



16 February 2024

Australian Securities and Investments Commission  
Mr Benjamin Cohn-Urbach  
Senior Executive Leader, Market Infrastructure  
Level 5, 100 Market Street  
SYDNEY NSW 2000

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

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

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

1. Appendix 4D
2. 2024 Half-Year Financial Statements.

ASX will hold a briefing on the results from 11am (Sydney time) today. This briefing will be broadcast live by [webcast](#) and will be archived on the [ASX website](#) after the event.

Release of market announcement authorised by:

**Johanna O'Rourke**

Group General Counsel and Company Secretary

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## Appendix 4D

Preliminary financial statements for the half-year ended 31 December 2023 as required by ASX Listing Rule 4.2A.

### Results for announcement to market (all comparisons to half-year ended 31 December 2022)

	\$m	Up/down	Movement %
Revenue from ordinary activities <sup>1</sup>	771.7	up	16.6
Revenue from ordinary activities excluding interest income	514.5	up	2.6
Net profit before tax (including significant items <sup>2</sup> )	330.4	up	210.8
Net profit after tax from ordinary activities (including significant items <sup>2</sup> )	230.5	up	212.8
Underlying profit after tax (excluding significant items <sup>2</sup> )	230.5	down	(7.8)

<sup>1</sup> Revenue from ordinary activities for the current period includes a share of net loss of \$4.7 million (pcp - \$7.0 million loss), from equity accounted investments held during the period. ASX holds a 49.4% investment in Sympli Australia Pty Ltd. ASX disposed of its 44.7% holding in Yieldbroker Pty Limited on 31 August 2023.

<sup>2</sup> There were no significant items for the half-year ended 31 December 2023. Significant items for the half-year ended 31 December 2022 comprised a loss of \$251.9 million pre-tax (\$176.3 million after tax) arising from derecognition of the CHESS replacement project and associated costs. Refer to note B1 in the consolidated financial statements for further details.

Dividend information	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
Final 2023 dividend per share (paid 27 September 2023)	112.1	112.1	30%
Interim 2024 dividend per share determined	101.2	101.2	30%

The interim 2024 dividend determined, of 101.2 cents per share, was 12.9% down compared to the interim 2023 dividend of 116.2 cents per share, and reflects the lower underlying earnings compared to pcp, and a dividend payout ratio of 85% applied, compared to the 90% dividend payout ratio applied for the interim 2023 dividend.

### Interim dividend dates<sup>1</sup>

Ex-dividend date	1 March 2024
Record date	4 March 2024
Payment date	27 March 2024

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

The Company's Dividend Reinvestment Plan (DRP) will apply to the interim dividend. Eligible shareholders may participate in the DRP in respect of all or part of their shareholding. No DRP discount will apply in respect of the interim dividend, and there are no limits on the maximum or minimum number of shares that may participate in the DRP. ASX intends to issue new shares to satisfy shareholders' entitlements under the DRP. Shares will be allocated to shareholders under the DRP for the interim dividend at a price based on the prevailing volume weighted average price of ASX shares during a five business day period commencing 6 March 2024. The last date for receipt of election notices for the DRP is 5 March 2024.

### Results for announcement to the market

	31 December 2023	31 December 2022
Net tangible assets per security	\$5.93	\$6.14

This information should be read in conjunction with the 2023 Annual Report.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half-year ended 31 December 2023.

This report is based on the consolidated financial statements for the half-year ended 31 December 2023 which have been reviewed by PricewaterhouseCoopers.



ASX



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[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

# Directors' report

The directors present their report together with the financial statements of ASX Limited (ASX or the Company) and its subsidiaries (together referred to as the Group), for the half-year ended 31 December 2023 (1H24) 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 half-year and at the date of this report (unless otherwise stated) were as follows:

- Damian Roche (Chair)
- Helen Lofthouse (Managing Director and CEO)
- Yasmin Allen AM
- Vicki Carter
- Melinda Conrad
- David Curran
- Peter Marriott (retired 16 August 2023)
- Peter Nash
- Luke Randell
- Dr Heather Smith PSM FAIA

## 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 holds market licences, clearing and settlement (CS) 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 2023 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.

## Significant events

### (i) CHES replacement solution design

On 20 November 2023 ASX announced it had completed its reassessment of the solution design to replace CHES and would proceed with a product based solution to be delivered by global technology provider Tata Consultancy Services (TCS). The CHES replacement project has now moved to the next phase of detailed design and implementation, with further stakeholder consultation to commence in the first quarter of 2024.

ASX proposes to implement the new platform in two main releases, with the clearing service to be delivered in a first release, and the settlement and sub-register services to follow in a second release. The staged approach is expected to reduce overall delivery risk and should allow stakeholders to better manage change load.

Given the scale and complexity of the CHES replacement project, ASX entered into an agreement with Accenture to support ASX's project delivery in the role of solution integrator. Accenture will provide additional capability and capacity in technology project delivery and industry expertise.

The estimated cost for the first release (clearing) of the project is between \$105 and \$125 million, to be incurred over multiple years. The scope, timing and cost of the second release (settlement and sub-register) is expected to be determined in late 2024 following stakeholder consultation.

### (ii) CHES Replacement Partnership Program

The CHES Replacement Partnership Program was established in February 2023, to provide a financial contribution of up to \$70.0 million (comprising of a \$15.0 million rebate pool and a \$55.0 million incentive pool) to eligible stakeholders to support participation in the successful progress and completion of the CHES replacement project. To date, rebates under the rebate pool of \$14.1 million and initial payments under the development incentive pool of \$16.8 million have been paid to eligible stakeholders that have signed up to the Partnership Program.

### (iii) Regulatory deliverables

During the period ASX delivered the final of three special reports requested by ASIC, addressing our portfolio, program and project management frameworks. The special report was independently audited by Ernst and Young (EY) and has been publicly released. ASX also released an expert report prepared by law firm Herbert Smith Freehills on ASX's arrangements to identify and manage conflicts between the commercial interests of ASX Group and the general licence obligations of ASX Clear and ASX Settlement. The report, which focused on the governance of current CHES and CHES replacement, made a positive assessment on the overall status of ASX's intra-group conflict management arrangements, and also provided recommendations for further enhancements.

On 9 October 2023, the RBA released its annual Financial Stability Standards (FSS) assessment of ASX's CS facilities for the period 1 July 2022 to 30 June 2023. The ASX CS facilities were rated as having "observed" or "broadly observed" many of the FSS and were rated as having "partly observed" three of the FSS. The assessment required ASX to place high priority on recommendations related to board process, internal audit, stakeholder management and the management of ageing technology assets, including CHES. ASX has accepted the recommendations from the assessment and work is underway to address them in full.

