Operating revenue excludes interest and dividend revenue (underlying).

6. EBITDA – earnings before interest, tax, depreciation and amortisation; EBIT – earnings before interest and tax. These metrics along with total expenses exclude significant items.

7. Weighted average number of ordinary shares used to calculate EPS.

8. Includes full-time equivalent permanent staff and contractors.

# Transaction levels and statistics

|  | FY23               | FY22               | FY21               | FY20               | FY19               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Listings</b>  |                    |                    |                    |                    |                    |
| Total domestic market capitalisation (\$bn) – period end                 | \$2,504            | \$2,308            | \$2,498            | \$1,918            | \$2,069            |
| Total number of listed entities (includes stapled entities) – period end | 2,255              | 2,317              | 2,228              | 2,188              | 2,269              |
| Number of new listings   | 57                 | 217                | 176                | 83                 | 111                |
| Average annual listing fee   | \$48,027           | \$46,962           | \$40,341           | \$42,214           | \$41,356           |
| Initial capital raised (\$m)   | \$2,513            | \$58,857           | \$40,574           | \$26,964           | \$37,402           |
| Secondary capital raised (\$m)   | \$41,872           | \$54,151           | \$50,561           | \$65,033           | \$38,830           |
| Other secondary capital raised including scrip-for-scrip (\$m)           | \$7,337            | \$142,319          | \$11,359           | \$5,193            | \$9,783            |
| <b>Total capital raised (\$m)</b>  | <b>\$51,722</b>    | <b>\$255,327</b>   | <b>\$102,494</b>   | <b>\$97,190</b>    | <b>\$86,015</b>    |
| <b>Cash market</b>   |                    |                    |                    |                    |                    |
| Trading days   | 252                | 253                | 254                | 255                | 252                |
| Total cash market trades ('000)  | 369,584            | 448,276            | 384,150            | 460,789            | 359,985            |
| Average daily cash market trades   | 1,466,603          | 1,771,841          | 1,512,400          | 1,807,015          | 1,428,512          |
| Continuous trading (\$bn)  | \$848.347          | \$1,078.995        | \$994.431          | \$995.319          | \$722.111          |
| Auctions (\$bn)  | \$428.736          | \$470.200          | \$363.198          | \$409.876          | \$333.979          |
| Centre Point (\$bn)  | \$138.123          | \$133.365          | \$106.134          | \$120.436          | \$113.030          |
| Trade reporting (\$bn)   | \$254.839          | \$286.626          | \$217.171          | \$266.053          | \$211.568          |
| <b>Total cash market value (\$bn)</b>                                    | <b>\$1,670.045</b> | <b>\$1,969.186</b> | <b>\$1,680.934</b> | <b>\$1,791.684</b> | <b>\$1,380.688</b> |
| Average daily on-market value (\$bn)                                     | \$5.616            | \$6.650            | \$5.763            | \$5.983            | \$4.639            |
| Average daily value (including trade reporting) (\$bn)                   | \$6.627            | \$7.783            | \$6.618            | \$7.026            | \$5.479            |
| Average trade size   | \$4,519            | \$4,393            | \$4,376            | \$3,888            | \$3,835            |
| Average trading fee per dollar of value (bps)                            | 0.38               | 0.36               | 0.36               | 0.36               | 0.37               |
| Velocity (total value/average market capitalisation) <sup>1</sup>        | 81%                | 94%                | 92%                | 107%               | 87%                |

