2019 MACQUARIE AUSTRALIA CONFERENCE PRESENTATION

Attached is the presentation that ASX Managing Director and CEO Dominic Stevens will deliver to investors at 4.00pm today at the Macquarie Australia Conference in Sydney.

Mr Stevens' speaking notes will be released on the Market Announcements Platform later today and prior to the presentation.

The presentation provides an update on operational and strategic matters disclosed at ASX's 2019 interim financial results and in the March 2019 activity report. ASX is not providing the unaudited, pro-forma financial results for the 9 months to 31 March 2019, discontinuing the practice of recent years.

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Agenda

01 FY19 update

• Volume and activity as at end of Q3

02 Major projects update

• CHESS replacement
• ASX Net, Secondary Data Centre, DataSphere, Sympli
• Stronger Foundations program

03 Open infrastructure solutions that help our customers

• Create new products and services
• Improve operational efficiency
• Reduce risks and costs
FY19 update
FY19 update

Strong 9 months for futures and equities trading

Futures and options on futures contracts

<table>
<thead>
<tr>
<th>Contracts (millions)</th>
<th>Mar18 YTD</th>
<th>Mar19 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>116</td>
<td>124</td>
</tr>
</tbody>
</table>

+7%

ASX cash on-market value

<table>
<thead>
<tr>
<th>$ billions</th>
<th>Mar18 YTD</th>
<th>Mar19 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open</td>
<td>80</td>
<td>84</td>
</tr>
<tr>
<td>Auctions</td>
<td>188</td>
<td>246</td>
</tr>
<tr>
<td>Centre Point</td>
<td>507</td>
<td>539</td>
</tr>
</tbody>
</table>

+12%

Dominant settlement messages

<table>
<thead>
<tr>
<th>Messages (millions)</th>
<th>Mar18 YTD</th>
<th>Mar19 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13.2</td>
<td>14.6</td>
</tr>
</tbody>
</table>

+11%

Capital raised

<table>
<thead>
<tr>
<th>$ millions</th>
<th>Mar18 YTD</th>
<th>Mar19 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial</td>
<td>45,086</td>
<td>36,473</td>
</tr>
<tr>
<td>Secondary</td>
<td>11,413</td>
<td>32,359</td>
</tr>
</tbody>
</table>

+22%
FY19 update
Costs and capital expenditure on track

Moderation of heightened interest revenue in March 2019 quarter

- Money market spreads remained elevated albeit moderating
- Average end-of-month collateral balances were lower than 1H19

On-track to meet expense and capital expenditure guidance for FY19

- Operating expenses expected to grow at approximately 9%
- Capital expenditure expected to be approximately $70-$75 million
Major projects update
# CHESS replacement on-track

Delivering an updated equities clearing and settlement system with new functions and optionality

## Customer development environment (CDE) opened today, on-track for March/April 2021 go-live

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 2017</td>
<td>Assessment of technology and partner, prototype built</td>
</tr>
<tr>
<td>Jan 2018</td>
<td>DA &amp; DLT selected</td>
</tr>
<tr>
<td>Jan 2019</td>
<td>Enterprise-grade build</td>
</tr>
<tr>
<td>TODAY</td>
<td>Incremental external software drops</td>
</tr>
<tr>
<td>Jan 2020</td>
<td>Industry-wide testing</td>
</tr>
<tr>
<td>Jan 2021</td>
<td>Go-live Mar/Apr</td>
</tr>
</tbody>
</table>

## DLT-based CHESS will offer existing functionality, new features and an option to connect to real-time source of truth data

<table>
<thead>
<tr>
<th>Current CHESS</th>
<th>New CHESS system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrade to modern application</td>
<td>35 new functions requested by market</td>
</tr>
<tr>
<td>Update to global standard messaging protocol</td>
<td>Optional real-time synchronised source of truth data store</td>
</tr>
<tr>
<td>Carry through existing functionality</td>
<td></td>
</tr>
</tbody>
</table>

New CHESS system

0101010101
0101010101
0101010101

[Diagram showing the process of CHESS replacement and the new functions and optionality.]
Other projects on-track

Adding resiliency and capability across the group

ASX Net Communications network

• Completed network upgrade
• Migrating customers and services in 1H20

Secondary Data Centre

• Building hardware for new facility
• Commencing technical migration in Q1 FY20 with commissioning in Q2 FY20

DataSphere – ASX’s data analytics capability

• Completed the build of DataSphere’s technology and governance capabilities
• Rolled-out internally and will be made progressively available to customers

Sympli joint-venture technology build

• Demonstrating efficiency gains
• On-track to begin financial transactions before end of FY19

Stronger Foundations

• Completing program investment by end FY19
• Transitioning into business-as-usual activities from early CY2020
Open infrastructure solutions
Multi-layered growth strategy

