

JSE LIMITED

Investor Presentation

2023



AGENDA

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Introduction



JSE business model

PUBLIC MARKETS

JSE provides public marketplaces for raising capital and trading in equities, bonds, derivatives, currencies and commodities, while JSE Clear provides clearing services for listed derivatives.

LISTING SERVICES

Primary Market

TRADING SERVICES

Secondary Market

Equity Market Equity Derivatives Market Currency Derivatives Market Interest Rate Market Commodity Derivatives Market

POST-TRADE SERVICES (equity and bond market)

Clearing and settlement services Broker-Dealer Accounting services

JSE CLEAR (derivatives market)

Independent Clearing House licensed to provide central counter-party clearing services for transactions in listed derivatives

INFORMATION SERVICES

Promotion, licensing and sale of data and statistics

JSE INVESTOR SERVICES

Share registry and investor service provider, maintaining the register of listed and unlisted companies

TECHNOLOGY INFRASTRUCTURE | Fully electronic, efficient and secure market with world-class regulation, trading and clearing systems, settlement assurance and risk management.

REGULATORY OVERSIGHT

The JSE is the frontline of issuers and trading and clearing members

ISSUER SERVICES

Venue hire
AGM facilitation
Training
Secretarial services

PRIVATE MARKETS

JSE Private Placements supports private markets by providing a forum to raise equity and debt through Globacap's automated and digitised platform.

The focus is on SME and infrastructure funding

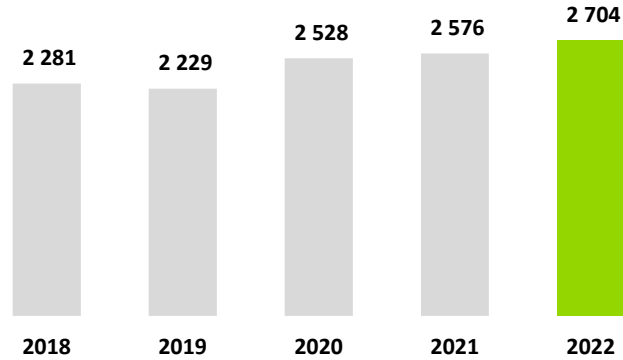
Operational enablers

Services/activities

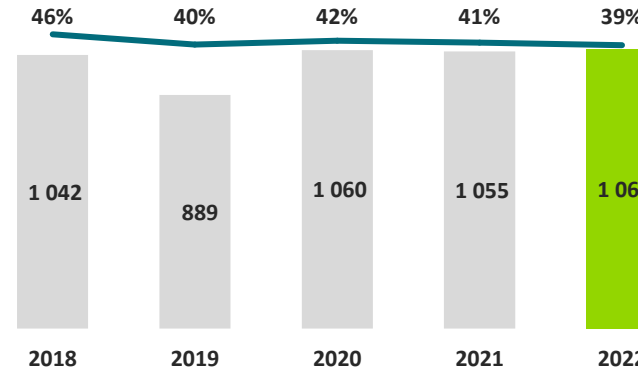
Asset classes

5 year financial review

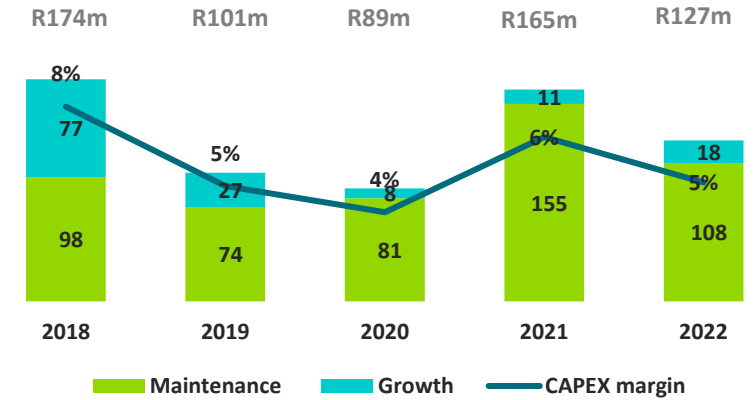
Total Revenue (Rm)



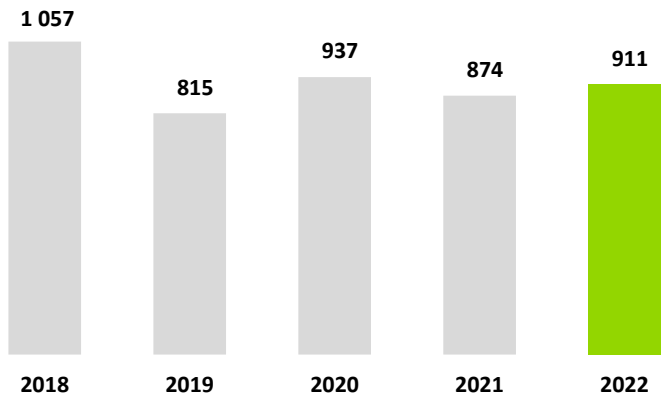
EBITDA and EBITDA Margin (%)



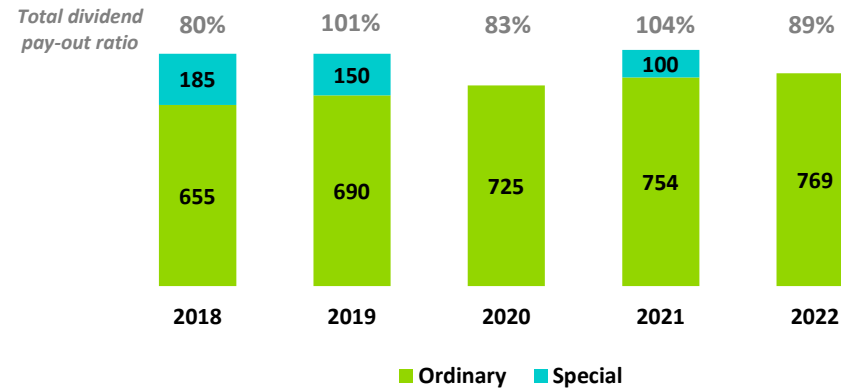
Capex (Rm) and Capex intensity (%)



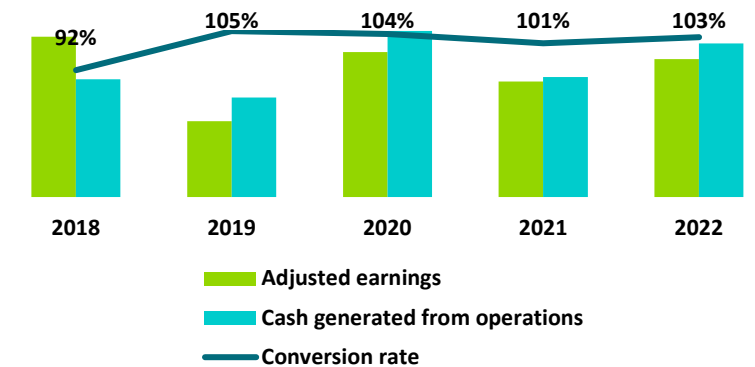
EPS (cents)



Dividend per share (cents)