1. Total value transacted on all venues.

# Transaction levels and statistics

|  | FY23           | FY22           | FY21           | FY20           | FY19           |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Equity options (excluding ASX SPI 200)</b>                      |                |                |                |                |                |
| Trading days (exchange-traded options)                             | 252            | 253            | 254            | 255            | 252            |
| <b>Total contracts traded – equity options</b>                     |                |                |                |                |                |
| Single stock options ('000)  | 58,345         | 60,172         | 56,887         | 65,894         | 73,825         |
| Index options and futures ('000)                                   | 7,671          | 5,896          | 5,328          | 9,842          | 11,282         |
| Average daily single stock options contracts                       | 231,528        | 237,835        | 223,964        | 258,406        | 292,957        |
| Average daily index options contracts                              | 30,439         | 23,304         | 20,975         | 38,596         | 44,770         |
| Average fee per derivatives contract <sup>1</sup>                  | \$0.26         | \$0.23         | \$0.19         | \$0.24         | \$0.23         |
| <b>Futures</b>   |                |                |                |                |                |
| Trading days (futures and options)                                 | 256            | 256            | 256            | 257            | 255            |
| <b>Total contracts traded – futures ('000)</b>                     |                |                |                |                |                |
| ASX SPI 200  | 15,389         | 14,815         | 14,425         | 19,246         | 15,994         |
| 90 day bank bills  | 30,323         | 21,235         | 12,833         | 24,967         | 34,698         |
| 3 year bonds   | 43,663         | 42,618         | 45,598         | 58,091         | 60,488         |
| 5 year bonds   | 323            | 913            | 1,138          | –              | –              |
| 10 year bonds  | 46,576         | 52,630         | 65,371         | 56,772         | 51,883         |
| 20 year bonds  | 177            | 219            | 201            | 190            | 256            |
| 30 day interbank cash rate   | 1,924          | 608            | 527            | 5,743          | 4,268          |
| Agricultural   | 85             | 231            | 241            | 95             | 93             |
| Electricity  | 1,060          | 1,001          | 786            | 539            | 413            |
| Other <sup>2</sup>   | 113            | 138            | 205            | 118            | 112            |
| NZ\$ 90 day bank bills   | 2,435          | 1,965          | 2,240          | 2,354          | 2,329          |
| <b>Total futures</b>   | <b>142,068</b> | <b>136,373</b> | <b>143,565</b> | <b>168,115</b> | <b>170,534</b> |
| <b>Total contracts traded – options on futures ('000)</b>          |                |                |                |                |                |
| ASX SPI 200  | 4              | 9              | 28             | 65             | 98             |
| 3 year bonds   | 0              | 0              | 3              | 177            | 227            |
| Overnight 3 year bonds   | 6              | 5              | 0              | 269            | 279            |
| Intraday 3 year bonds  | 72             | 7              | 27             | 508            | 610            |
| 10 year bonds <sup>3</sup>   | 0              | 3              | 61             | 25             | 4              |
| Electricity  | 103            | 101            | 116            | 79             | 56             |
| Other <sup>4</sup>   | –              | –              | –              | 2              | –              |
| <b>Total options on futures</b>                                    | <b>185</b>     | <b>125</b>     | <b>235</b>     | <b>1,125</b>   | <b>1,274</b>   |
| <b>Total futures and options on futures contract volume ('000)</b> | <b>142,253</b> | <b>136,499</b> | <b>143,800</b> | <b>169,240</b> | <b>171,808</b> |
| Daily average contracts – futures and options                      | 555,674        | 533,197        | 561,720        | 658,522        | 673,757        |
| Average fee per contract – futures and options                     | \$1.49         | \$1.56         | \$1.49         | \$1.44         | \$1.36         |
| <b>OTC markets</b>   |                |                |                |                |                |
| Total notional cleared value (\$bn) <sup>5</sup>                   | \$7,308.498    | \$4,638.597    | \$5,200.102    | \$12,454.307   | \$9,710.616    |
| Open notional cleared value (\$bn) – period end <sup>5</sup>       | \$4,544.160    | \$4,265.587    | \$3,101.448    | \$5,098.019    | \$7,207.582    |

1. FY21 included the Options Liquidity Growth Program – a 3 month rebate from January to March 2021 to help promote growth in the equity options market.