### (iv) Capital management

During the period, ASX increased the liquidity facilities available to ASX Clear, by \$500 million, from \$230.0 million to \$730.0 million. This strengthens ASX Clear's liquid resources and support for its clearing operations in accordance with its obligations under the ASX Clear Operating Rules. These bank facilities are bilateral and available directly to ASX Clear in a committed and unsecured format, provided by financial institutions with a strong credit rating.

### (v) Sale of investment in Yieldbroker

ASX completed the sale of its entire minority interest in Yieldbroker Pty Limited (Yieldbroker) to a wholly owned subsidiary of Tradeweb Markets LLC (Tradeweb) on 31 August 2023. The final net proceeds, including completion adjustments, were \$55.5 million.

## Results of operations

The Group's statutory net profit after tax (NPAT) for 1H24 was \$230.5 million, up 212.8% on the prior comparative period (pcp). The increase was driven by no significant item gains/losses recognised in 1H24 compared to a significant item loss of \$176.3 million after tax incurred in the pcp in relation to the CHESS replacement project non-cash derecognition charge and associated project wind-down costs. Statutory earnings per share (EPS) were 119.0 cents, up 212.3% on the pcp.

The Group's underlying NPAT for 1H24 was \$230.5 million, down 7.8% on pcp. ASX's diversified business model has remained resilient in an uncertain global macro environment during the period. Operating revenue for the period was \$511.7 million, up 2.4% on pcp, driven by growth in the Markets and Technology and

Data businesses offset by a softer result in the Securities and Payments and Listings businesses. Total expenses, on a segment basis, were \$220.7 million, up 26.9% on pcp. This reflects an increased investment to uplift risk and compliance capabilities, the modernisation of technology infrastructure, inflationary increases and an increase in legal fees and regulatory associated costs including the ASIC supervision levy.

Net interest income for the period was \$39.4 million, up 20.9% on pcp as a result of the higher interest rate environment. Underlying EPS was 119.0 cents, down 7.8% on pcp.

## Summary income statement for the half-year ended 31 December 2023

Based on the Group segment reporting note

	1H 24 \$m	1H 23 \$m	Variance fav/(unfav)	
			\$m	%
Operating revenue	511.7	499.5	12.2	2.4
Operating expenses	(202.0)	(156.5)	(45.5)	(29.1)
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>309.7</b>	<b>343.0</b>	<b>(33.3)</b>	<b>(9.7)</b>
Depreciation and amortisation	(18.7)	(17.4)	(1.3)	(7.5)
<b>Total expenses</b>	<b>(220.7)</b>	<b>(173.9)</b>	<b>(46.8)</b>	<b>(26.9)</b>
<b>EBIT</b>	<b>291.0</b>	<b>325.6</b>	<b>(34.6)</b>	<b>(10.6)</b>
Net interest income	39.4	32.6	6.8	20.9
<b>Underlying profit before tax</b>	<b>330.4</b>	<b>358.2</b>	<b>(27.8)</b>	<b>(7.8)</b>
Tax expense	(99.9)	(108.2)	(8.3)	7.7
<b>Underlying profit after tax</b>	<b>230.5</b>	<b>250.0</b>	<b>(19.5)</b>	<b>(7.8)</b>
Significant items after tax	—	(176.3)	176.3	100
<b>Statutory profit after tax</b>	<b>230.5</b>	<b>73.7</b>	<b>156.8</b>	<b>Large</b>
Underlying earnings per share (cents)	119.0	129.1	(10.1)	(7.8)
Statutory earnings per share (cents) <sup>1</sup>	119.0	38.1	80.9	Large
Dividends per share (cents)	101.2	116.2	(15.0)	(12.9)
Underlying return on equity (%)	12.6%	13.4%	(79bps)	
Statutory return on equity (%)	12.6%	4.0%	Large	

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

## Dividends

The Board's dividend policy in FY24 is to pay between 80% and 90% of underlying profit after tax with the interim dividend determined on this basis. The interim dividend of 101.2 cents is down 12.9% on the pcp and reflects the lower underlying earnings and a dividend payout ratio of 85% applied, compared to 90% in the pcp. The interim dividend will be paid on 27 March 2024.

The Company's Dividend Reinvestment Plan (DRP) will apply to the interim dividend. Eligible shareholders may participate in the DRP in respect of all or part of their shareholding. No DRP discount will apply in respect of the interim dividend, and there are no limits on the maximum or minimum number of shares that may participate in the DRP. ASX intends to issue new shares to satisfy shareholders' entitlements under the DRP. Shares will be allocated to shareholders under the DRP for the interim dividend at a price based on the prevailing volume weighted average price of ASX shares during a five business day period commencing 6 March 2024. The last date for receipt of election notices for the DRP is 5 March 2024.

## Operating revenue

Operating revenue for the half-year ended 31 December 2023 was \$511.7 million, up 2.4% on the pcp as shown below.

	1H 24 \$m	1H 23 \$m	Variance fav/(unfav)	
			\$m	%
Listings	104.9	109.7	(4.8)	(4.4)
Markets	153.2	138.8	14.4	10.4
Technology and Data	124.6	117.5	7.1	6.0
Securities and Payments	129.0	133.5	(4.5)	(3.4)
<b>Total operating revenue</b>	<b>511.7</b>	<b>499.5</b>	<b>12.2</b>	<b>2.4</b>

**Listings revenue was \$104.9 million, down 4.4%**

**Annual listing revenue down 0.7% to \$53.5 million**

The reduction in revenue is due to lower market capitalisation of listed companies offset partly by an increase in fees.

**Initial listing revenue down 12.7% to \$10.3 million**

There were 28 new listings compared to 40 in the pcp and quoted market capitalisation of new listings of \$33.2 billion was significantly higher than pcp of \$2.0 billion, however \$28.1 billion was subject to foreign exemptions where fees are capped. Revenue is amortised over five years and the pattern of historical revenue resulted in an overall decrease of 12.7% on the pcp.

**Subsequent raisings revenue down 6.3% to \$37.0 million**

Capital raisings were softer and decreased by 25.3% to \$22.5 billion, compared to \$30.2 billion in the pcp. Revenue is amortised over three years and the pattern of historical revenue resulted in an overall decrease of 6.3% on the pcp.

**Investment products and other listings revenue down 8.9% to \$4.1 million**

A reduction in listing activity resulted in lower revenue. This was partly offset by higher investment product revenue with growth in Exchange Traded Products (ETP) funds under management (FUM) balances period on period.

