INTERIM RESULTS

for the six months ended 30 June

2024

Contents

Commentary

JSE Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2005/022939/06)
Share code: JSE
ISIN: ZAE000079711
LEI: 213800MZ1VUQEBWRFO39
("JSE" or "the Group")

Unreviewed Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2024

"The JSE delivered a stable performance in H1 2024 with 4.2% growth in operating income and net profit after tax flat at R492.7 million, despite lower equity trading activity (down 12% YOY) and a challenging economic environment. These results reflect the benefit of diversification across our business segments and asset classes, alongside progress in growing non-trading revenue.

After a slow start to 2024, value traded in our equity market recovered in Q2 with the trend extending into July. Higher trading activity has been underpinned by positive market sentiment stemming from the outcome of the National Elections and the formation of the Government of National Unity (GNU).

Overall we are pleased with the progress we have made as we continue to improve our infrastructure performance over time through innovation and collaboration."

– Leila Fourie, *Group CEO*

Overview of results

Net profit after tax (NPAT) was flat at R492.7 million. Headline earnings per share (HEPS) decreased marginally by 0.2% year-on-year (YoY) to 606.0 cents. The Group continues to be cash generative, with net cash generated from operations of R502.6 million (2023: R487.9 million), up 3%.

The Group's operating income was up 4.2% to R1.5 billion, supported by the diversified business segments and asset classes. Most business segments reported growth in revenue for the period, with JSE Investor Services (JIS) revenue up 28.9%, commodity derivatives revenue up 24.7%, and revenue from bonds and interest rate trading up 7.8% YoY. The JSE increased the proportion of its revenue derived from non-trading activity by 1.8 percentage points YoY to 38.6% (non-trading income of R593.4 million).

Total operating expenditure increased by 6.4% YoY to R1.0 billion.

Interest rates supported higher net finance income, which increased by 36.5% YoY to R103 million.

Capital expenditure of R29 million (2023: R33 million) remains focused on protecting the core business as well as growing new business lines.

The Group maintains a robust balance sheet and a cash position of R1.8 billion as at 30 June 2024 (excluding bond investments of R485.3 million). Ring-fenced and non-distributable cash and bonds (regulatory capital and investor protection funds) amounted to R1.34 billion.

R million (unless stated otherwise)	H1 2024	H1 2023	% change
Revenue	**1 476**	1 415	4.3%
Net margin and collateral[1]	**61**	60	2.1%
Operating income[2]	**1 537**	1 475	4.2%
Other income	**27**	39	(32.3%)
Total income	**1 563**	1 514	3.3%
Personnel expenses	**362**	344	5.2%
Other expenses	**546**	506	7.9%
Depreciation and amortisation	**103**	99	3.7%
Total expenditure	**1 010**	949	6.4%
Earnings before interest and tax (EBIT)	**553**	565	(2.1%)
Net finance income[2]	**103**	76	36.5%
Income tax expense	**182**	177	3.1%
Net profit after tax (NPAT)	**493**	493	0.0%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**656**	664	(1.3%)
EBITDA margin[3]	**42%**	44%	(2 pts)
Profit before income tax and incentives (PBITI)	**585**	617	(5.2%)
Earnings per share (EPS) (cents)	**606.0**	602.0	0.7%
Headline earnings per share (HEPS) (cents)	**606.0**	607.2	(0.2%)
Net cash generated from operations	**503**	488	3.0%
Capital expenditure (CAPEX)	**29**	33	(12.1%)

[1] *Income earned on margin and collateral deposits largely for JSE Clear.*
[2] *Margin income was reclassified from net finance income to operating income (H1 2024: R60.9 million and H1 2023: R59.6 million) in terms of Group accounting policy, following the licensing of JSE Clear as an independent clearing house on 1 January 2023. The alignment is in accordance with industry best practice.*
[3] *Margin income included in operating income.*

Business highlights

The JSE made steady progress on its strategic and operational priorities in H1 2024. Highlights include:

Protecting the core business

- Resilient operational processes and uptime across our markets.
- Progressing the modernisation of our BDA system.
- Further enhancements to Listings Requirements.