2. Includes VIX and sector futures.

3. Includes overnight and intraday 10 year bonds.

4. Includes agricultural and 90 day bank bills.

5. Cleared notional value is double sided.

# Transaction levels and statistics

|   | FY23           | FY22           | FY21           | FY20           | FY19           |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Austraclear</b>  |                |                |                |                |                |
| Settlement days   | 252            | 253            | 254            | 255            | 253            |
| <b>Transactions ('000)</b>  |                |                |                |                |                |
| Cash transfers  | 578            | 560            | 565            | 645            | 610            |
| Fixed interest securities   | 1,469          | 1,229          | 1,100          | 975            | 812            |
| Discount securities   | 134            | 104            | 103            | 131            | 147            |
| Foreign exchange  | 12             | 4              | 5              | 6              | 9              |
| Other   | 1              | —              | 1              | —              | —              |
| <b>Total transactions ('000)</b>  | <b>2,194</b>   | <b>1,897</b>   | <b>1,774</b>   | <b>1,757</b>   | <b>1,578</b>   |
| Average daily settlement volume   | 8,705          | 7,500          | 6,984          | 6,889          | 6,239          |
| Securities holdings (\$bn) – monthly average  | \$2,788.1      | \$2,800.7      | \$2,573.8      | \$2,142.0      | \$2,003.7      |
| Securities holdings (\$bn) – period end   | \$3,068.4      | \$2,915.6      | \$2,667.4      | \$2,358.2      | \$2,054.5      |
| Average settlement and depository fee (including portfolio holdings) per transaction (excludes registry services revenue) | \$18.04        | \$17.95        | \$17.19        | \$16.55        | \$16.88        |
| ASX Collateral (\$bn) – average   | \$18.8         | \$15.6         | \$18.2         | \$26.9         | \$21.9         |
| ASX Collateral (\$bn) – period end  | \$22.6         | \$17.2         | \$4.1          | \$43.4         | \$22.4         |
| <b>Clearing &amp; Settlement and Issuer Services</b>  |                |                |                |                |                |
| Clearing & Settlement days  | 252            | 253            | 254            | 255            | 252            |
| Total billable cash market value cleared (\$bn)   | \$1,536.4      | \$1,812.2      | \$1,589.2      | \$1,659.3      | \$1,288.0      |
| Number of dominant settlement messages (m)  | 20.8           | 22.0           | 22.7           | 22.5           | 19.6           |
| Number of transfers and conversion messages (m)   | 30.5           | 39.4           | 39.0           | 29.8           | 21.0           |
| Number of batch settlement messages (m)   | 23.8           | 26.1           | 26.0           | 25.5           | 22.8           |
| Number of HINs – period end (m)   | 20.4           | 20.6           | 18.7           | 16.0           | 13.9           |
| Number of HINs – average (m)  | 20.7           | 20.0           | 17.7           | 14.5           | 13.9           |
| <b>System uptime (period average)</b>   |                |                |                |                |                |
| ASX Trade   | 100.00%        | 100.00%        | 99.72%         | 100.00%        | 100.00%        |
| CHESS   | 100.00%        | 100.00%        | 100.00%        | 100.00%        | 100.00%        |
| Futures trading   | 100.00%        | 99.94%         | 100.00%        | 100.00%        | 100.00%        |
| Futures clearing  | 100.00%        | 100.00%        | 100.00%        | 100.00%        | 100.00%        |
| <b>Austraclear</b>  | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |

# Transaction levels and statistics

|  | FY23  | FY22  | FY21  | FY20  | FY19  |
|--|-------|-------|-------|-------|-------|
| <b>Technical services (number at period end)</b> |       |       |       |       |       |
| <b>ASX distribution platform</b>                 |       |       |       |       |       |
| Australian Liquidity Centre cabinets             | 390   | 386   | 368   | 326   | 324   |
| <b>Connection services</b>                       |       |       |       |       |       |
| ASX Net connections                              | 99    | 106   | 103   | 103   | 104   |
| ASX Net service feeds                            | 456   | 476   | 452   | 455   | 447   |
| Australian Liquidity Centre service connections  | 1,346 | 1,287 | 1,170 | 1,078 | 1,068 |
| <b>ASX service access</b>                        |       |       |       |       |       |
| ASX ITCH access                                  | 71    | 61    | 56    | 56    | 54    |
| Futures ITCH access                              | 74    | 75    | 75    | 71    | 73    |
| <b>ASX market access</b>                         |       |       |       |       |       |
| ASX sessions                                     | 769   | 845   | 832   | 882   | 886   |
| ASX gateways                                     | 126   | 133   | 139   | 160   | 155   |
| ASX liquidity cross-connections                  | 52    | 53    | 55    | 55    | 57    |
| ASX OUCH access                                  | 160   | 119   | 104   | 95    | 75    |
| Futures gateways                                 | 161   | 190   | 203   | 245   | 329   |
| Futures liquidity cross-connections              | 354   | 348   | 349   | 378   | 482   |

# Shareholder information

## ASX Limited – ordinary shares

ASX has ordinary shares on issues. These are listed on the Australian Securities Exchange under code: ASX. Details of security trading activity are published daily in most major Australian newspapers (print, online and mobile) and by electronic information vendors.

At a general meeting, every shareholder present in person or by direct vote, proxy, attorney or representative has one vote on a show of hands and, on a poll, one vote for each fully paid share held unless that share is a default share.

