JSE Limited
2020 Year-End Results
26 February 2021
Agenda

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Key Highlights
Business resilience and flexibility in a uniquely challenging year

- Strong business resilience and continuity against unprecedented challenges
- Revenue growth largely driven by heightened market volatility in the COVID context
- Sustained double digit revenue growth in Information Services
- Successfully completed Link acquisition and first steps of our inorganic growth strategy
- Positive operating leverage and continued OPEX investments to drive growth and IT robustness
- Sustained earnings quality and cash generation - a key component of JSE’s business model
- CAPEX supporting operational resilience and preserving balance sheet liquidity
- Balance sheet strength underpins ordinary dividend increase and growth agenda
  Dividend policy: a pay-out ratio of 67% - 100% of current earnings
Sound financial performance underpinned by operational resilience

- **Revenue**: +13% to R2.5bn
- **EBITDA**: +19% to R1.06bn
- **OPEX**: +11% to R1.72bn
- **CAPEX**: R89m
- **Revenue**: +13% to R2.5bn
- **EBITDA**: +19% to R1.06bn
- **OPEX**: +11% to R1.72bn
- **CAPEX**: R89m

- **Ordinary dividend per share**: 725c (83% pay-out ratio*)
- **Cash generated from operations**: +14%
- **EPS & HEPS**: +15% to 936.7 cents
- **EBIT margin**: 32% (up 1% point YoY)

*On distributable earnings
Highly cash generative business model

*Adjusted earnings have been adjusted for non-cash items (depreciation, amortisation, forex profit/loss, impairments, goodwill write-down)
Significant swings in level of market activity through the course of the year

- Published ADV growth
- Billable ADV growth
- All Share Index

ADV: YOY movements
ALSI: Month-on-Month movements
Billable value traded includes all reported trades
A trusted market place within an uncertain operating environment

- Collaborated with 38 market participants to donate trading revenues earned over two days across all asset classes to the Solidarity Fund
- Board members and employees contributed a portion of the director emoluments and salaries respectively to the Solidarity Fund
- Collaborated with Business Leadership South Africa (BLSA) to support the provision of social outreach

- Enhanced regulatory support across all markets
- Provided support for distressed companies
- Offered fee reductions for trading, clearing, and settlement in companies listed on the JSE Alt-X and BEE boards
- Offered a reduction in listing fees for small cap and Alt-X companies
- Offered BEE broker support

- 99.95% Market availability (2019: 99.76%)
- Zero Equity Market system downtime
- Effective management of short positions
- Responsive and timely changes to our Listings Requirements
- Successfully implemented remote working protocols
- Significant investments in cybersecurity

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Maintained focus on progressing operational and strategic objectives for 2020

- **April**: Launched digital annual general meeting solution for issuers and virtual training.
- **May**: Initiated moves to the JSE reference data platform onto the new platform for cash bond data.
- **June**: Introduced the sustainability segment.
- **July**: Introduced a neutral parental leave policy for all employees.
- **August**: Delivered upgrades to our core trading platform.
- **September**: Completed acquisition of Link Market Services SA (now 'JSE Investor Services').
- **October**: Won the Business of The Year Award at the 19th Annual Standard Bank Top Women awards ceremony.
- **November**: Entered into a transaction with Globacap to progress digital private placements platform and registry services.
- **December**: Finalised the ICH** application for submission pending the release of the final application forms by the regulator.

**Capital Markets**
- Accepted the LSE standard listings requirements for admission to a secondary inward listing on the JSE.
- Enhanced the listed Jibar futures product.
- Debt Listings Requirements amendments approved.
- Completed acquisition of Link Market Services SA (now 'JSE Investor Services').
- Agreement with CIIS* to provide select JSE market data access to local distributors in Mainland China.

**Post Trade Services**
- Improved customer satisfaction and Net Promoter Score (NPS).
- Debt Listings Requirements amendments approved.
- Completed acquisition of Link Market Services SA (now 'JSE Investor Services').
- Agreement with CIIS* to provide select JSE market data access to local distributors in Mainland China.