Transforming the business

- Increased the number of new customers in JIS (+6) with H1 revenue growth of 28.9%.
- Delivering the Information Services growth strategy:
  - On track to complete core market data to the cloud transition by the end of the year; and
  - Expanding analytics-as-a-service capabilities to global exchanges and their ecosystems.
- Expanding cloud-based colocation services.
- Developing the central clearing for the bond electronic trading platform (ETP) through JSE Clear (Bond CCP).
- Growth in sustainability products and actively managed Exchange Traded Funds (ETFs) and certificates: Eight new sustainability bonds (total:76 bonds), three new actively managed certificates, and two new actively managed ETFs.

Financial performance

Revenue performance per segment

R million (unless stated otherwise)	H1 2024	H1 2023	% change
Capital markets[1]	**529**	530	0.0%
Primary Market	**87**	83	5.9%
Equity Trading	**212**	241	(12.0%)
Colocation Fees	**24**	20	16.9%
Equity Derivatives Trading	**58**	59	(1.2%)
Bond and Interest Rate Trading	**50**	46	7.8%
Currency Derivatives Trading	**20**	18	9.8%
Commodity Derivatives Trading	**46**	37	24.7%
JSE Investor Services (JIS)	**121**	94	28.9%
Post-Trade Services	**447**	454	(1.6%)
Clearing and Settlement	**197**	221	(10.9%)
Back-office services (BDA)	**203**	181	12.0%
Funds under management	**48**	53	(9.8%)
JSE Clear	**60**	53	13.2%
Information Services	**242**	227	6.6%
Other income	**27**	18	50.0%

[1] *Capital markets revenue includes Issuer Services, JSE Private Placements and investor protection levy revenue. For illustrative purposes investor protection levy revenue has been reclassified from other income to capital markets revenue for H1 2023.*

Operating expenditure

Total operating expenditure increased by 6.4% YoY.

- Personnel costs reflect largely annual salary increases.
- Technology costs increased due to our investment in strategic initiatives, including Information Services cloud initiatives and inflationary and foreign exchange impact on related licence costs.
- Regulatory, compliance costs and other fees were higher due to an increase in FSCA levies (annualised as they were only introduced in April 2023).

Net finance income

Net finance income: +36.5% YoY, owing to higher yields on the JSE's cash balances.

Cash flows, investments and capital allocation

The Group continued to be cash generative, with net cash generated from operations of R502.6 million (2023: R487.9 million). At the end of June 2024, the cash balance stood at R1.8 billion (2023: R1.9 billion), excluding the bond investment of R485.3 million.

Capital expenditure totalled R29 million (2023: R33 million) and was largely focused on protecting and growing the core business, with an expected pickup in capital expenditure activity in the second half of the year. All planned investments and capital requirements for 2024 can be funded from the Group's cash resources.

In accordance with a general authority granted by shareholders, the Company initiated a share repurchase in June 2024 as part of an ongoing programme to return surplus cash to shareholders. A total of 522 109 ordinary shares were repurchased, representing 0.6% of the Company's issued share capital.

Regulation

In compliance with the Financial Markets Act, 19 of 2012 (FMA), the JSE and JSE Clear are required to hold regulatory capital.

The Group calculates and holds regulatory capital in the form of equity capital, which amounted to R876.2 million in total for JSE Limited and JSE Clear. The JSE and JSE Clear are adequately capitalised.

Future focus and prospects

The JSE delivered a stable performance and has benefitted from interest rates in the form of net finance income but has faced strong headwinds from the balance of macro-economic, local political and geopolitical challenges. This includes the continued shift in capital flows as local investors have sought foreign assets and global investors reduced their South African exposure. The improved sentiment post-elections bodes well for a more positive outcome for the macro-economy.

Our core businesses remain resilient despite the challenging environment and our JSE Investor Services and Information Services businesses have delivered expected growth on the back of management focus and investment. We remain on track to deliver on our Group's strategy to position the JSE as a diversified and sustainable exchange, leveraging technology, expanding our range of products and services, entering new markets, providing fair and transparent regulation, and strengthening our operational capabilities. The Group will continue to exercise sound judgement in its investments to ensure the sustainability of the business.