Cash Conversion



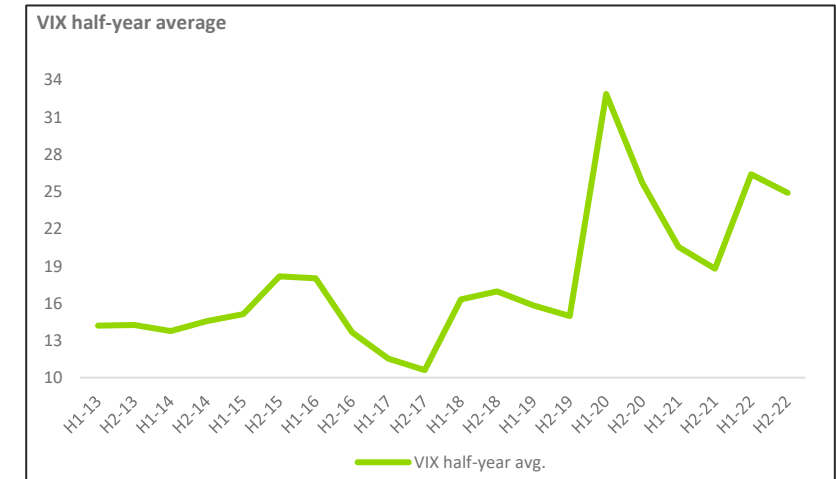
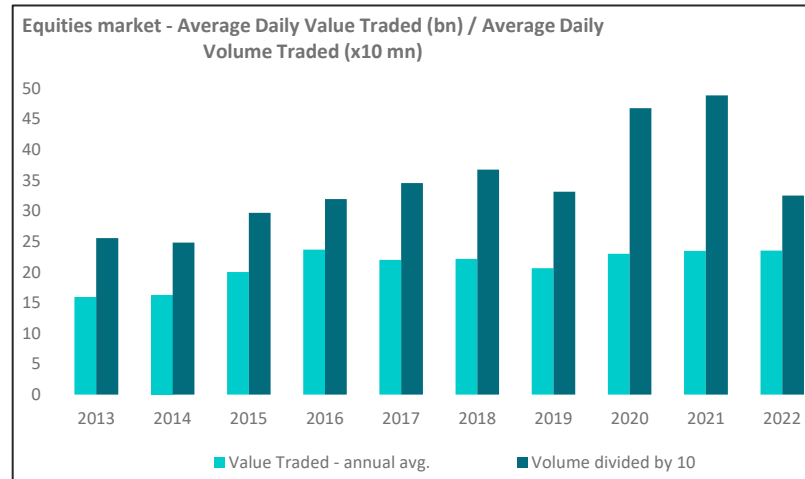
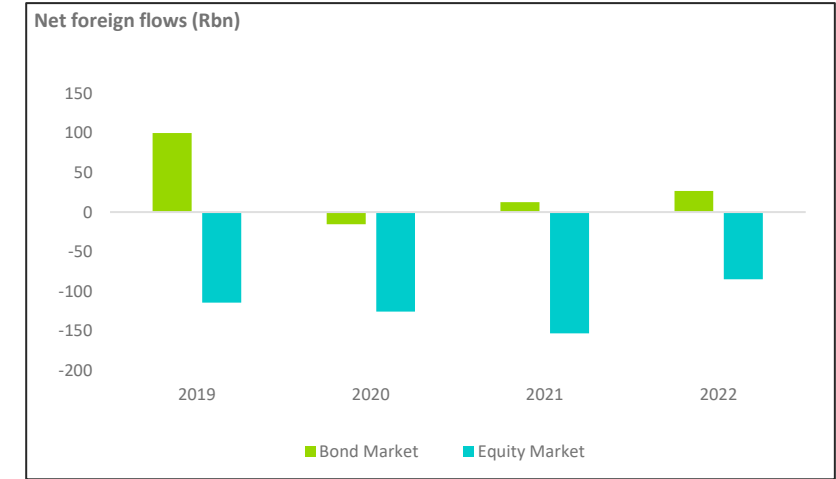
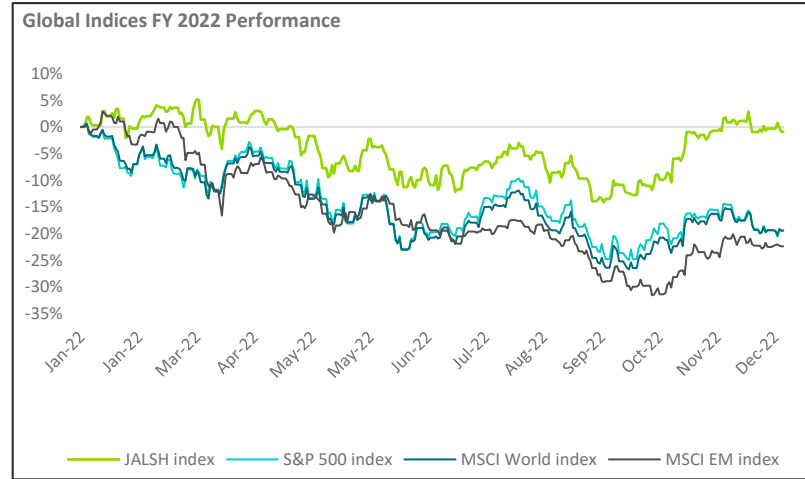
Diversified market structure and segments support performance

All Share index hits record high and ends the year ahead of major markets

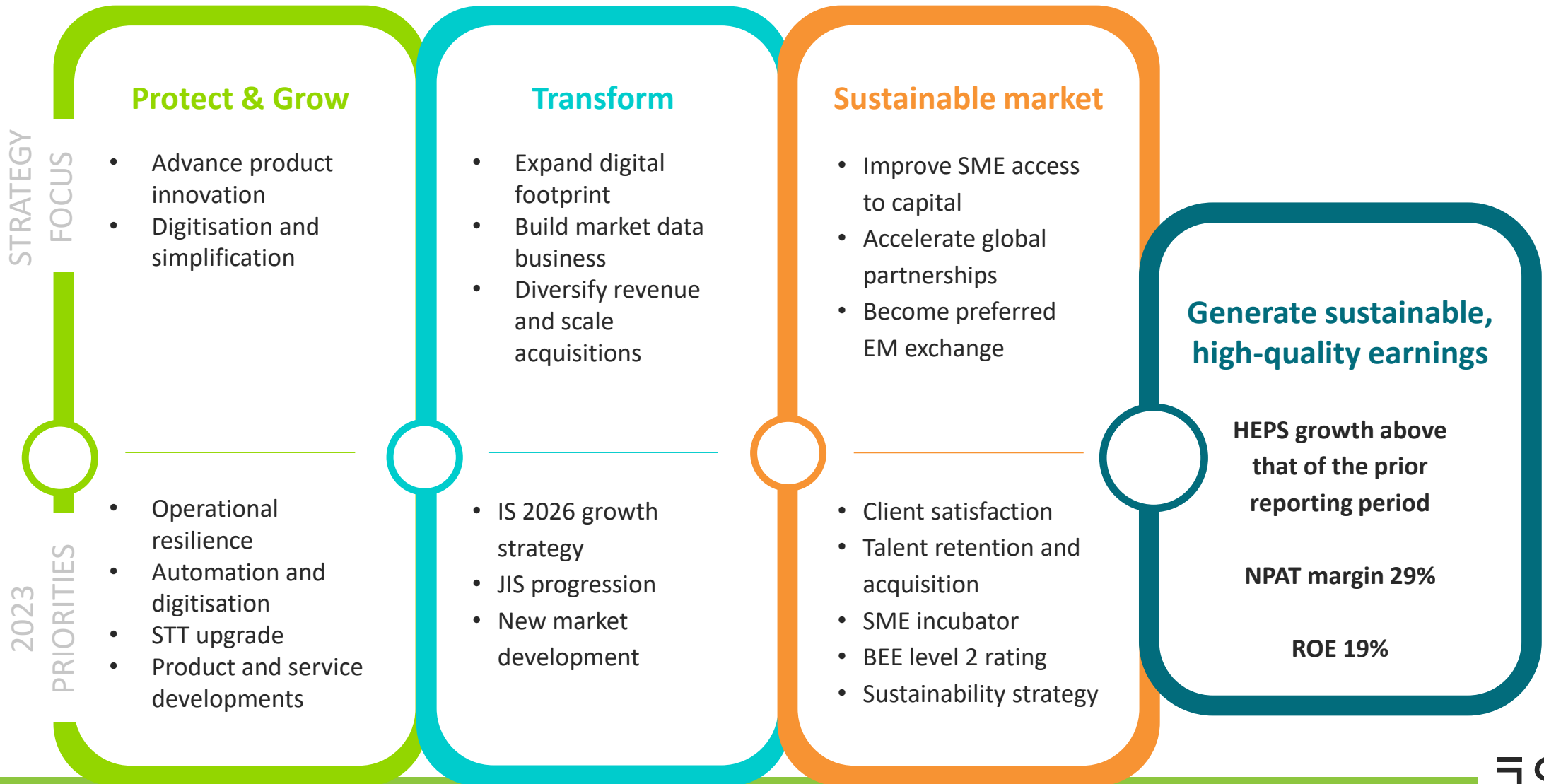
Lower volatility in H2 vs H1, although structurally higher than the previous 5 years