**Information Services**
- Upgraded BDA software.
- Accepted the LSE standard listings requirements for admission to a secondary inward listing on the JSE.
- Enhanced the listed Jibar futures product.
- Debt Listings Requirements amendments approved.
- Completed acquisition of Link Market Services SA (now 'JSE Investor Services').
- Agreement with CIIS* to provide select JSE market data access to local distributors in Mainland China.

**Group-wide initiative**
- Launched digital annual general meeting solution for issuers and virtual training.
- Introduced the sustainability segment.
- Delivered upgrades to our core trading platform.
- Completed acquisition of Link Market Services SA (now 'JSE Investor Services').
- Agreement with CIIS* to provide select JSE market data access to local distributors in Mainland China.

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*China Investment Information Services Limited (CIIS)  **Independent Clearing House*
Business Review
Positive performance across all segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>Contribution</th>
<th>YoY rev. growth</th>
<th>Key drivers</th>
</tr>
</thead>
</table>
| CAPITAL MARKETS          |              | +7%             | Strong growth driven primarily by greater equity market activity, despite activity driver contraction in some markets:  
  ▪ Equity Market +14% (+R60m)  
  ▪ Bonds and Financial Derivatives +2% (+R3m)  
  ▪ Primary Markets +3% (+R5m)  
  ▪ Commodity Derivatives +7% (+R5m)                                                                                                          |
| POST-TRADE SERVICES      |              | +14%            | Capitalising on heightened transaction volumes and billable value traded in the Equity Market with more central order book activity:  
  ▪ Clearing and Settlement +16% (+R61m)  
  ▪ Back-Office Services (BDA) +13% (+R43m)  
  ▪ Funds under management +9% (+R6m)                                                                                                           |
| INFORMATION SERVICES     |              | +15%            | Sustained double-digit growth driven by new business, price increases and FX gains (+46m)                                                                                                                 |
2020 Market activity drivers

- **Corporate actions** – no new listings

- **Published trading statistics**
  - Bond nominal value traded: -7% (2019: +16%)
  - Equity transactions: +21% (2019: +10%)
  - Currency derivatives number of contracts traded: -8% (2019: -7%)
  - Billable equity value traded**: +7% (2019: -2%)
  - Equity derivatives value traded: -7% (2019: +2%)
  - Commodity derivatives number of contracts traded: Flat (2019: +2%)
  - Interest rate derivatives number of contracts traded: +14% (2019: -6%)

*Corporate actions – no new listings

**Published trading statistics +13% (2019: -7%) published ADV +11% to R23bn (2019: R21bn)
Billable ADV +5% to R28bn (2019: R27bn)
Fewer IPOs in 2020 owing to uncertain market conditions

- Fewer IPOs in 2020 owing to uncertain market conditions. There was new equity capital raised in the secondary market of R67bn (2019: R36bn)
  - 4 new company listings (2019: 5)
  - 20 company de-listings (2019: 24) largely in the small to mid-cap space. However aggregate market capitalization growth was 2% YoY
  - 566 new bond listings (2019:710), nominal value R3.3tr (2019: R3.1tr)
  - 5 new ETFs (2019: 6)
  - 40 new ETNs (2019: 5)
  - 241 new warrants and structured products (2019: 293)
  - One new green bond listing (Total: 11)

Note: Revenue % changes calculated on unrounded figures
Equity volumes boosted by H1 volatility

Equity market revenue (Rm)

<table>
<thead>
<tr>
<th>Year</th>
<th>Billable Value Traded (Rtr)</th>
<th>Effective Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>555</td>
<td>7.01</td>
</tr>
<tr>
<td>2017</td>
<td>503</td>
<td>6.74</td>
</tr>
<tr>
<td>2018</td>
<td>499</td>
<td>6.76</td>
</tr>
<tr>
<td>2019</td>
<td>433</td>
<td>6.61</td>
</tr>
<tr>
<td>2020</td>
<td>493</td>
<td>7.07</td>
</tr>
</tbody>
</table>

Revenue +14% YoY largely owing to an increase in billable value traded and more central order book activity resulting in higher effective pricing