H2 2024 priorities include:

- Invest in the core business to enhance and grow operations. This includes innovating and modernising legacy systems with the transformation of BDA.
- Continue diversification of revenue.
- Progress our growth strategy for Information Services, formulated on a five-year horizon.
- Continue to manage the Group's cost base prudently.

2024 guidance:

- OPEX growth: 5% – 8%
- CAPEX: R145 million – R165 million
- Dividend policy: 67% – 100% pay-out ratio

The Group's external auditors have not reviewed or reported on financial forecasts.

Changes to the Board

During the period under review, and as previously announced Ms Nolitha Fakude, independent non-executive director, retired from the Board effective 5 January 2024. Ms Fakude joined the Board in November 2017 and served as chairman of the Group Remuneration Committee and as a member of the Group Sustainability Committee during her tenure. As part of a planned succession, Ms Faith Khanyile assumed chairmanship of the Group Remuneration Committee from 5 January 2024.

Directors' responsibility statement

The directors are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards (IFRS), International Accounting Standard (IAS) 34 Interim Financial Reporting, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act, 71 of 2008 (as amended) (the Companies Act). The directors are also responsible for such internal controls as the directors determine to be necessary to enable the preparation of interim financial statements that are free from material misstatement, whether owing to fraud or error.

Preparation of unreviewed results announcement

This announcement covers the unreviewed condensed consolidated financial statements of the Group for the six months ended 30 June 2024 as prepared in accordance with IFRS. The preparation of these condensed consolidated financial statements has been supervised by the Group Chief Financial Officer, Fawzia Suliman CA(SA), in terms of section 29(1)(e) of the Companies Act.

Approval of financial statements

The unreviewed condensed consolidated financial statements for the six months ended 30 June 2024 were approved by the Board on 6 August 2024 and signed by:

Phuthuma Nhleko
Chairman

Leila Fourie
Group chief executive officer

One Exchange Square, 2 Gwen Lane, Sandown, South Africa
(Private Bag X991174, Sandton, 2146, South Africa)

Tel: +27 11 520 7000
Fax: +27 11 520 8584

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

7 August 2024

About the JSE

The JSE is a self-regulatory, multi-asset-class stock exchange that offers listings, trading, clearing and settlement (post-trade) services, Information Services, Issuer Services and JSE Investor Services. The JSE connects buyers and sellers in five financial markets: equities, equity derivatives, commodity derivatives, currency derivatives and interest rate instruments. The JSE provides investors with a trusted, cost-effective, and well-regulated infrastructure for trading, clearing and settling financial market transactions. The JSE is among the 20 largest exchanges in the world in terms of market capitalisation. The JSE also offers Private Placements, which supports private markets by providing a forum to raise equity and debt through an automated and digitised platform and a Voluntary Carbon Market.

Condensed consolidated statement of comprehensive income

for the period ended 30 June 2024

		GROUP		
		6 months ended 30 June		Year ended 31 December
	Notes	2024 R'000	2023* R'000	2023 R'000
Revenue**	13	**1 475 788**	1 415 037	2 814 472
Other net income**		**26 526**	39 155	29 599
Margin and collateral deposit interest income		**2 333 358**	2 275 358	4 779 218
Margin and collateral deposit interest expense		**(2 272 470)**	(2 215 734)	(4 650 990)
Personnel expenses	14	**(362 039)**	(343 996)	(783 792)
Other expenses	15	**(644 411)**	(602 187)	(1 250 629)
Expected credit loss (ECL) impairments	20	**(3 772)**	(2 516)	(4 490)
Profit from operating activities		**552 980**	565 116	933 388
Finance income		**108 784**	85 242	187 112
Finance costs		**(5 702)**	(9 733)	(18 223)
Net finance income		**103 082**	75 509	168 889
Share of profit from associate (net of income tax)		**19 029**	29 122	38 720
Profit before income tax		**675 091**	669 748	1 140 997
Income tax expense	16	**(182 401)**	(176 957)	(310 018)
Profit for the period		**492 690**	492 791	830 979
Attributable to:				
Equity holders of the parent		**492 690**	492 791	830 979
Other comprehensive income				
Change in financial instruments at fair value through other comprehensive income that will not be reclassified to profit or loss (net of tax)		**(19 721)**	79 805	82 913
Change in financial instruments at fair value through other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)		**6 444**	245	4 836
Other comprehensive income for the period, net of income tax		**(13 277)**	80 050	87 749
Total comprehensive income for the period		**479 413**	572 841	918 728
Attributable to:				
Equity holders of the parent company		**479 413**	572 841	918 728
Basic earnings per share (cents)	17.1	**606.0**	602.0	1 019.3
Diluted earnings per share (cents)	17.2	**594.3**	593.9	1 001.9