**Markets revenue was \$153.2 million, up 10.4%**

**Futures and OTC revenue up 16.6% to \$114.4 million**

Market volatility drove an elevated level of activity with a 17.6% increase in futures volumes resulting in strong revenue growth. Strong growth was observed across all major products including 90 day bank bills, and 3 and 10 year bond instruments with traded volumes up 34.2%, 19.0% and 13.4% respectively. Value cleared through the over-the-counter (OTC) clearing service was down 16.0% on the pcp.

**Equity options revenue up 6.0% to \$8.8 million**

Market volatility resulted in higher volumes, with index options up 16.5% on the pcp and single stock options up 11.9% on the pcp.

**Cash market trading revenue down 7.4% to \$30.0 million**

Average daily on-market traded value of \$5.2 billion per day was down 9.9% on the pcp resulting in lower revenue. This was partly offset by Centre Point on-market traded value which was up 1.2% on pcp and has higher fees. ASX's share of on-market trading averaged 88.4% which was broadly aligned with 88.9% in the pcp.

**Technology and Data revenue was \$124.6 million, up 6.0%**

**Information services revenue up 8.0% to \$76.0 million**

An increase in ASX24 market data distribution, data feed licenses and increased index royalties from Standard & Poor's (S&P) contributed to higher revenue.

**Technical services revenue up 3.2% to \$48.6 million**

Growth in hostings and connections resulted in higher revenues with the number of cabinets at 388, the same as pcp and the number of ALC cross-connections up from 1,314 to 1,378.

**Securities and Payments revenue was \$129.0 million, down 3.4%**

**Issuer services revenue down 9.5% to \$29.6 million**

Average HIN volumes were down 2.3% resulting in lower subscription fee revenue. Lower volumes of CHES holding statements due to subdued levels of trading activity and the uptake of eStatements together with a reduced number of IPOs also impacted revenue adversely. This was partly offset by an increase in the use of the primary market facilitation service.

**Cash market clearing revenue down 9.0% to \$32.4 million**

The daily average on-market value cleared decreased 9.6% to \$5.5 billion reflecting subdued trading activity across the broader equities market.

**Cash market settlement revenue down 5.9% to \$31.9 million**

Total settlement message volumes related to the settlement and transfer and conversion of securities was down 6.7% on the pcp primarily due to lower levels of trading activity in the broader equities market.

**Austraclear revenue up 12.1% to \$35.1 million**

Continued growth in registry issuances and securities holdings resulted in higher revenue. In addition there was a reduction in the losses associated with ASX's investment in Sympli.

## Total expenses

	1H 24 \$m	1H 23 \$m	Variance fav/(unfav)	
			\$m	%
Staff	124.8	96.5	(28.3)	(29.3)
Occupancy	5.4	4.9	(0.5)	(10.2)
Equipment	24.8	26.0	1.2	4.6
Administration <sup>1</sup>	26.1	19.8	(6.3)	(31.8)
Variable	6.2	6.3	0.1	1.6
ASIC levy	7.4	3.0	(4.4)	(146.7)
<b>Operating expenses before regulatory costs</b>	<b>194.7</b>	<b>156.5</b>	<b>(38.2)</b>	<b>(24.4)</b>
Regulatory costs	7.3	—	(7.3)	Large
<b>Total operating expenses</b>	<b>202.0</b>	<b>156.5</b>	<b>(45.5)</b>	<b>(29.1)</b>
Depreciation and amortisation	18.7	17.4	(1.3)	(7.5)
<b>Total expenses</b>	<b>220.7</b>	<b>173.9</b>	<b>(46.8)</b>	<b>(26.9)</b>

1. Excludes regulatory costs.

Total expenses were \$220.7 million, up 26.9% on pcp. This is a result of an increase in headcount and administration costs to uplift risk and compliance capabilities, the modernisation of technology infrastructure and delivery of regulatory commitments and an increase of the ASIC levy as well as associated regulatory costs.

Staff costs increased 29.3% to \$124.8 million. This reflects the annual remuneration and superannuation guarantee increases, increased permanent employee headcount and higher contractor costs to support the investment in technology and risk and compliance initiatives. Total headcount, including permanent employees and contractors, increased to 1,140 compared to 945 in the pcp.

Occupancy costs increased 10.2% to \$5.4 million, due to contractual rate increases and additional corporate workspace leased during this half.

Equipment costs decreased in 1H24 by 4.6% to \$24.8 million.

Administration costs increased 31.8% to \$26.1 million, due to higher consultancy spend relating to continued investment in our technology infrastructure and the uplift of risk and compliance capabilities.

Variable costs decreased 1.6% to \$6.2 million, in line with lower CHESS statement volumes.

ASIC levy has increased 146.7% due to higher costs associated with the Group's clearing and settlement licences and the large securities exchange operator licence.

Regulatory costs of \$7.3m were incurred during the period which largely related to legal costs and costs associated with the audit of the special reports.

Depreciation and amortisation expense was \$18.7 million, up 7.5%, due to the commencement of utilisation of a number of assets.

## Net interest income

	1H 24 \$m	1H 23 \$m	Variance fav/(unfav)	
			\$m	%
ASX Group net interest income	22.2	12.2	10.0	82.0
Net interest on collateral balances	17.2	20.4	(3.2)	(15.7)
<b>Total net interest income</b>	<b>39.4</b>	<b>32.6</b>	<b>6.8</b>	<b>20.9</b>

Total net interest income was \$39.4 million, up 20.9% 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 and leases.

Net interest income on ASX's cash balances net of financing costs from borrowings and leases for the period was \$22.2 million, up 82.0% on pcp mainly driven by higher investment returns due to

the higher RBA target cash rate during the period partly offset by higher financing costs on borrowings.

Net interest earned from the investment of participant balances was \$17.2 million, down 15.7% on pcp. Investment earnings on this portfolio averaged 10 basis points which is consistent with pcp. The average cash collateral and commitment balance was \$10.4 billion, down 14.4%. The weighted average risk management haircut was 32 bps, flat on pcp.

## Financial position

At 31 December 2023, the net assets of the Group were \$3,653.3 million, up 0.3% on 30 June 2023.