- Volatility peaked in H1 2020, followed by mixed performance in H2
  - Increase in billable value traded (+7%)
  - Increase in number of transactions / deals, but lower average size
- Foreigners remained net sellers of equities
- Colocation activity contributed 50% to overall value traded (2019: 42%), with 40 racks (2019: 32)

*Effective rate: Revenue divided billable value traded

Note: Revenue % changes calculated on unrounded figures
Resilient revenue despite lower market activity

**Equity derivatives revenue (Rm) and value traded (Rtr)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Equity derivatives value traded</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>6.9</td>
<td>177</td>
</tr>
<tr>
<td>2017</td>
<td>6.2</td>
<td>170</td>
</tr>
<tr>
<td>2018</td>
<td>6.0</td>
<td>143</td>
</tr>
<tr>
<td>2019</td>
<td>6.2</td>
<td>143</td>
</tr>
<tr>
<td>2020</td>
<td>5.8</td>
<td>145</td>
</tr>
</tbody>
</table>

**Revenue +2% YoY to R262m**

Equity derivatives revenue +1% largely owing to increased activity and a more diverse product mix

- Value traded -7% to R5.8tr
- Revenue growth due to higher transactions in index futures, growth in international derivatives and exotic products
- Reduced trading fees and introduced trade caps on SSFs; and introduced a maker-taker pricing model for index options and SSF options in January 2020 to encourage liquidity and volumes

**Bond and Interest rate market revenue +4% largely owing to a product mix change**

- Bond nominal value down -7% to R33tr
- Standard trades increased
- Bond repos saw a shift away from longer-dated positions
- Foreigner remain net sellers of bonds

**Currency derivatives revenue -3% largely owing to a decrease in contracts traded**

- Contracts traded -8%
- Bid-offer spreads in the currency market were 40-50% higher in March 2020. While this has started to normalise, volatility in the rand has contributed to erratic trading activity where a large portion of the trade is linked to hedging activity in the Equity Market
Limited disruption from COVID-19 on South Africa’s agricultural sector

Revenue +7% YoY largely owing to an increase in annual pricing and product mix

- Number of contracts traded flat YoY at 3.5m (2019: 2%)
- COVID-19 impact mitigated due to export-orientated nature of the sector
- A cash settled diesel contract expected to go live in 2021

Note: Revenue % changes calculated on unrounded figures
Growth driven by higher equity market activity

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Effective Rate (bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>413</td>
<td>0.27</td>
</tr>
<tr>
<td>2017</td>
<td>384</td>
<td>0.25</td>
</tr>
<tr>
<td>2018</td>
<td>404</td>
<td>0.26</td>
</tr>
<tr>
<td>2019</td>
<td>385</td>
<td>0.25</td>
</tr>
<tr>
<td>2020</td>
<td>446</td>
<td>0.27</td>
</tr>
</tbody>
</table>

Note: Reflects only Equity Market clearing fees. Revenue % changes calculated on unrounded figures

Clearing & Settlement revenue +16% YoY largely owing to an increase in value traded and more central order book activity resulting in higher effective pricing

- Value traded +7% to R7.1tr
- JSE Clear to transition to an Independent Clearing House by 2022

Back-office services revenue +13% YoY largely owing to an increase in transactions coupled with smaller transaction sizes

- Number of equity transactions +21% to R92m
- Around 20% of BDA revenue not directly linked to transactions (dissemination and reports)
- BDA operating system upgraded in preparation for the migration of the mainframe to the JSE data centre; Set to be finalised in 2021

Funds under management +9% YoY to R82m largely owing to growth in JSE Trustees cash balances

Back-office services revenue (Rm) and cents per transaction (cents)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Cents per transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>316</td>
<td>65</td>
</tr>
<tr>
<td>2017</td>
<td>292</td>
<td>60</td>
</tr>
<tr>
<td>2018</td>
<td>303</td>
<td>60</td>
</tr>
<tr>
<td>2019</td>
<td>333</td>
<td>64</td>
</tr>
<tr>
<td>2020</td>
<td>376</td>
<td>64</td>
</tr>
</tbody>
</table>