* *Restated, refer to note 12.*

** *The 31 December 2023 published and 30 June 2024 interim results include the reclassification of Investor protection levy (IPL) income as a result of the change in pricing policy. The FSCA levy cost is recovered as part of the transaction price for services rendered to the end user client and therefore form part of revenue. The IPL income was included as part of Other income in the period ended June 2023.*

Condensed consolidated statement of financial position

for the period ended 30 June 2024

		GROUP		
		6 months ended 30 June		Year ended 31 December
	Notes	**2024 R'000**	2023 R'000	2023 R'000
Assets				
Non-current assets		**2 264 751**	2 080 849	2 153 473
Property and equipment		**143 669**	133 801	173 767
Intangible assets	18	**648 388**	678 123	674 863
Investment in associate		**342 078**	337 541	347 139
Other investments	25	**1 070 565**	812 894	863 962
Right-of-use-assets	24	**41 805**	78 685	59 722
Deferred taxation		**18 246**	39 805	34 020
Current assets		**53 051 620**	59 881 646	57 636 937
Trade and other receivables		**958 768**	904 013	830 619
Income tax receivable		**–**	638	3 224
JSE Clear Derivatives Default Fund collateral deposits		**500 000**	500 000	500 000
Margin deposits		**49 780 701**	56 588 471	53 998 628
Collateral deposits		**2 007**	280	703
Cash and cash equivalents		**1 810 144**	1 888 244	2 303 763
Total assets		**55 316 371**	61 962 495	59 790 410

		GROUP		
		6 months ended 30 June		Year ended 31 December
	Notes	**2024 R'000**	2023 R'000	2023 R'000
Equity and liabilities				
Total equity		**4 135 008**	4 043 519	4 386 147
Stated capital (net of treasury shares)		**(230 905)**	(174 036)	(165 612)
Reserves	22	**855 488**	852 878	846 282
Retained earnings		**3 510 425**	3 364 677	3 705 477
Equity attributable to equity holders of the parent		**4 135 008**	4 043 519	4 386 147
Non-current liabilities		**69 730**	150 648	116 008
Employee benefits	19	**2 986**	2 704	7 212
Deferred taxation		**27 406**	29 815	28 610
Lease liability	24	**14 480**	94 676	55 713
Deferred income		**24 858**	23 453	24 473
Current liabilities		**51 111 633**	57 768 328	55 288 255
Trade and other payables		**768 155**	640 815	639 478
Income tax payable		**8 593**	11 171	4 054
Deferred income		**2 522**	2 297	2 455
Employee benefits	19	**68 276**	60 750	174 168
Lease liability	24	**81 379**	64 544	68 769
JSE Clear Derivatives Default Fund collateral contribution		**400 000**	400 000	400 000
Margin deposits		**49 780 701**	56 588 471	53 998 628
Collateral deposits		**2 007**	280	703
Total equity and liabilities		**55 316 371**	61 962 494	59 790 410