### Summary balance sheet as at 31 December 2023

	31 December 2023	30 June 2023	Variance increase/(decrease)	
	\$m	\$m	\$m	%
<b>Assets</b>				
Cash	999.6	1,008.6	(9.0)	(0.9)
Financial assets <sup>1</sup>	10,993.0	12,448.1	(1,455.1)	(11.7)
Intangibles (excluding software)	2,325.5	2,325.5	—	—
Capitalised software and property, plant and equipment (PPE)	221.7	186.0	35.7	19.2
Investments	53.1	106.4	(53.3)	(50.1)
Right-of-use assets	45.2	47.9	(2.7)	(5.6)
Other assets	769.1	710.8	58.3	8.2
<b>Total assets</b>	<b>15,407.2</b>	<b>16,833.3</b>	<b>(1,426.1)</b>	<b>(8.5)</b>
<b>Liabilities</b>				
Amounts owing to participants	10,791.1	12,275.3	(1,484.2)	(12.1)
Lease liabilities	55.2	58.6	(3.4)	(5.8)
Borrowings	20.0	20.0	—	—
Other liabilities	887.6	838.8	48.8	5.8
<b>Total liabilities</b>	<b>11,753.9</b>	<b>13,192.7</b>	<b>(1,438.8)</b>	<b>(10.9)</b>
<b>Equity</b>				
Capital	3,027.2	3,027.2	—	—
Retained earnings	571.3	557.8	13.5	2.4
Reserves	54.8	55.6	(0.8)	(1.4)
<b>Total equity</b>	<b>3,653.3</b>	<b>3,640.6</b>	<b>12.7</b>	<b>0.3</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 \$12.0 billion, down 10.9% compared to 30 June 2023. Cash and financial assets comprises ASX's own cash and investments in financial assets backing amounts owing to participants. The decrease is driven by lower margin balances from reduced volatility in markets and a reduction in open positions. Collateral balances are held to cover cash market and derivative exposures as part of ASX's clearing operations.

### Capitalised software and PPE

Capitalised software and property plant and equipment (PPE) was \$221.7 million, up 19.2% compared to 30 June 2023. The increase was due to \$49.9 million of capital expenditure (\$13.9 million relating to the CHES replacement project and \$36.0 million on other projects), offset by the depreciation and amortisation of our existing software assets and property, plant and equipment of \$14.2 million.

### Investments

Investments were \$53.1 million, down 50.1% compared to 30 June 2023. Investments comprise a 49.4% interest in Symply Australia Pty Limited, a 5.4% interest in Digital Asset Holdings LLC (DAH) and a 8.6% interest in Grow Inc. The decrease in investments was mainly due to the divestment of our 44.7% shareholding in Yieldbroker Pty Limited.

At 31 December 2023, the investment in DAH is classified as held-for-sale following the decision to dispose of this investment, following a comprehensive review of the investment taking into consideration strategic alignment given the decision to pause CHES.

### Other assets

Other assets were \$769.1 million, up 8.2% compared to 30 June 2023. The increase largely relates to an increase in margin requirements as a result of movements in underlying positions of relevant clearing participants on the last trading day of the reporting period and corresponds to the increase in other liabilities. The increase also is driven by a larger deferred tax asset from an increase in revenue received in advance from annual listing fees that will be amortised throughout FY24.

### Amounts owing to participants

Amounts owing to participants was \$10.8 billion, down 12.1% compared to 30 June 2023, 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.

### Other liabilities

Other liabilities were \$887.6 million, up 5.8% on pcp. The increase relates to the increase in margin requirements as noted in other assets above, and revenue received in advance on annual listing fees which is amortised throughout FY24. This is partly offset by a reduction in the rebates payable relating to CHES replacement partnership program and other rebates.

### Total equity

Total equity was \$3,653.3 million, up 0.3% compared to 30 June 2023. This was mainly due to the statutory profit after tax of \$230.5 million partly offset by the payment of the final FY23 dividend of \$217.0 million.

### Auditor's independence declaration

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

### Rounding of amounts

ASX is a company of the kind referred to in ASIC Legislative Instrument 2016/191. 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, 16 February 2024

# Auditor's independence declaration



## Auditor's Independence Declaration

As lead auditor for the review of ASX Limited for the half-year ended 31 December 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'L Hinchliffe', is written over a light blue horizontal line.

Sam Hinchliffe  
Partner  
PricewaterhouseCoopers

Sydney  
16 February 2024

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## Consolidated Financial Statements

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# Consolidated statement of comprehensive income

For the half-year ended 31 December

	Note	2023 \$m	2022 \$m
<b>Revenue</b>			
Listings		105.8	110.3
Markets		152.6	139.1
Technology and Data		126.3	118.5
Securities and Payments		134.5	140.4
Interest income		257.2	160.6
Share of net loss of equity accounted investments		(4.7)	(7.0)
	B1	<b>771.7</b>	<b>661.9</b>
<b>Expenses</b>			
Staff		(124.8)	(96.5)
Occupancy		(5.4)	(4.9)
Equipment		(25.7)	(26.9)
Administration		(47.4)	(32.4)
Interest expense		(217.8)	(128.0)
Depreciation and amortisation		(20.2)	(18.5)
Derecognition of CHESS replacement project capitalised costs		—	(248.4)
	B1	<b>(441.3)</b>	<b>(555.6)</b>
<b>Profit before income tax expense</b>		<b>330.4</b>	<b>106.3</b>
Income tax expense	B2	(99.9)	(32.6)
<b>Net profit for the year attributable to owners of the Company</b>		<b>230.5</b>	<b>73.7</b>
<b>Other comprehensive income</b>			
Items that cannot be reclassified to profit or loss			
Change in the fair value of investments in equity instruments		(0.1)	(12.3)
<b>Other comprehensive loss for the year, net of tax</b>		<b>(0.1)</b>	<b>(12.3)</b>
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<b>230.4</b>	<b>61.4</b>
<b>Earnings per share</b>			
Basic earnings per share (cents per share)		119.0	38.1
Diluted earnings per share (cents per share)		119.0	38.1

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



# Consolidated balance sheet

As at

	Note	31 December 2023 \$m	30 June 2023 \$m
<b>Current assets</b>			
Cash		999.6	1,008.6
Financial assets at amortised cost	C1	10,519.6	11,957.5
Financial assets at fair value through profit or loss	C3	473.4	490.6
Trade and other receivables		635.9	619.4
Prepayments		23.9	22.0
Current tax assets		16.9	2.3
Investments held for sale	C2	13.9	54.6
<b>Total current assets</b>		<b>12,683.2</b>	<b>14,155.0</b>
<b>Non-current assets</b>			
Equity accounted investment		22.6	22.2
Investments in equity instruments	C3	16.6	29.6
Intangible assets	C5	2,505.6	2,468.9
Property, plant and equipment	C5	41.6	42.6
Right-of-use assets		45.2	47.9
Deferred tax assets	B2	85.2	64.4
Prepayments		7.2	2.7
<b>Total non-current assets</b>		<b>2,724.0</b>	<b>2,678.3</b>
<b>Total assets</b>		<b>15,407.2</b>	<b>16,833.3</b>
<b>Current liabilities</b>			
Amounts owing to participants	C4	10,591.1	12,075.3
Trade and other payables		619.1	623.7
Revenue received in advance		169.1	112.5
Borrowings	C6	20.0	20.0
Provisions		24.3	23.7
Lease liabilities		10.6	11.1
<b>Total current liabilities</b>		<b>11,434.2</b>	<b>12,866.3</b>
<b>Non-current liabilities</b>			
Amounts owing to participants	C4	200.0	200.0
Revenue received in advance		68.4	73.5
Provisions		6.7	5.4
Lease liabilities		44.6	47.5
<b>Total non-current liabilities</b>		<b>319.7</b>	<b>326.4</b>
<b>Total liabilities</b>		<b>11,753.9</b>	<b>13,192.7</b>
<b>Net assets</b>		<b>3,653.3</b>	<b>3,640.6</b>
<b>Equity</b>			
Issued capital		3,027.2	3,027.2
Retained earnings		571.3	557.8
Reserves		54.8	55.6
<b>Total equity</b>		<b>3,653.3</b>	<b>3,640.6</b>