South Africa's weighting within FTSE emerging markets index moved from 3.88% (31 Dec 2021) to 4.20% (31 Dec 2022)

Moderation in net foreign outflows in equity market with continued net inflows in bond market



Strategic priorities geared towards maximising short-term opportunities and future proofing the business

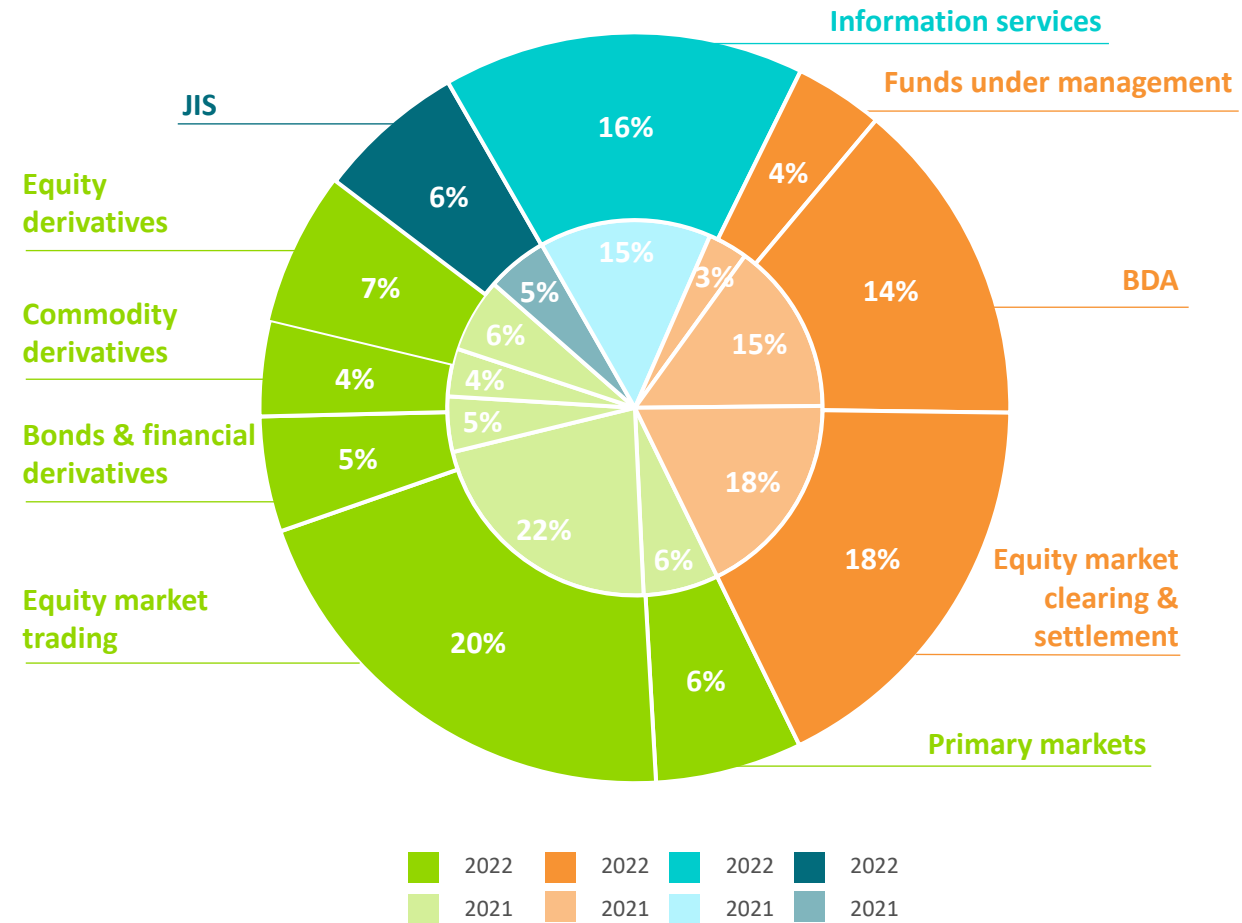


Business Segments



FY 2022 – Business segment breakdown

	2022 Revenue (Rm)	2021 Revenue (Rm)	% Growth YoY
Capital markets*	1 067	1 036	3%
Equity market: trading**	512	517	-1%
Equity derivatives	163	150	9%
Primary market	158	153	3%
Bonds & financial derivatives	124	113	10%
Commodity derivatives	103	97	6%
JIS	159	125	28%
Post-trade services	884	854	3%
Equity market: clearing & settlement	438	423	3%
BDA	351	351	0%
Funds under management	95	81	18%
Information services	388	350	11%

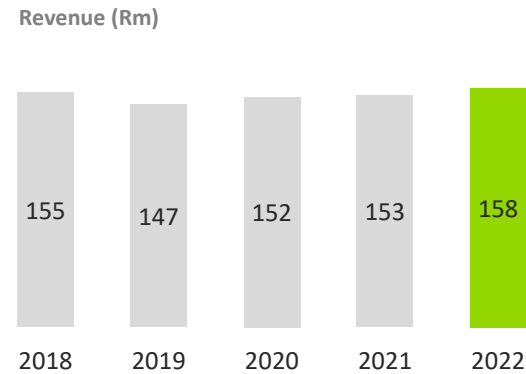


Figures contain rounding differences
 *Includes Issuer Services revenue (R7m) and JPP (R0.3m)
 **Includes colocation revenue

Capital Markets

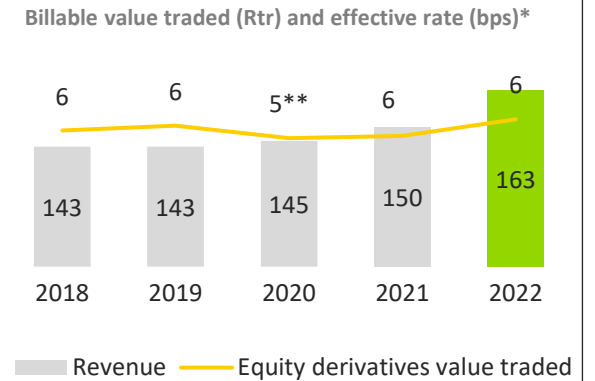
Primary market

Seeks new equity and debt listings on the JSE's Equity and Interest Rate Markets



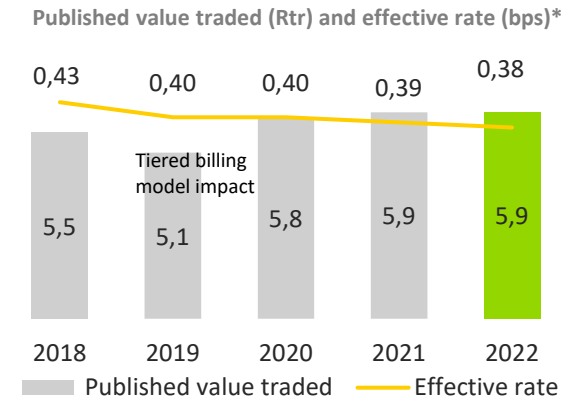
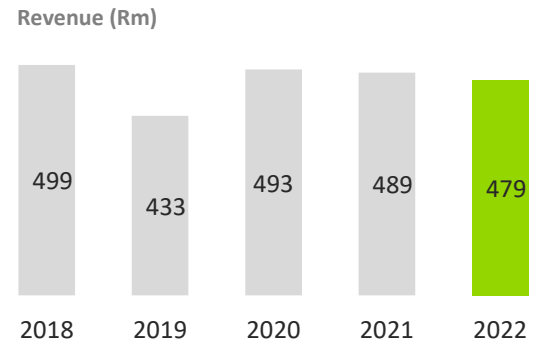
Equity derivatives