Note: Revenue % changes calculated on unrounded figures

*Effective rate: revenue divided by billable value traded
Strong revenue growth driven by FX impact, pricing and new business

Revenue +15% YoY largely owing to annual price increases, foreign exchange gains on USD-denominated revenue and new business

- Market data products: 24 new clients signed up
- Launched FTSE/JSE fixed income indices
- Launched new data pricing structure for retail brokers
- Completed the implementation of the new reference data platform for the cash bond market
- Entered into agreement with China Investment Information Services Limited (CIIS) to provide select JSE market data access to local distributors in mainland China

Note: Revenue % changes calculated on unrounded figures
Financial Review
Robust performance with positive operating leverage, strong cash generation and progressive ordinary dividend dividend

### Trading & Profitability

<table>
<thead>
<tr>
<th>Metric</th>
<th>Change</th>
<th>Amount</th>
<th>2019 Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>+13%</td>
<td>R2.5bn</td>
<td>R2.2bn</td>
</tr>
<tr>
<td>Total OPEX</td>
<td>+11%</td>
<td>R1.7bn</td>
<td>R1.5bn</td>
</tr>
<tr>
<td>Personnel expenses *</td>
<td>+4%</td>
<td>R601m</td>
<td>R580m</td>
</tr>
<tr>
<td>EBITDA</td>
<td>+19%</td>
<td>R1.06bn</td>
<td>R889m</td>
</tr>
<tr>
<td>HEPS &amp; EPS</td>
<td>+15%</td>
<td>936.7 cents</td>
<td>814.6 cents</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>+1pt</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>ROE</td>
<td>+1pt</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>+1pt</td>
<td>32%</td>
<td>31%</td>
</tr>
</tbody>
</table>

### Cash & Capital allocation

<table>
<thead>
<tr>
<th>Metric</th>
<th>Change</th>
<th>Amount</th>
<th>2019 Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash generated from operations</td>
<td>+14%</td>
<td>R1.03bn</td>
<td>R880m</td>
</tr>
<tr>
<td>Operating cash conversion ratio**</td>
<td></td>
<td>104%</td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td></td>
<td>R89m</td>
<td></td>
</tr>
<tr>
<td>Cash &amp; cash equivalents at end Dec 2020</td>
<td></td>
<td>R2.5bn</td>
<td>R2.6bn</td>
</tr>
<tr>
<td>Ordinary dividend per share</td>
<td>+5%</td>
<td>725 cents</td>
<td>690 cents</td>
</tr>
<tr>
<td>Ordinary dividend payout ratio***</td>
<td></td>
<td>83%</td>
<td></td>
</tr>
</tbody>
</table>