The ASX Constitution classifies default shares as any share held above the 15% voting power limit by one party and its associates.

## Largest 20 shareholders as at 19 July 2023

| Name  | Number of shares   | % of issued capital |
|---|--------------------|---------------------|
| 1. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED              | 46,731,346         | 24.14               |
| 2. J P MORGAN NOMINEES AUSTRALIA PTY LIMITED              | 32,336,548         | 16.70               |
| 3. BNP PARIBAS NOMINEES PTY LTD                           | 26,335,781         | 13.60               |
| 4. CITICORP NOMINEES PTY LIMITED                          | 11,541,369         | 5.96                |
| 5. NATIONAL NOMINEES LIMITED                              | 4,184,108          | 2.16                |
| 6. BNP PARIBAS NOMS PTY LTD                               | 3,172,131          | 1.64                |
| 7. AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED       | 1,432,000          | 0.74                |
| 8. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED              | 1,321,749          | 0.68                |
| 9. NETWEALTH INVESTMENTS LIMITED                          | 682,411            | 0.35                |
| 10. CITICORP NOMINEES PTY LIMITED                         | 500,239            | 0.26                |
| 11. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED             | 445,641            | 0.23                |
| 12. CITICORP NOMINEES PTY LIMITED                         | 404,126            | 0.21                |
| 13. DJERRIWARRH INVESTMENTS LIMITED                       | 360,000            | 0.19                |
| 14. MUTUAL TRUST PTY LTD                                  | 334,305            | 0.17                |
| 15. LAW VENTURE PTY LIMITED                               | 308,999            | 0.16                |
| 16. PACIFIC CUSTODIANS PTY LIMITED                        | 290,837            | 0.15                |
| 17. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2     | 265,537            | 0.14                |
| 18. BROADGATE INVESTMENTS PTY LTD                         | 241,559            | 0.12                |
| 19. BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD | 217,607            | 0.11                |
| 20. BUTTONWOOD NOMINEES PTY LTD                           | 200,903            | 0.10                |
| <b>Total</b>  | <b>131,307,196</b> | <b>67.83</b>        |

## Distribution of shareholdings as at 19 July 2023

| Number of shares held | Number of holders | Number of shares   | % of issued capital |
|-----------------------|-------------------|--------------------|---------------------|
| 1 to 1,000            | 45,200            | 13,398,436         | 6.92                |
| 1,001 to 5,000        | 8,474             | 16,884,303         | 8.72                |
| 5,001 to 10,000       | 705               | 4,969,494          | 2.57                |
| 10,001 to 100,000     | 593               | 18,394,196         | 9.50                |
| 100,001 and over      | 79                | 139,948,733        | 72.29               |
| <b>Total</b>          | <b>55,051</b>     | <b>193,595,162</b> | <b>100%</b>         |

# Shareholder information

## Marketable parcel

As at 19 July 2023, there were 1,561 holders holding less than a marketable parcel of ASX shares.

A marketable parcel of ASX shares was nine shares, based on a closing price of \$61.76 on 19 July 2023.

## On-market buy-back

There is no current on-market buy-back.

## Substantial shareholders as at 19 July 2023

The following organisations have disclosed a substantial shareholder notice to ASX.

| Name                        | Number of shares | % of voting power <sup>1</sup> |
|-----------------------------|------------------|--------------------------------|
| UniSuper Limited            | 27,437,561       | 14.17                          |
| State Street Corporation    | 11,749,643       | 6.07                           |
| BlackRock Group             | 11,712,985       | 6.05                           |
| AustralianSuper Pty Limited | 11,620,588       | 6.00                           |
| Vanguard Group              | 9,733,048        | 5.03                           |

1. Rounded to 2 decimal places.

## Shareholders' calendar

|  |                          |
|--|--------------------------|
| Full-year financial results announcement | Thursday, 17 August 2023 |
|--|--------------------------|

## Full-year dividend

|                                       |                              |
|---------------------------------------|------------------------------|
| Ex-dividend date                      | Thursday, 7 September 2023   |
| Record date for dividend entitlements | Friday, 8 September 2023     |
| Dividend payment and mailing date     | Wednesday, 27 September 2023 |
| Annual General Meeting                | Thursday, 19 October 2023    |

## Annual General Meeting 2023

The ASX Annual General Meeting will be held at 10:00am (Sydney time) on Thursday, 19 October 2023. Shareholders can attend in person or participate online. Details about how shareholders can attend, view and participate in the meeting are set out on ASX's website and in the Notice of Meeting.