Includes index and single-stock futures and options, can-do futures and options, exchange-traded contracts for difference and other sophisticated derivative instruments



Equity market - trading

Products include primary and dual-listed ordinary shares, preference shares, depository receipts, REITs, SPACs, warrants, structured products, ETFs and ETNs



Secondary Market (SM): trading, colocation and client support services

*Effective rate: Revenue divided by billable value traded

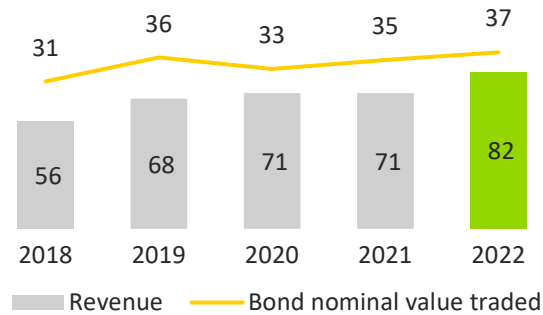
**Recalculation of statistics to obtain alignment between equity derivatives and currency derivatives markets

Capital Markets (continued)

Interest Rate Market

Provides cash bonds, floating rate notes, commercial paper and hybrid instruments, interest rate derivatives and a green bond segment

Interest Rate (Rm) and bond nominal value (Rtr)

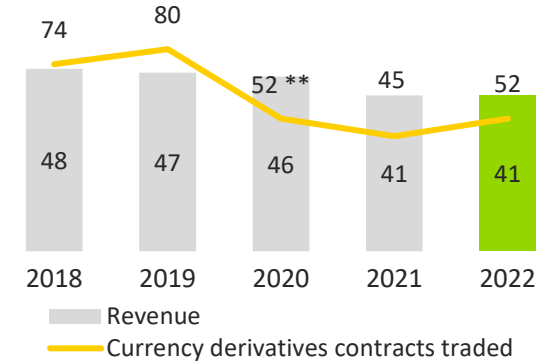


SM

Currency Derivatives

Offers derivative instruments on a range of currencies

Currency Derivatives (Rm) and contracts traded (m)

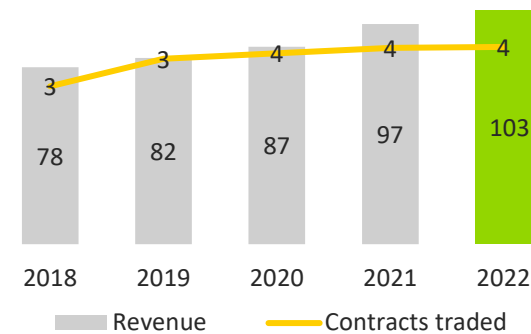


SM

Commodity Derivatives

Offers a range of cash-settled rand denominated derivatives on various local and international benchmark commodities, including softs, energy and various metals, as well as beef carcass, Mexican white maize, lamb carcass and wool futures contracts

Commodity Derivatives (Rm) and contracts traded (m)



SM

Secondary Market (SM): trading, colocation and client support services

*Effective rate: Revenue divided by billable value traded

**Recalculation of statistics to obtain alignment between equity derivatives and currency derivatives markets

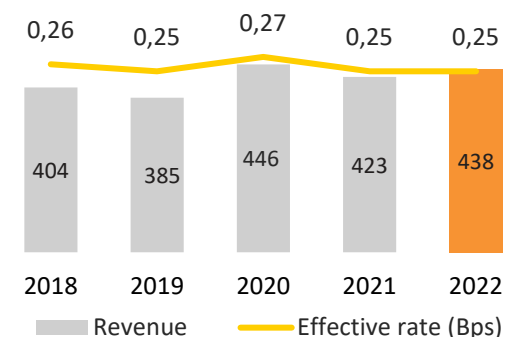
Post-Trade Services

Clearing & Settlement

The JSE acts as the settlement authority for the exchange-traded Equity Market and as the clearing house for the exchange-traded Derivatives Market (via the central counterparty (CCP), JSE Clear Proprietary Limited (JSE Clear)).

Comprehensive risk management framework provides accurate measurement, control and appropriate protection from all identifiable risks arising in the markets cleared (e.g. counterparty credit risk, credit contingent market risk and liquidity risk)

Clearing and Settlement* (Rm) and effective rate (bps)**

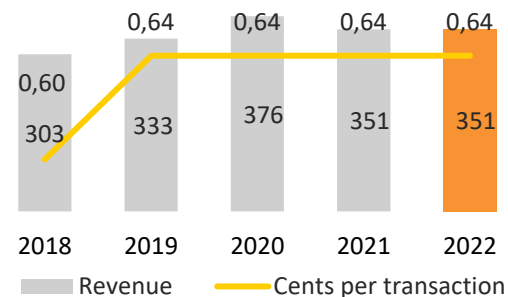


BDA (Broker Dealer Accounting)

For the Equity Market

BDA provides surveillance capabilities, allowing the JSE to see certain transactions to client level in real time. Equity members are mandated to use the system, which keeps the securities records and books of individual broking firms and their clients

Back-Office Services (Rm) and cents per transaction



Funds under Management

A management fee for funds under management for JSET (JSE Trustees, which includes both margin payments and default fund contributions, is currently charged

* Clearing & Settlement revenue only reflects equity market clearing fees

** Effective rate: revenue divided by billable value traded

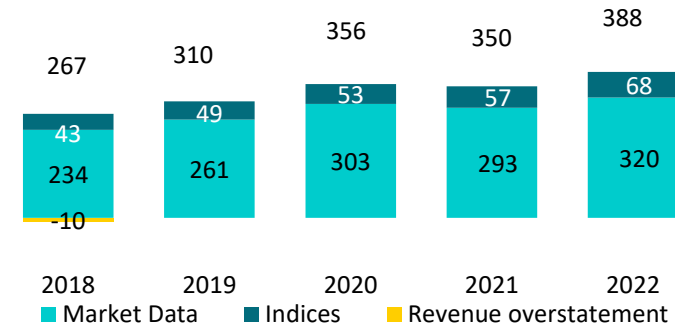
Information Services, JIS

Information Services

Provides market data, reference data, corporate actions, client data, indices, valuations, business intelligence and statistics.

Responsible for the promotion, licensing and sale of all JSE information products and services across all JSE markets, currently weighted towards the Equity Market.

Information Services (Rm)

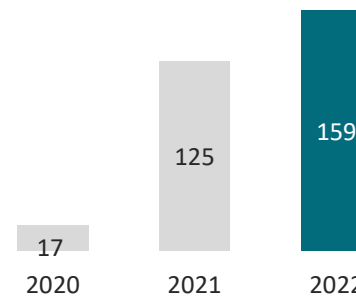


JIS

Acquired Link SA in November 2020, first full-year consolidation in 2021

Transfer secretarial services to issuers, including share register maintenance, issuer communication, managing corporate actions, share scheme management as well as a central securities depository participant offering.