*Growth includes 1% JSE Investor Services as per statutory financials

**Cash conversion ratio defined as cash generated from operations reported to adjusted earnings

***On distributable earnings
### Positive operating leverage supporting earnings growth

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2 446</td>
<td>2 187</td>
<td>12%</td>
</tr>
<tr>
<td>Other income</td>
<td>82</td>
<td>41</td>
<td>98%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>2 528</strong></td>
<td><strong>2 229</strong></td>
<td><strong>13%</strong></td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>601</td>
<td>580</td>
<td>4%</td>
</tr>
<tr>
<td>Other expenses</td>
<td>1 117</td>
<td>961</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>1 718</strong></td>
<td><strong>1 541</strong></td>
<td><strong>11%</strong></td>
</tr>
<tr>
<td>EBIT</td>
<td>811</td>
<td>687</td>
<td>18%</td>
</tr>
<tr>
<td>EBIT %</td>
<td>32%</td>
<td>31%</td>
<td>1pt</td>
</tr>
<tr>
<td>Net finance income</td>
<td>200</td>
<td>213</td>
<td>-6%</td>
</tr>
<tr>
<td>Share of profit from associate</td>
<td>54</td>
<td>48</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Profit before income tax</strong></td>
<td><strong>1 065</strong></td>
<td><strong>948</strong></td>
<td><strong>12%</strong></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>283</td>
<td>248</td>
<td>14%</td>
</tr>
<tr>
<td>Profit for the year from continuing operations</td>
<td>781</td>
<td>700</td>
<td>12%</td>
</tr>
<tr>
<td>Loss after tax for the year from discontinued operations</td>
<td>3</td>
<td>5</td>
<td>-42%</td>
</tr>
<tr>
<td>NPAT before non-controlling interest</td>
<td>779</td>
<td>695</td>
<td>12%</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>0.3</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td><strong>NPAT attributable to JSE Group</strong></td>
<td><strong>778</strong></td>
<td><strong>695</strong></td>
<td><strong>12%</strong></td>
</tr>
<tr>
<td>NPAT %</td>
<td>31%</td>
<td>31%</td>
<td>0pt</td>
</tr>
<tr>
<td>EPS (cents)</td>
<td>936.7</td>
<td>814.8</td>
<td>15%</td>
</tr>
<tr>
<td>HEPS (cents)</td>
<td>936.7</td>
<td>814.6</td>
<td>15%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1 060</td>
<td>889</td>
<td>19%</td>
</tr>
</tbody>
</table>

- Total revenue including a net increase in realised forex profits as well as regulatory fines
- EBIT margin up 1% point due to positive operating leverage impact - mainly in H1 2020
- Lower net finance income owing to the lower yields on JSE cash balances partially offset by growth in margin deposits from JSE Clear
- NPAT: The growth in distributable earnings is up 10% (excluding regulatory fines and investor protection funds)
Effective pricing trend across the equity market value chain

Trading fee: Equity Market (bps)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.39</td>
<td>0.36</td>
<td>0.32</td>
<td>0.31</td>
<td>0.33</td>
</tr>
</tbody>
</table>

Equity Market Clearing and Settlement (bps)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.27</td>
<td>0.25</td>
<td>0.26</td>
<td>0.25</td>
<td>0.27</td>
</tr>
</tbody>
</table>

BDA fees (cents per transaction)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>65</td>
<td>60</td>
<td>60</td>
<td>64</td>
<td>64</td>
</tr>
</tbody>
</table>
2020 revenue mix

- Primary Markets: 7% (2019: 7%)
- Equity Market Trading: 22% (2019: 22%)
- Back-Office Services (BDA): 16% (2019: 15%)
- Equity Clearing and Settlement: 19% (2019: 19%)
- Bonds and Financial Derivatives: 11% (2019: 13%)
- Issuer Services: 0% (2019: 1%)
- Commodity Derivatives: 4% (2019: 4%)
- Information Services: 15% (2019: 15%)
- JSE Investor Services: 1% (2019: 0%)
- Funds Under Management: 4% (2019: 4%)

Note: Figures contain rounding differences
Cost growth primarily driven by IT robustness and growth initiatives

- ITaC annualised impact
- Trading system and other technology licences capitalised as intangible assets
- +3%
- +2%
- +2%
- +1%
- +11%
- +8%
- 45
- 25
- 27
- 28
- Salary and bonuses
- Risk including cyber security
- Infrastructure and support for trading engine upgrade and mainframe migration
- Offset by lower net contractor spend and capitalisation of new software licences

- JSE Investor Services
- JSE Empowerment Fund Trust
- Transaction cost growth relating to inorganic initiatives (2019: R6m)
- Annualised impact of net Covid related costs including BDA mainframe migration delay, (2020) executive changes (2019 and 2020)
- +2%
- 26
- 23
- 2
- 1,541
- 1,666
- 1,718

Note: Figures contain rounding differences
Operating expenditure for growth and robustness

Personnel costs
- Gross remuneration ↑ R18m or 4% to R435m (2019: R418m)
- Average headcount at 402 (2019: 395) and Dec 2020 headcount at 406 (2019: 392)
- Executive changes (LTIS/retention/other) ↓ R20m
- Discretionary bonus of R76m (9.7% of NPAT) (2019: R64m or 9.2% of NPAT)