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

# Consolidated statement of changes in equity

For the half-year ended 31 December

		2023			
	Note	Issued capital \$m	Retained earnings \$m	Reserves <sup>2</sup> \$m	Total equity \$m
<b>Opening balance at 1 July 2023</b>					
Profit for the period		3,027.2	557.8	55.6	3,640.6
Other comprehensive loss for the period, net of tax		—	230.5	—	230.5
<b>Total comprehensive income/(loss) for the period, net of tax</b>		—	—	(0.1)	(0.1)
<b>Transactions with owners in their capacity as owners:</b>					
Share-based payments <sup>1</sup>		—	—	(0.7)	(0.7)
Dividends paid	B3	—	(217.0)	—	(217.0)
<b>Closing balance at 31 December 2023</b>		<b>3,027.2</b>	<b>571.3</b>	<b>54.8</b>	<b>3,653.3</b>
		<b>2022</b>			
<b>Opening balance at 1 July 2022</b>					
Profit for the period		3,027.2	697.8	80.4	3,805.4
Other comprehensive loss for the period, net of tax		—	73.7	—	73.7
<b>Total comprehensive income/(loss) for the period, net of tax</b>		—	—	(12.3)	(12.3)
<b>Transactions with owners in their capacity as owners:</b>					
Share-based payments <sup>1</sup>		—	—	(3.2)	(3.2)
Dividends paid	B3	—	(232.3)	—	(232.3)
<b>Closing balance at 31 December 2022</b>		<b>3,027.2</b>	<b>539.2</b>	<b>64.9</b>	<b>3,631.3</b>

1. This amount comprises of current share based payment expense net of costs of acquiring shares, 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.

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

# Consolidated statement of cash flows

For the half-year ended 31 December

	Note	2023 \$m	2022 \$m
<b>Cash flows from operating activities</b>			
Receipts from customers		612.5	612.7
Payments to suppliers and employees		(276.6)	(216.7)
		<b>335.9</b>	<b>396.0</b>
Decrease in amounts owing to participants		(1,471.3)	(2,357.2)
Decrease in financial assets at amortised cost		1,438.9	3,291.0
Interest received		265.5	130.0
Interest paid		(219.9)	(101.4)
Income taxes paid		(135.4)	(137.7)
<b>Net cash inflow from operating activities</b>		<b>213.7</b>	<b>1,220.7</b>
<b>Cash flows from investing activities</b>			
Payments for investments in equity instruments		(1.2)	—
Receipts from/(payments for) equity accounted investments		49.5	(8.0)
Payments for other non-current assets		(52.6)	(62.5)
<b>Net cash outflow from investing activities</b>		<b>(4.3)</b>	<b>(70.5)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(217.0)	(232.3)
Proceeds from borrowings	C6	77.0	226.5
Repayment of borrowings	C6	(77.0)	(176.5)
Payment of lease liabilities		(5.7)	(5.3)
<b>Net cash outflow from financing activities</b>		<b>(222.7)</b>	<b>(187.6)</b>
<b>Net (decrease)/increase in cash</b>		<b>(13.3)</b>	<b>962.6</b>
Increase in cash due to changes in foreign exchange rates		4.3	18.1
Cash at the beginning of the period		1,008.6	4,972.2
<b>Cash at the end of the period</b>		<b>999.6</b>	<b>5,952.9</b>

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

## Overview

### A1. Basis of preparation of the half-year financial report

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 half-year ended 31 December 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 16 February 2024. The directors have the power to amend and reissue the financial statements.

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

- have been prepared in accordance with the requirements of the *Corporations Act 2001*, 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 31 December 2023 and the results of the subsidiaries for the half-year ended. Inter-entity transactions with, or between, subsidiaries are eliminated in full on consolidation;
- have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (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.

The half-year financial statements do not include all of the information required for full-year financial statements. Accordingly, these financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 June 2023 and any public announcements made by the Group during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Group's accounting policies have been consistently applied to all periods presented, unless otherwise stated.

Unless otherwise stated, comparative period balances have not been restated.

#### **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 2023. The Group has assessed and determined that there are no new or amended standards applicable for the first time for the 31 December 2023 half-year report 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 2023. 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 periods.



## 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 Group	Listings	<ul style="list-style-type: none"> <li>Provides an efficient regulated framework for entities to raise capital and have their securities publicly traded;</li> <li>Offers a range of support services to listed entities including education programs, research and insights, investor access and peer group networking; and</li> <li>Provides an efficient distribution facility for quoted exchange traded funds (ETFs) and debt securities.</li> </ul>
	Markets	<ul style="list-style-type: none"> <li>Provides trading of futures and options on interest rate, equity index, agriculture and energy products and options over individual securities;</li> <li>Provides cash market trading of equities, warrants, exchange-traded funds (ETFs) and debt securities; and</li> <li>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>Information services offers a range of data products including pricing, benchmarks and trading data.</li> <li>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>Provides central counterparty clearing and settlement services for equities;</li> <li>Offers settlement, depository and registry services for debt securities;</li> <li>Facilitates the utilisation of debt securities held in Austraclear as collateral to meet obligations via ASX Collateral; and</li> <li>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, and significant items are 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 half-year ended 31 December					
	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>	53.5	0.6	54.1	53.9	0.5	54.4
Initial listing	10.3	—	10.3	11.8	—	11.8
Subsequent raisings	37.0	—	37.0	39.5	—	39.5
Investment products and other listing <sup>2</sup>	4.1	0.3	4.4	4.5	0.1	4.6
<b>Listings</b>	<b>104.9</b>	<b>0.9</b>	<b>105.8</b>	<b>109.7</b>	<b>0.6</b>	<b>110.3</b>
Equity options	8.8	—	8.8	8.3	—	8.3
Futures and Over-the-counter (OTC) clearing <sup>3</sup>	114.4	(0.6)	113.8	98.1	0.3	98.4
Cash market trading	30.0	—	30.0	32.4	—	32.4
<b>Markets</b>	<b>153.2</b>	<b>(0.6)</b>	<b>152.6</b>	<b>138.8</b>	<b>0.3</b>	<b>139.1</b>
Information services	76.0	—	76.0	70.4	(0.1)	70.3
Technical services <sup>2,4</sup>	48.6	1.7	50.3	47.1	1.1	48.2
<b>Technology and Data</b>	<b>124.6</b>	<b>1.7</b>	<b>126.3</b>	<b>117.5</b>	<b>1.0</b>	<b>118.5</b>
Issuer services	29.6	—	29.6	32.7	—	32.7
Cash market clearing <sup>2</sup>	32.4	(0.2)	32.2	35.6	—	35.6
Cash market settlement	31.9	—	31.9	33.9	—	33.9
Austraclear <sup>2,5</sup>	35.1	5.7	40.8	31.3	6.9	38.2
<b>Securities and Payments</b>	<b>129.0</b>	<b>5.5</b>	<b>134.5</b>	<b>133.5</b>	<b>6.9</b>	<b>140.4</b>
<b>Operating revenue</b>	<b>511.7</b>			<b>499.5</b>		
Interest income <sup>6</sup>		257.2	257.2		160.6	160.6
Share of net (loss) of equity accounted investments <sup>3,5</sup>		(4.7)	(4.7)		(7.0)	(7.0)
<b>Total revenue</b>		<b>260.0</b>	<b>771.7</b>		<b>162.4</b>	<b>661.9</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 bad debts provisions/(reversals) in revenue, which are included as administration expenses in the Consolidated statement of comprehensive income.