JIS (Rm)

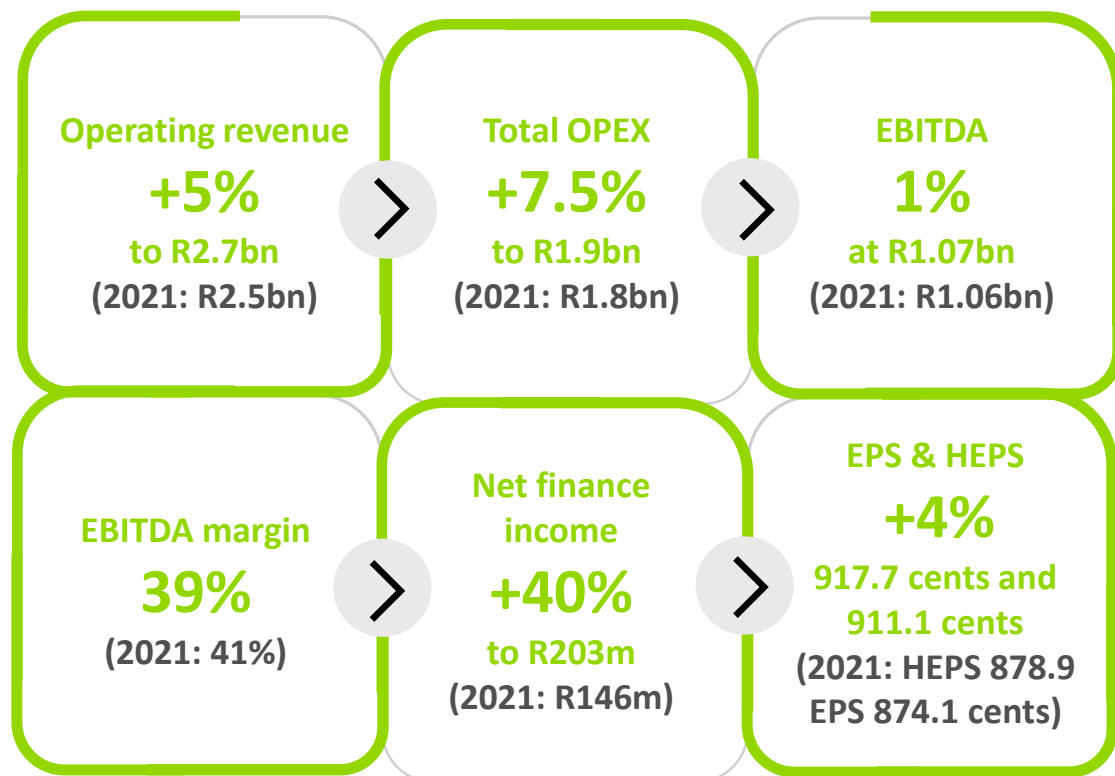


2023 Financial Review

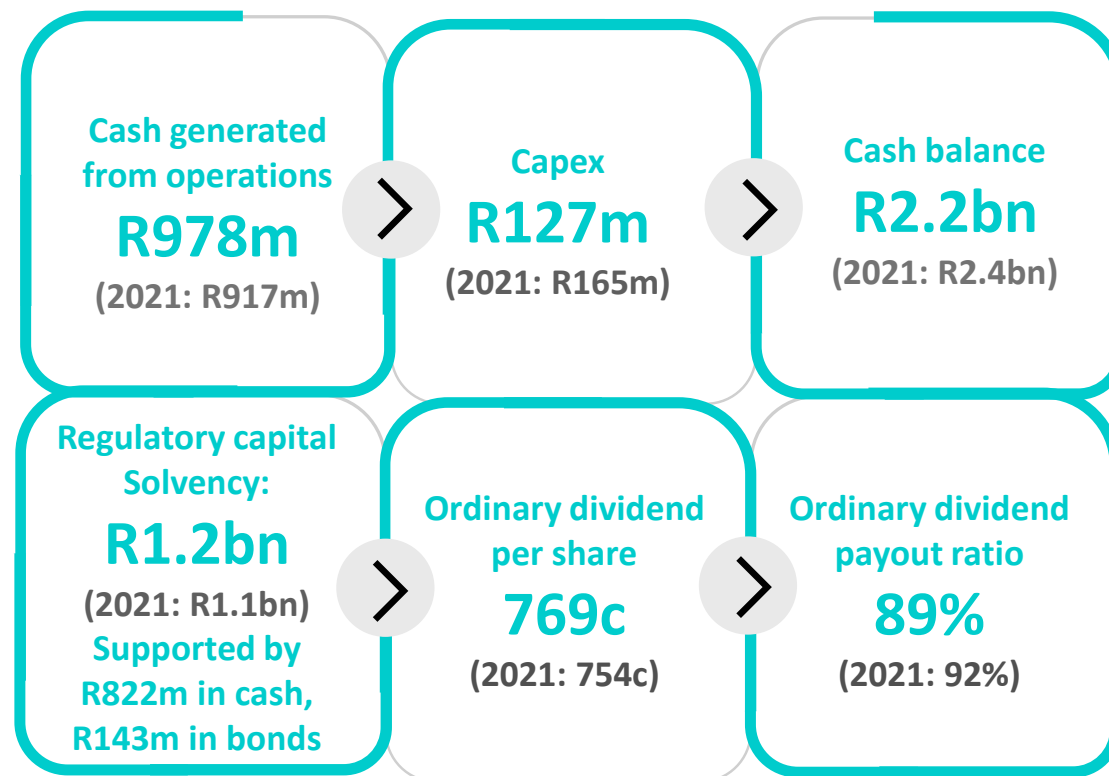


Key financial highlights

Profitability



Cash & capital allocation



OPEX growth reflects operating environment pressures across the board

Personnel costs up 7% (R43m) to R693m

- Gross remuneration increased due to annual salary adjustments and an increase in the average headcount (Share Plans business acquisition)

Technology costs up 2% (R8m) to R345m

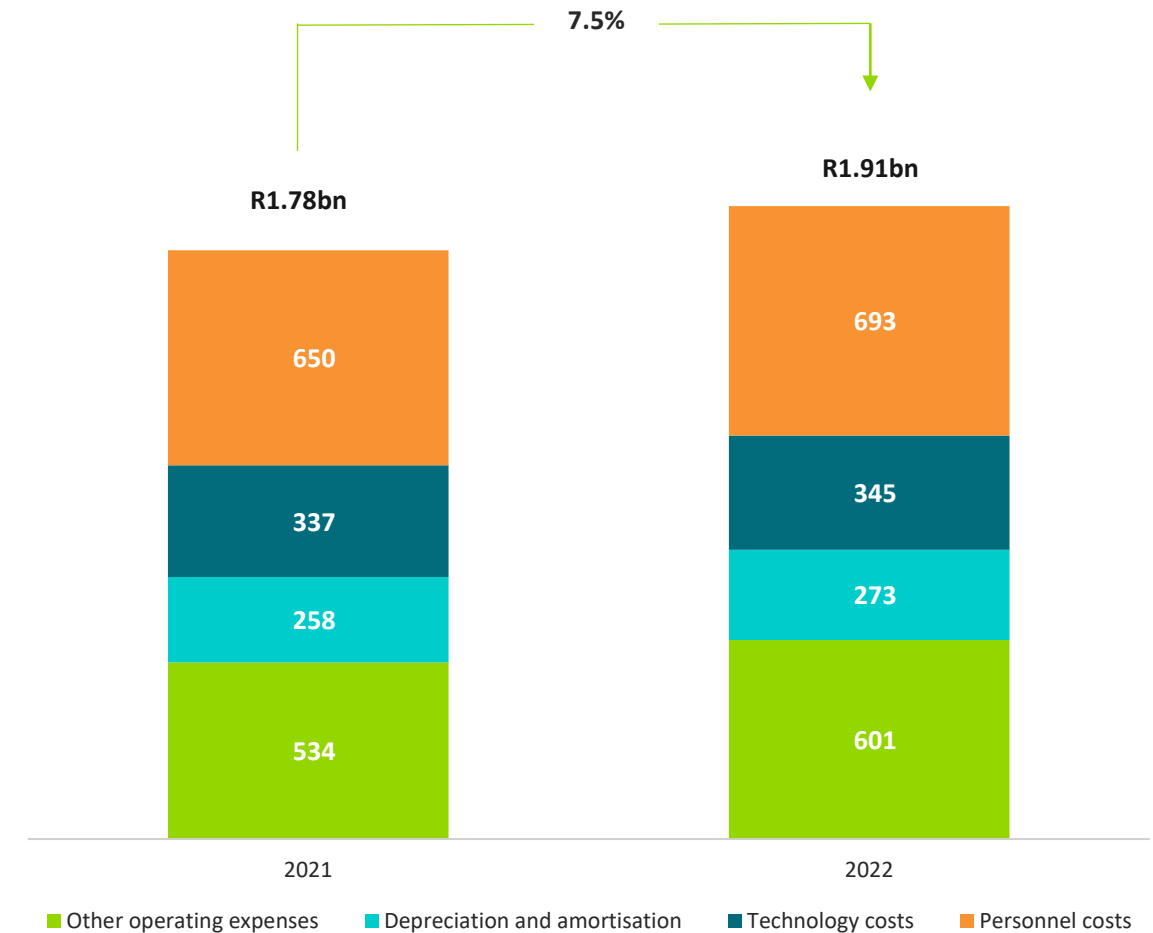
- New growth initiatives, includes JIS and JPP