Technology costs
- Increased spend on risk including cyber security ↑ R21m to R35m (2019: R14m)
- Increased BDA costs ↑ R15m largely due to the mainframe migration including parallel costs due to Covid-19 impact on project timing
- Project-related infrastructure and support cost for the trading engine upgrade, mainframe migration, and first FY impact of ITaC support and maintenance ↑ R24m

Depreciation and amortisation
- First FY impact of ITaC amortisation of R22m
- R25m impact of reclassification of software licences, capitalised as intangible assets, and trading platform upgrade R5m

General expenses
- Transaction costs of R29m for JSE Investor Services (JIS) and Globacap (2019: R6m)
- Strate ad valorem fees, SWIFT charges and clearing and settlement fees +R16m

JEF costs R11m for bursaries awarded to trust recipients partially offset by net finance income

JIS costs at R15m (first time consolidation): Largely personnel expenses, general expenses and amortisation of intangible assets

*Note: Figures contain rounding differences – breakdown of the elements above unpack detail therefore differ from the statutory view owing to JSE Investor Services and JSE Empowerment Fund Trust
Multi-year depreciation profile

- **Existing assets**
- **Licenses capitalised as Intangibles**

<table>
<thead>
<tr>
<th>Year</th>
<th>2018A</th>
<th>2019A</th>
<th>2020A</th>
<th>2021F</th>
<th>2022F</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITaC 1</td>
<td>25</td>
<td>71</td>
<td>92</td>
<td>83</td>
<td>74</td>
</tr>
<tr>
<td>Application of IFRS 16 on lease</td>
<td>84</td>
<td>90</td>
<td>84</td>
<td>82</td>
<td>53</td>
</tr>
<tr>
<td>2020 capex envelope</td>
<td>39</td>
<td>36</td>
<td>36</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021 Capex envelope</td>
<td></td>
<td></td>
<td></td>
<td>17</td>
<td>28</td>
</tr>
</tbody>
</table>

- **2020 capex envelope**: R110m
- **2021 Capex envelope**: R202m
- **2021 Capex envelope**: R247m
- **2021 Capex envelope**: R259m
- **2021 Capex envelope**: R232m

*Includes rounding differences
*Does not include 2022 Capex envelope

Excludes JSE Investor Services
CAPEX driven by trading engine upgrade

2020 spend (R89m) mainly driven by
- Trading system upgrade (under budget)
- OTC and building upgrades (expensed)
- New master reference data
- Smart regulation
- Clearing system enhancements
- Replenishment and rejuvenation of infrastructure

Indicative spend for 2021 (R145m)
- Rejuvenation of infrastructure
- Investment for future growth (Building Blocks)
- Smart regulation
- Organic growth including private placement platform for SMEs and infrastructure finance
- IT Security
- Leasehold Improvements
Maintained robust liquidity levels in 2020

- **Cash December 2019**: 2,577
- **Cash generated from operations**: 1,003
- **Investing activities**: 320
- **Financing activities**: 90*
- **Dividends paid**: 711**
- **Cash December 2020**: 2,459

*Includes the effect of exchange rate fluctuations on foreign-denominated cash held and proceeds from sale of treasury shares; excludes dividends.**Excludes dividends paid to JSE Empowerment Fund Trust (inter-group).
Ordinary dividend up 5% YoY

A dividend cover ratio of 1.5x - 1x earnings (a payout ratio of 67% - 100% of current earnings (previously 40% - 67%

---

**Includes dividends paid to JSE Empowerment Fund**

*Earnings have been adjusted for non-distributable earnings*
Looking ahead
Key strategic priorities

- Grow & diversify revenue streams
- Invest in operational robustness & resilience
- Focus on the national agenda & further entrench sustainability in the business

Maintain our corporate culture, enhance customer experience and create enduring stakeholder value
Allocating our capital to its most effective uses

**Organic investment**
- Focus on rejuvenation of infrastructure and systems
- Investment in resilience and stability
- Revenue growth through new product and services

**Inorganic growth**
- Diversification of revenue, with focus on annuity income
- Areas: Issuer Services; data
- Focus on bolt-on acquisitions