3. Segment information includes amounts paid under revenue sharing agreements, which are included under administration expenses in the Consolidated statement of comprehensive income. Segment information also includes the reversal of prior period impairment losses on Yieldbroker of \$0.9 million (pcp: share of equity accounted net losses of \$0.2 million) which are included as Share of net losses of equity accounted investments in the Consolidated statement of comprehensive income.

4. Technical services revenue is shown net of certain equipment charges, but these are presented within depreciation and amortisation expense in the Consolidated statement of comprehensive income.

5. Segment information includes the share of net losses from the equity accounted investment in Sympli of \$5.6m million (pcp: \$6.8 million), which is included as Share of net losses of equity accounted investments in the Consolidated statement of comprehensive income.

6. Segment information presents interest income net of interest expense. Interest revenue and interest expense are presented on a gross basis in 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 half-year ended 31 December					
	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>Expenses</b>						
Staff	(124.8)	—	(124.8)	(96.5)	—	(96.5)
Occupancy	(5.4)	—	(5.4)	(4.9)	—	(4.9)
Equipment <sup>1</sup>	(24.8)	(0.9)	(25.7)	(26.0)	(0.9)	(26.9)
Administration <sup>1,3</sup>	(33.4)	(14.0)	(47.4)	(19.8)	(12.6)	(32.4)
Variable <sup>1</sup>	(6.2)	6.2	—	(6.3)	6.3	—
ASIC levy <sup>1</sup>	(7.4)	7.4	—	(3.0)	3.0	—
<b>Operating expenses</b>	<b>(202.0)</b>			<b>(156.5)</b>		
<b>EBITDA</b>	<b>309.7</b>			<b>343.0</b>		
Interest expense <sup>2</sup>		(217.8)	(217.8)		(128.0)	(128.0)
Depreciation and amortisation <sup>1</sup>	(18.7)	(1.5)	(20.2)	(17.4)	(1.1)	(18.5)
Derecognition of CHES replacement project costs <sup>3</sup>	—	—	—	—	(248.4)	(248.4)
<b>Total expenses</b>	<b>(220.7)</b>		<b>(441.3)</b>	<b>(173.9)</b>		<b>(555.6)</b>
<b>EBIT</b>	<b>291.0</b>			<b>325.6</b>		
<b>Net interest income</b>						
Net interest income	22.2	(22.2)	—	12.2	(12.2)	—
Net interest on participant balances	17.2	(17.2)	—	20.4	(20.4)	—
<b>Net interest income <sup>2</sup></b>	<b>39.4</b>	<b>(39.4)</b>	<b>—</b>	<b>32.6</b>	<b>(32.6)</b>	<b>—</b>
<b>Profit before tax</b>	<b>330.4</b>	<b>—</b>	<b>330.4</b>	<b>358.2</b>	<b>(251.9)</b>	<b>106.3</b>
Income tax expense <sup>3</sup>	(99.9)	—	(99.9)	(108.2)	75.6	(32.6)
<b>Underlying profit after tax</b>	<b>230.5</b>			<b>250.0</b>		
<b>Significant items after tax <sup>3</sup></b>	<b>—</b>	<b>—</b>		<b>(176.3)</b>	<b>176.3</b>	
<b>Statutory profit after tax</b>	<b>230.5</b>		<b>230.5</b>	<b>73.7</b>		<b>73.7</b>

1. Segment information separately discloses variable expenses and ASIC levy costs, but these are included within administration expenses in the Consolidated statement of comprehensive income. Other expenses relating to bad debts recognised, revenue share agreements or equipment costs are included within revenue in segment information, but are reported in either administration or depreciation and amortisation expenses in the Consolidated statement of comprehensive income.

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

3. Segment information reports significant items separately and excludes these from underlying profit after tax. There were no significant items during the period. In the prior period, significant items of \$251.9 million pre-tax related to the derecognition of the CHES replacement project costs of \$248.4 million and ancillary costs of \$3.5 million. The tax impact was \$75.6 million and the post-tax impact was \$176.3 million. These significant items were included either as a separate line, within administration expenses, and within income tax expense in the Consolidated statement of comprehensive income.

## Performance of the Group

## B2. Taxation

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

	For the half-year ended 31 December	
	2023 \$m	2022 \$m
<b>a) Income tax expense</b>		
Current tax expense	118.0	70.4
Deferred tax expense/(income)	(20.7)	(33.8)
Adjustments to current tax for prior years	2.6	(4.0)
<b>Total income tax expense</b>	<b>99.9</b>	<b>32.6</b>
<b>b) Deferred tax movement</b>		
<b>Opening balance</b>		
Deferred tax assets	93.7	105.5
Deferred tax liabilities	(29.3)	(50.4)
<b>Net deferred tax assets at the beginning of the period</b>	<b>64.4</b>	<b>55.1</b>
<b>Movement during the period</b>		
Charge to profit or loss	20.7	33.8
Charge/(reversal) recognised in other comprehensive income	0.1	(3.9)
<b>Closing balance</b>		
Deferred tax assets	110.4	112.7
Deferred tax liabilities	(25.2)	(27.7)
<b>Net deferred tax assets at the end of the period</b>	<b>85.2</b>	<b>85.0</b>

At 31 December 2023, the Group has unused tax losses of \$93.0 million relating to capital losses from fair value and impairment losses on equity investments. These losses may be utilised against future capital gains that could arise, resulting in an income tax benefit of up to \$27.9 million. The Group has not recognised a deferred tax asset for this potential tax benefit as the use of these capital losses is uncertain.