ASX's Notice of Annual General Meeting will be released on the Market Announcements Platform.

The proceedings will be archived on the ASX website for viewing after the live event.

The external auditor will be present at the meeting to answer questions relevant to the external audit.

## Electronic communications

ASX encourages shareholders to receive information electronically.

Shareholders who currently receive information by post can log in at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) to provide their email address and elect to receive electronic communications.

ASX emails shareholders when important information becomes available such as financial results, dividend statements, notices of meeting, voting forms and annual reports.

Electronic communication allows ASX to communicate with shareholders quickly and reduces ASX's paper usage.

*For further information, please contact ASX's share registry, Link Market Services, on 1300 724 911 or [asx@linkmarketservices.com.au](mailto:asx@linkmarketservices.com.au).*

## Important information about dividend payments

Australian and New Zealand shareholders receive their dividend payments by direct credit only. No cheque payments are made to these shareholders.

If you have not already done so, please provide your direct credit instructions by visiting [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



# Glossary

|  |   |
|--|---|
| AASB   | Australian Accounting Standards Board   |
| Accountable Person                                 | A member of the Executive Team plus the General Manager Internal Audit, who are subject to ASX's accountability framework   |
| ASIC   | Australian Securities and Investments Commission  |
| ASX  | ASX Limited   |
| Capital expenditure                                | Additions to property, plant and equipment and intangible assets measured on an accrued basis. Capital expenditure excludes capitalised leases  |
| CCP  | Central counterparty  |
| Charge on initial margins provided by participants | Refer to note B4 of the financial statements, and see: <a href="http://www.asx.com.au/markets/clearing-and-settlement-services/asx-clear-futures/interest-payments-haircuts-fees-and-incentives">www.asx.com.au/markets/clearing-and-settlement-services/asx-clear-futures/interest-payments-haircuts-fees-and-incentives</a>   |
| CHESS  | Clearing House Electronic Subregister System  |
| CGU  | Cash-generating unit  |
| Company  | ASX Limited or ASX  |
| CRPP   | CHESS Replacement Partnership Program   |
| Dividend franking rate                             | The amount of tax ASX has already paid on a dividend payment. This can be used as a tax credit by Australian resident shareholders. The dividend franking rate is determined by the available franking credits ASX has, and the Board's decision on how much franking credits to be used for the dividend payment   |
| DLT  | Distributed Ledger Technology   |
| Earnings per share (EPS), basic and diluted        | Calculated as statutory profit after tax of the Group, divided by the statutory weighted average number of ordinary shares  |
| Earnings per share (EPS), underlying               | Calculated as underlying profit after tax of the Group, divided by the statutory weighted average number of ordinary shares. The LTVR Plan has two performance measures, one of which is EPS  |
| EBIT   | Earnings before interest and tax  |
| EBITDA   | Earnings before interest, tax, depreciation and amortisation  |
| ECL  | Expected Credit Loss, measured under the accounting standard AASB 9 <i>Financial Instruments</i>  |
| ETF  | Exchange-traded fund  |
| ETP  | Exchange-trade product  |
| Executive KMP                                      | The CEO, CFO, CRO, Group Executive Markets, and Group Executive Securities and Payments   |
| Executive Team                                     | Comprises the CEO and Group Executives, being the Chief Financial Officer (CFO), Chief Risk Officer (CRO), Group Executive Markets, Group Executive Securities and Payments, Group Executive Listings, Group Executive Technology and Data, Chief Compliance Officer, Group General Counsel and Company Secretary, Chief Information Officer, Chief Customer and Operating Officer, and Group Executive, People and Culture |
| Fair value   | The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date   |
| Group  | Consists of ASX Limited and its wholly owned subsidiaries   |
| Group Executive                                    | A member of the Executive Team who reports directly to the Chief Executive Officer (CEO)  |
| Evergreen facility                                 | A facility that allows the borrower (with the consent of the lenders) to extend a revolving facility on an annual basis   |
| KMP  | Key Management Personnel, as defined in the accounting standard AASB 124 <i>Related Party Disclosures</i> .<br>Key management personnel are those people with authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. KMP comprises non-executive directors, as well as Executives   |
| OTC  | Over-the-counter  |
| LTIPT  | Long-term incentive plan trust  |
| LTVR   | Long-term variable reward   |