Depreciation and amortisation up 6% (R16m) to R273m

- Accelerated depreciation on software licences owing to new solutions implemented
- Accelerated amortisation on leasehold improvements

Other operating expenses up 12% (R66m) to R601m

- Impact of operating environment pressures across the board, including an increase in building utilities (e.g., electricity and diesel)
- Low base effect owing to COVID-19
- Strategic initiatives and implementation costs
- JIS administration fees related to revenue generating activities
- Imposed regulatory related costs and compliance costs



Continued investments in operational resilience and growth

Investments made as planned in 2022:

Grow the Business

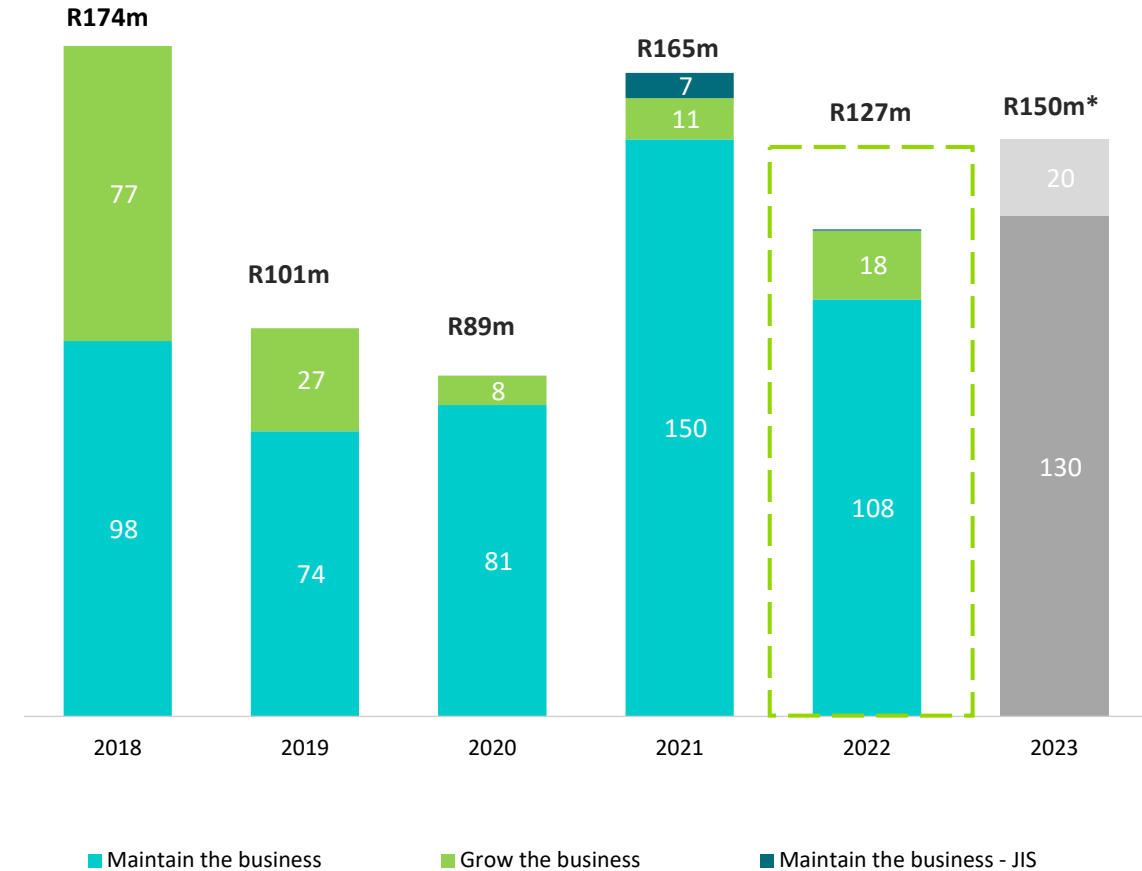
- Information Services growth strategy
- Securities collateral

Maintain the Business

- Rejuvenation of infrastructure and systems
- Regulatory enhancements
- Operational resilience
- Leasehold improvements

2023 CAPEX guidance: R130m – 150m*

- Information Services growth strategy
- Bond CCP
- Rejuvenation of infrastructure and systems maintenance
- Clearing enhancements
- Regulatory enhancements



*Lower range (R130m) | Higher range (R150m)

Soundly capitalised group

Investor protection & other funds (not distributable)

- JSE Derivatives Fidelity Fund
- JSE Guarantee Fund
- BESA Guarantee Fund
- JSE Empowerment Fund
- JSE Reserve Portfolio

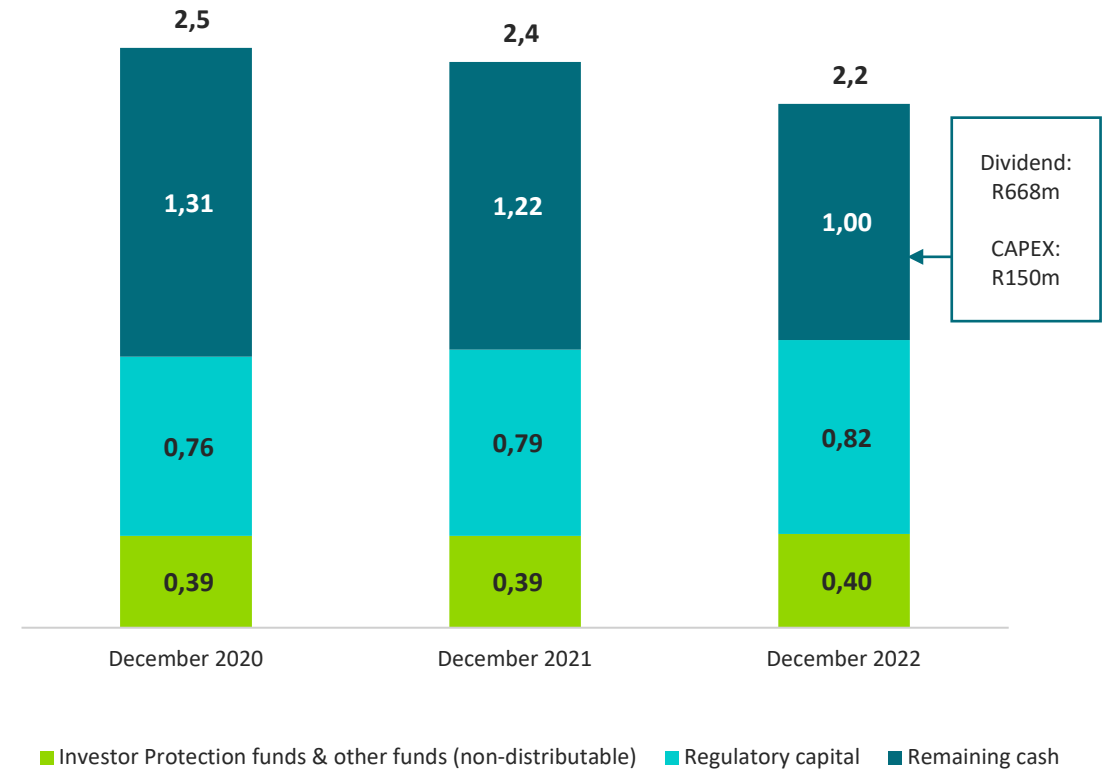
Regulatory capital (regulatory minimum)