## Notes to the consolidated financial statements

# Performance of the Group

### B3. Dividends

The following table includes information relating to dividends recognised and paid by ASX during the half-years ended 31 December 2023 and 31 December 2022.

<b>For the half-year ended 31 December 2023</b>	<b>Cents per share</b>	<b>Total amount \$m</b>
Final dividend for the year ended 30 June 2023	112.1	217.0

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

Since the end of the half-year, the directors have determined a FY24 interim dividend of 101.2 cents per share totalling \$195.9 million. The dividend will be fully franked based on tax paid at 30%, and has been determined based on a payout ratio of 85% of underlying profit after tax, which is within the Board approved policy of a dividend payout ratio of between 80-90% of underlying profit after tax.

### B4. Reconciliation of the operating profit after income tax to the net cash flows from operating activities

	<b>For the half-year ended 31 December</b>	
	<b>2023 \$m</b>	<b>2022 \$m</b>
<b>Net profit after tax</b>	<b>230.5</b>	<b>73.7</b>
<b>Non-cash items</b>		
Depreciation and amortisation	20.2	18.5
Share-based payments	(0.7)	(3.2)
Share of net loss of equity accounted investments	4.7	7.0
Foreign currency revaluation	(4.3)	(18.1)
Derecognition of CHES replacement project costs <sup>1</sup>	—	251.9
<b>Total non-cash items</b>	<b>19.9</b>	<b>256.1</b>
<b>Changes in financial assets and amounts owing to participants</b>		
Decrease in financial assets at amortised cost	1,437.9	3,275.8
Decrease in financial assets at fair value through profit or loss (FVTPL) <sup>2</sup>	17.2	136.7
Decrease in amounts owing to participants <sup>3</sup>	(1,484.2)	(2,475.7)
<b>Changes in working capital</b>		
Increase in tax balances	(35.4)	(105.2)
Decrease in trade and other receivables <sup>4</sup>	9.9	2.3
Increase in prepayments	(6.4)	(4.3)
(Decrease)/increase in trade and other payables <sup>4</sup>	(29.1)	12.9
Increase in revenue received in advance	51.5	46.7
Increase in provisions	1.9	1.7
<b>Net cash inflow from operating activities</b>	<b>213.7</b>	<b>1,220.7</b>

1. The prior year amount includes \$32.1 million of costs incurred from 1 July 2022 to 31 December 2022. These costs are included in investment activities under 'Payments for other non-current assets'.

2. Reflects fair value changes in non-cash collateral held.

3. The 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.

4. Movements in trade and other receivables and trade and other payables exclude movements attributable to investing and financing activities such as capital expenditure accruals, make-good provisions and securities pledged under repurchase agreements.

## Notes to the consolidated financial statements

# Other Group disclosures

## C1. Financial assets at amortised cost

	31 December 2023 \$m	30 June 2023 \$m
Reverse repurchase agreements	9,105.5	10,233.3
Negotiable certificates of deposit (NCDs)	866.0	936.9
Promissory notes (P-notes)	548.1	787.3
<b>Total financial assets at amortised cost</b>	<b>10,519.6</b>	<b>11,957.5</b>

Financial assets at amortised cost are typically held for maturities less than one year and therefore their fair value will approximate their carrying value.

## C2. Investments held for sale

	31 December 2023 \$m	30 June 2023 \$m
Equity accounted investment held for sale, Yieldbroker Pty Limited (Yieldbroker) <sup>1</sup>	—	54.6
Equity investment held for sale, Digital Asset Holdings (DAH) <sup>2</sup>	13.9	—
<b>Investments held for sale</b>	<b>13.9</b>	<b>54.6</b>

1. ASX entered into a binding agreement to sell its interest in Yieldbroker to Tradeweb on 25 May 2023. The sale was settled on 31 August 2023.

2. ASX has completed a review of its investment in DAH, following the CHESS replacement solution announced on 20 November 2023, and determined to commence a process to dispose of its equity interests in DAH, subject to negotiation and agreement of favourable commercial terms. This is expected to occur within the next 12 months. Therefore, the investment has been classified as held for sale as required by the Australian accounting standards.

## C3. Fair value measurements of financial instruments

### a. Fair value hierarchy and valuation techniques

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at reporting date.

	31 December 2023				30 June 2023			
	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
<b>Financial assets at fair value through profit or loss</b>								
> Australian Commonwealth government debt securities <sup>1</sup>	269.6	—	—	269.6	203.9	—	—	203.9
> Semi-government (Australian state and territory government) debt securities <sup>1</sup>	—	203.8	—	203.8	—	286.7	—	286.7
<b>Total financial assets at fair value through profit or loss</b>	<b>269.6</b>	<b>203.8</b>	<b>—</b>	<b>473.4</b>	<b>203.9</b>	<b>286.7</b>	<b>—</b>	<b>490.6</b>
<b>Financial assets at fair value through other comprehensive income</b>								
> Investments in equity instruments <sup>2</sup>	—	—	30.5	30.5	—	—	29.6	29.6
<b>Total financial assets measured at fair value</b>	<b>269.6</b>	<b>203.8</b>	<b>30.5</b>	<b>503.9</b>	<b>203.9</b>	<b>286.7</b>	<b>29.6</b>	<b>520.2</b>
<b>Financial liabilities at fair value through profit or loss</b>								
> Amounts owing to participants	(269.6)	(203.8)	—	(473.4)	(203.9)	(286.7)	—	(490.6)

1. These are instruments that are lodged by clearing participants in the form of non-cash collateral, to meet margin requirements. The corresponding amounts are recognised as Amounts owing to participants. The Group has no exposure to changes in fair value as these assets and liabilities fully offset.

2. Comprises DAH classified as held for sale, and investment in Grow Inc.

There were no transfers between levels for recurring measurements during the half-year. The Group did not measure any financial assets at fair value on a non-recurring basis as at 31 December 2023 and 30 June 2023.

## Notes to the consolidated financial statements

# Other Group disclosures

### C3. Fair value measurements of financial instruments continued

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

#### Level 1 fair value hierarchy

Australian Commonwealth government debt securities lodged by participants 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 lodged by participants 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).

#### Level 3 fair value hierarchy

The fair value of investments in equity instruments that are 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.