# Glossary

|                                |   |
|--------------------------------|---|
| NGF                            | National Guarantee Fund   |
| Non-executive directors (NEDs) | Board directors who are not employees of the ASX (they are independent and are not involved in the daily operations of the Group)   |
| NPAT                           | Net profit after tax attributable to the owners of ASX Limited  |
| Ordinary shares                | Fully paid ordinary shares of the ASX carry the right to participate in dividends. Refer to note E1 of the financial report for further information   |
| PPE                            | Property, plant and equipment   |
| RBA                            | Reserve Bank of Australia   |
| ROE                            | Return on equity  |
| SEGC                           | Securities Exchanges Guarantee Corporation, which is responsible for administering the National Guarantee Fund (NGF), a compensation fund available to meet certain types of claims arising from dealings with participants of ASX Limited, CBOE, and in limited circumstances, participants of ASX Clear, in accordance with the <i>Corporations Act 2001</i> . Refer to note F1 for further information |
| SSF                            | Securities Settlement facilities  |
| Significant items              | Significant items relate to one-off items, which are not included in underlying profit after tax. Significant items form part of statutory profit after tax   |
| Statutory net profit after tax | Represents net profit after tax, calculated in accordance with the Australian Accounting Standards. This is equivalent to the statutory item 'Net profit for the year attributable to the owners of the Company'  |
| Statutory ROE                  | Statutory ROE is calculated as statutory net profit after tax, over average equity  |
| STVR                           | Short-term variable reward  |
| TCFD                           | Task Force on Climate-related Financial Disclosures   |
| Total tangible assets          | Total assets less intangible assets   |
| Treasury shares                | ASX Limited shares held by the ASX Limited Group  |
| TSR                            | Relative total shareholder return, defined as share price growth plus dividends paid over the measurement period compared to peers. Dividends are assumed to be reinvested on the ex-dividend date. The LTVR Plan has two performance measures, one of which is the TSR   |
| Underlying profit after tax    | Underlying net profit after tax, excluding significant items  |
| Underlying ROE                 | Underlying ROE is calculated as underlying net profit after tax, over average equity  |
| Vesting                        | Remuneration term defining the point at which the required performance hurdles and/or service requirements have been met, and a financial benefit may be realised by the recipient  |
| VWAP                           | Volume weighted average price for ASX ordinary shares   |
| WANOS                          | Weighted average number of ordinary shares. WANOS is the total number of shares on issue, less the number of shares held in the LTIPT as treasury shares  |
| WIP                            | Work-in-progress  |

# Directory

## Shareholder enquiries

Enquiries about shareholdings in ASX Limited  
Please direct all correspondence to ASX's share registry:

## Link Market Services

Level 12, 680 George Street  
Sydney NSW 2000

Telephone: 1300 724 911

Email: [asx@linkmarketservices.com.au](mailto:asx@linkmarketservices.com.au)

Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## Questions to the ASX Chair, Managing Director and CEO, or auditor

These may be emailed to: [company.secretariat@asx.com.au](mailto:company.secretariat@asx.com.au)

Or mailed to ASX's registered office<sup>1</sup>,  
marked to the attention of the Company Secretary.

## Further information

Website: [www.asx.com.au](http://www.asx.com.au)

## ASX customer service

Telephone from within Australia<sup>2</sup>: 131 279

Telephone from overseas: (61 2) 9338 0000

General enquiries email: [info@asx.com.au](mailto:info@asx.com.au)

## Investor relations

Telephone: (61 2) 9227 0646

Email: [investor.relations@asx.com.au](mailto:investor.relations@asx.com.au)

## Media

Telephone: (61 2) 9227 0010

Email: [media@asx.com.au](mailto:media@asx.com.au)

## ASX's offices around Australia

### Sydney (ASX's registered office)

Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

Telephone: (61 2) 9227 0000

### Perth

Level 40, Central Park  
152-158 St George's Terrace  
Perth WA 6000

Telephone: (61 8) 9224 0000

### Melbourne

Level 4, North Tower, Rialto  
525 Collins Street  
Melbourne VIC 3000

Telephone: (61 3) 9617 8611

## ASX's auditor

### PricewaterhouseCoopers

GPO Box 2650  
Sydney NSW 2001

Telephone: (61 2) 8266 0000

Website: [www.pwc.com.au](http://www.pwc.com.au)