- JSE Limited: 6 months OPEX held in cash and government bonds*
- R115m additional capital injection into JSE Clear, ICH**

Remaining cash balance

- CAPEX
- Return to shareholders through an ordinary dividend
- Other investment and working capital

Breakdown of cash balance (Rbn)***



*Not included in cash balance but R143m held in Bonds

**Independent Clearing House

***Disclosed from 2020

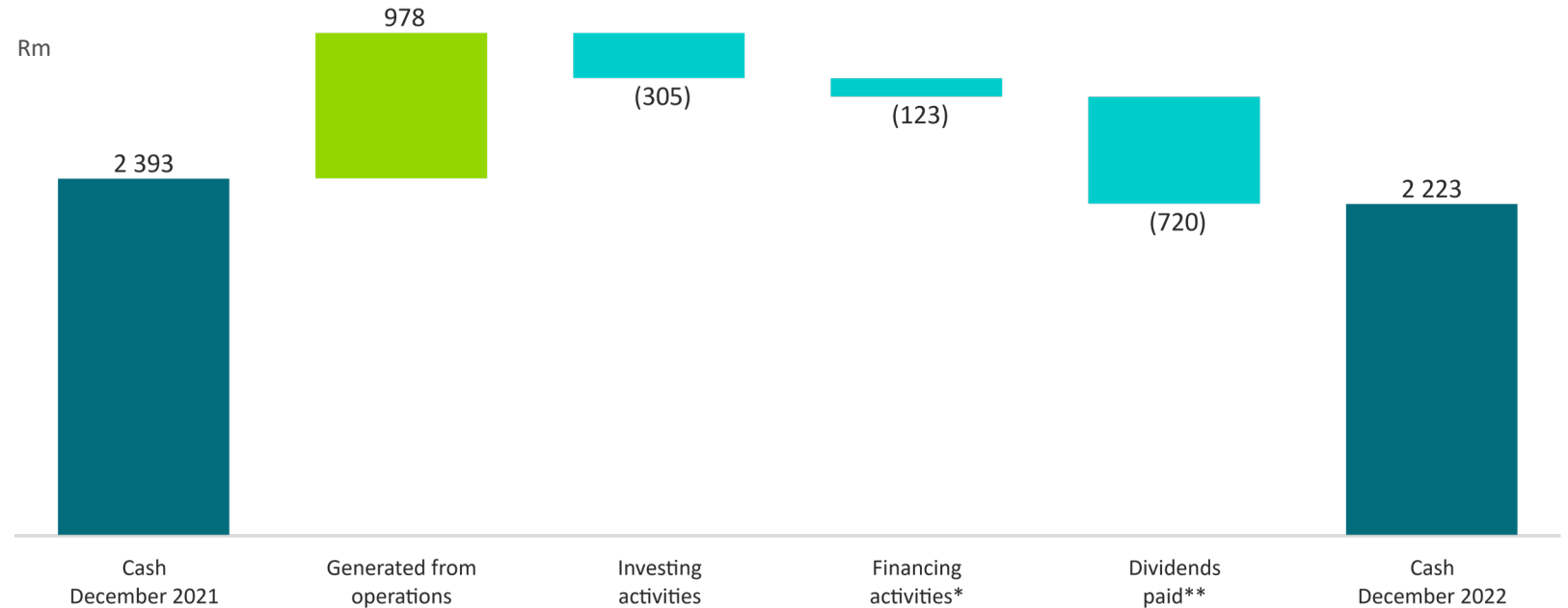
Strong balance sheet underpinned by healthy cash generation

Investing activities

- Largely intangible assets (including renewal of multi-year licences), plant and equipment
- Investment in government bonds

Financing activities

- Acquisition of treasury shares
- Lease liability repaid



* Including effect of exchange rate fluctuations on foreign-denominated cash and proceeds from sale of treasury shares |

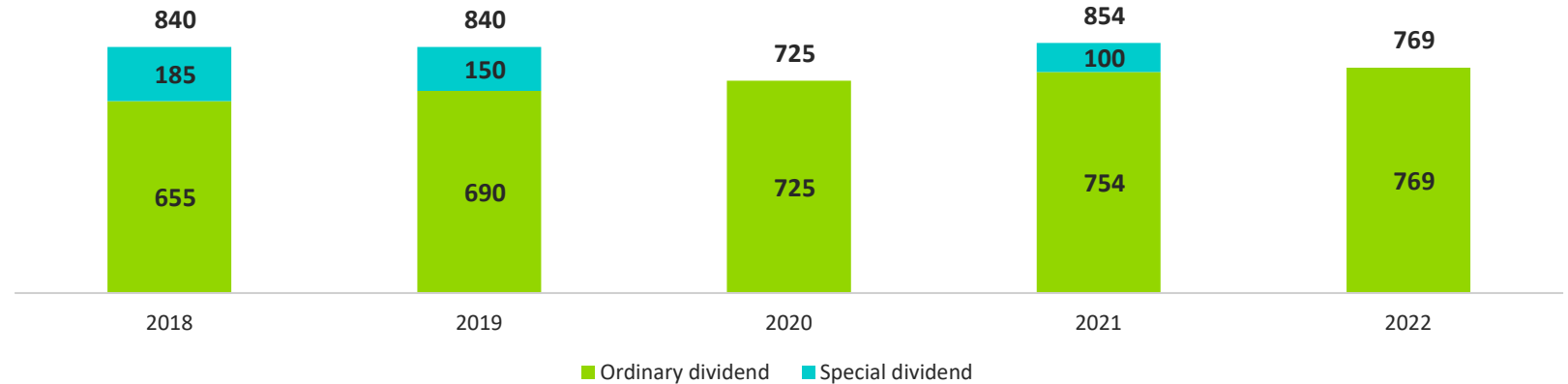
** Excluding dividend paid to JSE Empowerment Fund (JEF)

Ordinary dividend up 2%; Committed to maximising shareholder returns

Dividend policy

- Updated annual dividend policy from a progressive approach to a pay-out ratio (67% - 100% of earnings)

Dividend per share (cents)



	2018	2019	2020	2021	2022
Total ordinary dividend per share (cents)	655c	690c	725c	754c	769c
Total dividend (Rm)*	R730m	R730m	R630m	R741m	R668m
Ordinary dividend pay-out ratio	62%	87%	83%	92%	89%
Total dividend pay-out ratio	80%	101%	83%	104%	89%