**Strengthen existing business**
Ensuring an adequate level of regulatory capital remains our capital allocation priority

**Financing options available**
- Both organic and inorganic investment funded from own cash
- Currently no debt

**Diversify & grow the business for the future**

**Optimise shareholder value**
- Board resolved to adjust the Group’s dividend policy to reflect a pay-out ratio of 67% - 100% of current earnings
- Remain committed to optimising shareholder value

**Shareholder returns**

**Balance sheet optionality**
- Focus on rejuvenation of infrastructure and systems
- Investment in resilience and stability
- Revenue growth through new product and services
Completed acquisition of JSE Investor Services (JIS) - previously Link SA

Link SA: 2nd largest share registry business in South Africa – now 100% South African owned

Core offering: transfer secretarial and registry services (including maintenance, treasury services, and corporate actions)

Client base of over 90 issuers including six of the top 40 issuers listed on the JSE

JSE is introducing products such as ShareHub and virtual AGMs to corporates in South Africa to complement shareholder communication and engagement

New opportunities for JIS include:
- Asset reunification and share register clean ups
- Share register analytics
- Call centre training
- Executive share schemes

September 2020: received approval from the Competition Tribunal to acquire a majority stake in Link Market Services, subject to conditions

November 2020: all conditions precedent fulfilled, allowing acquisition to be finalised and onboarding phase to start

Paid R225 million from the Group's cash reserves
Completed partnership transaction with Globacap

Globacap: UK-based tech-enabled market leader in private capital market (FCA regulated)

Provides a financial ecosystem for private companies through issuance, liquidity and registrar services

Uniquely powered by Distributed Ledger Technology & global pioneer in issuing tokenised equity as a direct holding without requiring a nominee structure

18 placements to 600 investors in 35 countries. Administers over GBP 1bn in private assets for 60 companies and over 8,000 shareholders

JSE invested GBP 4 million for a minority equity stake in the Company, as part of the transaction

Transaction completed with an R84 million payment in January 2021 with conditions met*

JSE & Globacap to establish a private placements platform to advance and digitise capital raising for infrastructure finance and SMEs in SA and potentially other African countries

*Includes regulatory approval from the Financial Conduct Authority in the UK
Key takeaways

- Strong business resilience
- Continued investment to drive growth and IT robustness
- Sustained earnings quality and cash generation
- Progressive ordinary dividend and high payout ratio
- Healthy balance sheet and robust liquidity offering growth optionality
- Early progress with our inorganic growth strategy
Questions
## Balance sheet as at 31 December 2020

<table>
<thead>
<tr>
<th></th>
<th>Year ended</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 December 2020</td>
<td>31 December 2019</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>1,871</td>
<td>1,716</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>140</td>
<td>184</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>821</td>
<td>593</td>
</tr>
<tr>
<td>Investment in associate</td>
<td>320</td>
<td>293</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>590</td>
<td>646</td>
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<tr>
<td><strong>Current assets</strong></td>
<td>49,754</td>
<td>38,512</td>
</tr>
<tr>
<td>Margin deposits</td>
<td>46,308</td>
<td>34,850</td>
</tr>
<tr>
<td>JSE Clear Derivatives Default Fund deposit</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>475</td>
<td>520</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2,459</td>
<td>2,577</td>
</tr>
<tr>
<td>Other current assets</td>
<td>12</td>
<td>65</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>51,625</td>
<td>40,227</td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>4,154</td>
<td>3,969</td>
</tr>
<tr>
<td>Stated capital</td>
<td>(33)</td>
<td>(18)</td>
</tr>
<tr>
<td>Reserves</td>
<td>677</td>
<td>548</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>3,473</td>
<td>3,439</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>38</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td>274</td>
<td>318</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>47,197</td>
<td>35,940</td>
</tr>
<tr>
<td>Margin deposits</td>
<td>46,308</td>
<td>34,850</td>
</tr>
<tr>
<td>JSE Clear Derivatives Default Fund contribution</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>489</td>
<td>690</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>51,625</td>
<td>40,227</td>
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</table>