### b. Fair value of other financial instruments

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

### c. Fair value of investments

The following table presents the changes in the fair value of equity instruments during the half-year:

	For the half-year ended 31 December	
	2023 \$m	2022 \$m
Opening balance	29.6	47.1
Additions	1.2	—
Fair value (losses)/gains during the year:		
Recognised in equity	(0.3)	(8.3)
Recognised in deferred tax	—	—
Reclassified as Investment held for sale <sup>1</sup>	(13.9)	—
<b>Closing balance</b>	<b>16.6</b>	<b>38.8</b>

1. This is the investment in DAH of \$13.9 million which has been classified as held for sale (refer Note C2). Under the accounting standards, this investment continues to be measured at fair value through other comprehensive income.

## Notes to the consolidated financial statements

# Other Group disclosures

## C4. Clearing risk management

The Group mitigates its exposure to clearing risks by requiring clearing participants to lodge an amount (initial margin) on open cash market, derivative and over-the-counter (OTC) positions novated to the Group's central counterparties (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 balance date. This excludes equity securities lodged by participants which are not recognised on the Consolidated balance sheet.

	31 December 2023			30 June 2023		
	ASX Clear \$m	ASX Clear (Futures) \$m	Total \$m	ASX Clear \$m	ASX Clear (Futures) \$m	Total \$m
<b>Current</b>						
Cash and other financial assets	975.2	9,142.5	10,117.7	970.5	10,614.2	11,584.7
Non-cash collateral <sup>1</sup>	—	473.4	473.4	—	490.6	490.6
<b>Total current amounts owing to participants</b>	<b>975.2</b>	<b>9,615.9</b>	<b>10,591.1</b>	<b>970.5</b>	<b>11,104.8</b>	<b>12,075.3</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>975.2</b>	<b>9,815.9</b>	<b>10,791.1</b>	<b>970.5</b>	<b>11,304.8</b>	<b>12,275.3</b>
Equity securities <sup>2</sup>	3,364.6	—	3,364.6	3,187.5	—	3,187.5

1. These are government and semi-government debt securities lodged by participants. 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.

## C5. Intangibles and Property, plant and equipment

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

	For the half-year ended 31 December			
	2023		2022	
	Intangible assets \$m	Property, plant and equipment \$m	Intangible assets \$m	Property, plant and equipment \$m
<b>Opening balance</b>				
Cost	2,812.1	194.0	2,963.5	192.3
Accumulated amortisation/depreciation	(343.2)	(151.4)	(326.2)	(140.6)
<b>Net book value at the beginning of the period</b>	<b>2,468.9</b>	<b>42.6</b>	<b>2,637.3</b>	<b>51.7</b>
<b>Movement</b>				
Additions	45.4	4.5	49.9	6.7
Amortisation/depreciation expense	(8.7)	(5.5)	(7.4)	(5.6)
Derecognition of CHESS replacement project costs	—	—	(236.7)	(11.7)
<b>Closing balance</b>				
Cost	2,857.5	198.5	2,776.7	187.3
Accumulated amortisation/depreciation	(351.9)	(156.9)	(333.6)	(146.2)
<b>Net book value at the end of the period</b>	<b>2,505.6</b>	<b>41.6</b>	<b>2,443.1</b>	<b>41.1</b>
Assets under development included above	125.3	8.9	69.6	6.9

## Notes to the consolidated financial statements

# Other Group disclosures

## C6. Borrowings

The Group has the following borrowing arrangements:

- A unsecured bilateral committed corporate debt facility under ASX Limited to assist with short-term working capital requirements.
- Three unsecured bilateral committed liquidity facilities under ASX Clear Pty Limited (ASX Clear) to assist with liquidity support of clearing obligations under the ASX Clear Operating Rules.
- During the period, ASX increased the liquidity facilities available to ASX Clear, by \$500 million, from \$230 million to \$730 million, to strengthen ASX Clear's liquid resources and support its clearing operations in accordance with its obligations under the ASX Clear Operating Rules.

The limits, drawn amounts and expiry are as follows:

As at 31 December	Expiry	31 December 2023		30 June 2023	
		Limit \$m	Drawn \$m	Limit \$m	Drawn \$m
Bilateral committed corporate debt facility	27 July 2026	300.0	20.0	300.0	20.0
Bilateral committed liquidity facility	Evergreen facility	230.0	—	230.0	—
Bilateral committed liquidity facility	24 November 2026	250.0	—	—	—
Bilateral committed liquidity facility	21 December 2028	250.0	—	—	—

The proceeds and repayments of these borrowing arrangements are summarised below:

	For the half-year ended 31 December	
	2023 \$m	2022 \$m
Opening balance	20.0	—
Drawdowns	77.0	226.5
Repayments	(77.0)	(176.5)
Closing balance	20.0	50.0

## C7. 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 as at the balance sheet date.

ASX announced in November 2022 that it would pause the CHESS replacement project and return to solution design. Following a detailed reassessment of the solution design to replace CHESS, ASX announced on 20 November 2023 that it would proceed with a product based solution to be delivered by global technology provider Tata Consultancy Services (TCS), with Accenture appointed as the solution integrator to support ASX's project delivery. ASX proposes to implement the new platform in two main releases, with the clearing service to be delivered in a first release, and the settlement and sub-register services to follow in a second release.

As a result of the decisions announced in November 2022 and November 2023, it is possible that ASX may be subject to legal action by various parties who have participated in the CHESS replacement project to date. No such legal action has commenced or has been notified to ASX at this time.

ASX separately established the CHESS Replacement Partnership Program in February 2023, to support the future implementation of the CHESS replacement project. Refer to page 3 for further details.

### ASIC investigation into CHESS 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 CHESS 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.

## Notes to the consolidated financial statements

# Other Group disclosures

## C8. Commitments

Capital and operating commitments contracted for, but not yet incurred, as at balance date are as follows:

	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$m</b>	<b>\$m</b>
Capital and operating commitments	210.0	49.5

## C9. Subsequent events

Other than the interim dividend disclosed in Note B3, 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 9 to 24 in the half-year report, are in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and
  - ii. complying with Australian Accounting Standards, and the *Corporations Regulations 2001*.
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



**Damian Roche**  
Chair



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

Sydney, 16 February 2024



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



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

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

#### ***Conclusion***

We have reviewed the half-year financial report of ASX Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and selected explanatory notes and the directors' declaration.

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

1. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

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

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

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

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the

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

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

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

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'L Hinchliffe'.

Sam Hinchliffe  
Partner

Sydney  
16 February 2024

# Directory

## Shareholder enquiries

Enquiries about shareholdings in ASX Limited

Please direct all correspondence to ASX's share registry:

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## 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 marked to the attention of the Company Secretary.

## Further information

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## ASX's auditor

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