Customer focused, technology-driven

**TODAY**

- **ASX operating platform**
- **Core customer value proposition**
- **Emerging strategic growth opportunities**

**TOMORROW**

- **Contemporary, flexible and resilient ASX operating platform**
- **Expanded, enhanced core customer value proposition**
- **Revenue streams in new technical services, data analytics and DLT**

- **Addressing customer challenges through ASX’s expertise, independence and infrastructure**
- **Leveraging core operations to make business easier for customers**
- **Superannuation system growth increasing demand for ASX’s services**
- **Stronger Foundations program**
Australian Liquidity Centre and ASX Net

An open infrastructure solution delivering customers cost effectiveness and connectivity

**ASX OPTIONALITY**

In 2010 → 3 options

i) Outsource

ii) Build just for ASX

iii) Provide open infrastructure solution

**CUSTOMER CHALLENGE**

- Manage data centre investment and expenses

**ASX SOLUTION**

- AUSTRALIAN LIQUIDITY CENTRE (ALC)
  - Tier-3 data centre offering to market participants

**CUSTOMER BENEFITS**

- Competitive data centre services
  
- Connectivity with financial community
Connecting ASX customers together

- Dedicated, tier 3 data centre (ALC) and communication network (ASX Net)
- Co-location at ALC and low-latency connection via ASX Net

Offered cross-connection across financial services ecosystem

- Enabled direct access to ASX services
- Built a state-of-the-art data centre and communication network

Delivering value to the industry, revenue growth and new customers to ASX

Growth opportunities

Core value proposition

Operating platform

PRE ALC

ALC
DataSphere – ASX’s data analytics capability
An open infrastructure solution offering new services

**ASX Optionality**

In 2018 → 3 options
i) Outsource
ii) Build just for ASX
iii) Provide open infrastructure solution

**Customer Challenge**

Data and analytical availability
Access to curated and standardised financial markets data
Limited access to big data and data science capabilities
Limited ability to commercialise and distribute data solutions

**ASX Solution**

ASX Data Platform
An open ecosystem platform providing technology, governance, datasets and analytical tools

**Customer Benefits**

Access, solutions, distribution
Access to a range of data, enabling development of new products
Access governed data platform without upfront investment costs
Access to distribution channel for customer-developed products
DataSphere

Open infrastructure, offering big data as a service

Data sets supplied by ASX and external customers

- ASX data sets available
- 3rd party data sets available
- BYO data for exclusive use

Data products demanded by a range of users, e.g.

- ASX participants
- Compliance officers
- Asset managers
- Listed companies
- Risk managers
- ASX internal

DataSphere

Storage and Compute
Data Science
Data Management
Governance
Support
Commercial Management
DLT solutions
Open infrastructure enabling realisation of efficiencies and innovation with source of truth information

ASX OPTIONALITY
In 2017 → 3 options
i) Build updated CHESS with new messaging
ii) Build i) with updated functionality for CHESS users
iii) Build i) and ii) plus real-time source of truth data for those permissioned to view

CUSTOMER CHALLENGE
Costs and inefficiencies
Cost of multiple reconciliations, data inaccuracies, developing bespoke solutions

ASX SOLUTION
DLT SOLUTIONS
Enterprise-grade technology infrastructure and smart-contract software, safely and securely delivering real-time, synchronised source of truth data and mutualised rules

CUSTOMER BENEFITS
Productivity benefits and new revenue opportunities
Benefits of perfect information, cost and time savings
Opportunity to develop more efficient work flows, and new products and services
DLT solutions

From system replacement to the next generation of exchange market infrastructure

- Offering use of DLT infrastructure
  - Leveraging ASX’s independence, DLT expertise and experience in operating infrastructure

- Expanded clearing and settlement services
  - Adding 35 new features from Day 1
  - Replacing equities clearing and settlement system

Today
- Operating platform: Message-based CHESS
- Core value proposition: Limited
- Growth opportunities

Tomorrow
- DLT-based CHESS
- From system replacement to the next generation of exchange market infrastructure
DLT solutions

An opportunity for the Australian financial services industry to unlock value and reduce costs

~$50m
Cost of ASX fees to settle ALL of the equities traded in Australia

$22.4bn
Australia’s superannuation industry fee revenue*

? 
Value unlocked by permissioned, synchronised, real-time, source of truth information?

*Rainmaker Consulting May 2017 report for the 2016 year
Summary

On-track for FY19 and beyond

> On-track to meet expense and capital expenditure guidance for FY19

> Progressing major projects in-line with management expectations

> Expect Sympli to complete first financial transaction by end of FY19

> Continuing to develop open infrastructure solutions that help customers create new products and services, improve operational efficiency, and reduce risks and costs
Questions & Discussion
Thank you.
Disclaimer

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