* Includes dividends to JSE Empowerment fund

FY 2023 expectations

2023
guidance

OPEX growth



5% – 8%

CAPEX



R130m – R150m

Dividend



67% – 100% pay-out ratio

Summary

JSE Investment proposition



Appendix

Value generation profile across each segment

Business segment	Value generation
<p>Capital Markets</p>	<p>Listing services: Initial listing fee (% of the value of the stock listed for each issuance, following a tiered model) with a cap</p> <ul style="list-style-type: none"> - Ongoing annual listing fees post initial listing - Documentation fees <p>Trading services: Trading fee on transactions either as a % of billable value traded (tiered model) or per contract (certain derivatives only)</p> <ul style="list-style-type: none"> - Caps applied consistently & lower trading fees for on-screen trading (derivatives) - Additional fees for market access, connectivity, colocation and delivery (commodity derivatives)
<p>Post Trade Services</p>	<p>Equity & debt clearing/settlement: Clearing/Settlement fee as a % of each leg of a trade (capped)</p> <ul style="list-style-type: none"> - Margin for Cash Equity market is calculated at EOD T+1 in a T+3 settlement cycle <p>Derivatives clearing/settlement: Single fee for trading and clearing services. Explicit fee for clearing and settlement (charged by JSE Clear) will be introduced in the forthcoming months</p> <ul style="list-style-type: none"> - Margins posted by market participants are invested and generate net financial income for the JSE based on an interest consideration (below EBIT)

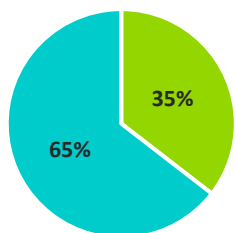
Value generation profile across each segment

Business segment	Value generation
Post Trade Services	<p>Funds under Management: Management fee (includes both margin payments and default fund contributions)</p> <p>BDA: Fee charged per transaction (tiered model), in connection with trade execution and accounting record keeping</p> <ul style="list-style-type: none"> - Remainder: fixed monthly fees
Information Services	<ul style="list-style-type: none"> - Selling data products across the JSE's markets and licensing the distribution and use of these data products - Licensing fees include end-user terminal fees, non-display use fees and fees for passively tracking products on indices
JSE Investor Services (JIS)	<p>Charges for:</p> <ul style="list-style-type: none"> - Registry services and share plan administration - Corporate actions and margin income - Shareholder analytics, financial management for trusts, asset reunification and director board applications

OPEX trends

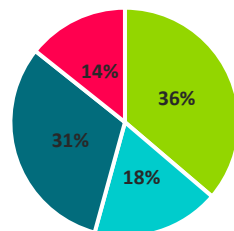
JSE cost structure (2021)

Total Expenses ¹



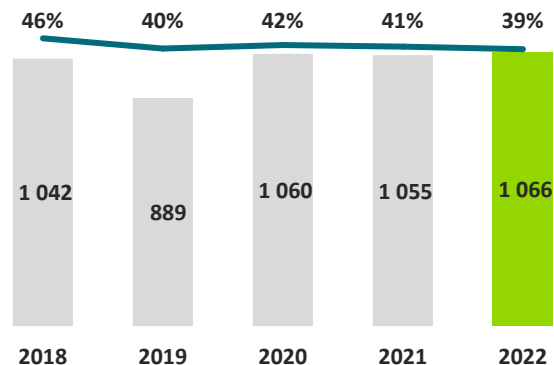
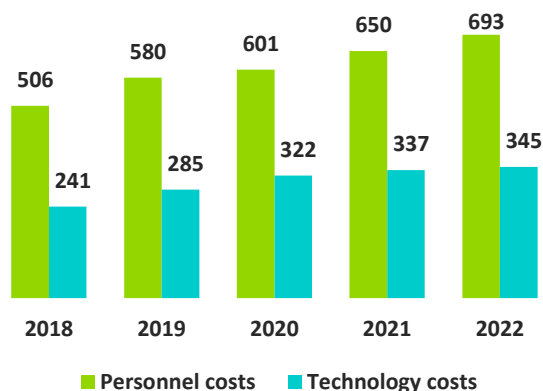
■ Operating ■ Non-operating

Operating Expenses



■ Personnel ■ Tech ■ General ■ D&A

OPEX trends (Rm) and EBITDA profile (% of revenue)



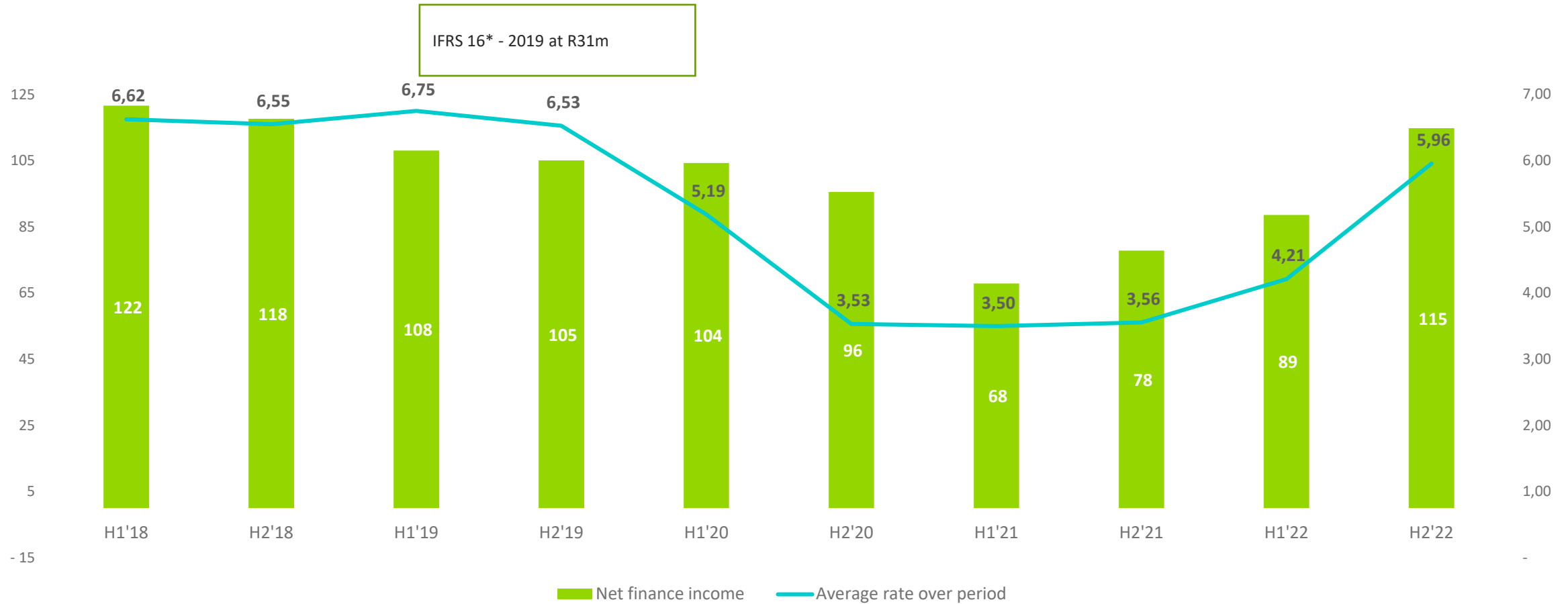
Key highlights

- Cost structure **predominantly driven by OPEX**:
 - OPEX base mainly fixed in nature
 - Variable expenses mostly linked to variable remuneration & non-recurring costs
- Personnel costs**: salaries benchmarked against local peers, average increases limited to inflation estimates
- Technology costs**: mainly contractual costs with annual inflationary increases; cybersecurity spend typically in excess of inflation
- Other operating expenses**: We manage general expenses through close cost monitoring, reporting and contract leveraging. Managing the cost growth trajectory remains a key priority.
- D&A**: linked to maintenance and growth CAPEX, profile is provided.
- Non-operating costs¹** comprising income tax expenses

Cost breakdown refers to 2021 figures. ¹Net Financial result (net positive) excluded from non-operating costs - relates to costs on margin and collateral deposits predominantly in derivatives

Evolution of interest rates and impact on JSE's net finance income

SARB's repo rate (%) and JSE half-year net finance income (Rm): 2018 – 2022



*Accounting for leases. | Average repo rates based on monthly weighting. Full data available at <https://www.resbank.co.za/en/home/what-we-do/statistics/key-statistics/selected-historical-rates>

Thank You