Condensed consolidated statement of changes in equity

for the period ended 30 June 2024

	Notes	Stated capital (net of treasury shares)[3] R'000	NDR R'000	Share-based payments reserve R'000	Fair value reserve[2] R'000	Total reserves R'000	Retained earnings R'000	Total equity R'000
Group								
Balance at 1 January 2023		(118 697)	685 983	70 319	(1 652)	754 650	3 537 194	4 173 147
Profit for the period		–	–	–	–	–	492 791	492 791
Other comprehensive income		–	44 251	–	35 799	80 050	–	80 050
Total comprehensive income for the period		–	44 251	–	35 799	80 050	492 791	572 841
LTIS 2018 Allocation 2 – shares vested		6 666	–	(6 666)	–	(6 666)	–	–
LTIS 2018 Allocation 3 – shares vested		8 901	–	(8 901)	–	(8 901)	–	–
Distribution from the JSE Debt Guarantee Fund Trust[1]		–	(2 701)	–	–	(2 701)	2 701	–
Dividends declared to owners		–	16 377	–	–	16 377	(662 402)	(646 025)
Equity-settled share-based payment		–	–	14 462	–	14 462	–	14 462
Transfer of profit to investor protection funds		–	5 607		–	5 607	(5 607)	–
Treasury shares – acquisitions[4]		(79 260)	–	–	–	–	–	(79 260)
Treasury shares – sales		8 776	–	–	–	–	–	8 776
Treasury shares – transaction costs		(422)	–	–	–	–	–	(422)
Total contributions by and distributions to owners of the Group recognised directly in equity		(55 339)	19 283	(1 105)	–	18 178	(665 308)	(702 468)
Note						22		

[1] *The JSE Debt Guarantee Fund Trust Deed makes specific provision for the utilisation of excess funds for the purpose of reducing the risk of claims being made against the Trust. To this effect, R3.1 million (June 2023: R2.7 million December 2023: R5.8 million) before intercompany adjustments was transferred to the JSE Limited to defray market regulatory expenditure.*

[2] *This reserve relates to the equity investment in Globacap Technology Limited net of deferred tax. Refer to note 25 for details on this transaction.*

[3] *Debit balance due to treasury shares held by the JSE empowerment trust, shares held to facilitate the settlement of Long-Term Incentive Schemes and general shares bought back.*

[4] *Shares acquired at an average price of R97.46 (June and December 2023: R104.73). The total treasury share purchases comprise of R70.6 million (June 2023: 79.3 million; December 2023: nil) acquired to facilitate the settlement of LTIS allocation awarded and accepted by employees in March of each period.*

	Notes	Stated capital (net of treasury shares)[3] R'000	NDR R'000	Share-based payments reserve R'000	Fair value reserve[2] R'000	Total reserves R'000	Retained earnings R'000	Total equity R'000
Balance at 30 June 2023		(174 036)	749 517	69 214	34 147	852 878	3 364 677	4 043 519
Profit for the year		–	–	–	–	–	338 188	338 188
Other comprehensive income		–	29 986	–	(22 287)	7 699	–	7 699
Total comprehensive income for the year		–	29 986	–	(22 287)	7 699	338 188	345 888
LTIS 2018 Allocation 2 – shares vested		8 882	,	(18 166)	–	(18 166)	–	(9 284)
LTIS 2018 Allocation 3 – shares vested		(981)	–	981	–	981	–	–
Distribution from the JSE Debt Guarantee Fund Trust[1]		–	(3 071)	–	–	(3 071)	3 071	–
Equity-settled share-based payment		–	–	5 502	–	5 502	–	5 502
Transfer of profit to investor protection funds		–	6 083	–	–	6 083	(6 083)	–
Transfer off Listed companies fines income – Issuer Regulation		–	35	–	–	35	(35)	–
Transfer of qualifying deductible expenses related to Fines – Issuer Regulation		–	(5 659)	–	–	(5 659)	5 659	–
Treasury shares – sales		525	–	–	–	–	–	525
Treasury shares – transaction costs		(1)	–	–	–	–	–	(1)
Total contributions by and distributions to owners of the Group recognised directly in equity		8 425	(2 612)	(11 683)	–	(14 295)	2 612	(3 259)
Note						22		

[1] *The JSE Debt Guarantee Fund Trust Deed makes specific provision for the utilisation of excess funds for the purpose of reducing the risk of claims being made against the Trust. To this effect, R3.1 million (June 2023: R2.7 million December 2023: R5.8 million) before intercompany adjustments was transferred to the JSE Limited to defray market regulatory expenditure.*
[2] *This reserve relates to the equity investment in Globacap Technology Limited net of deferred tax. Refer to note 25 for details on this transaction.*
[3] *Debit balance due to treasury shares held by the JSE empowerment trust, shares held to facilitate the settlement of Long-Term Incentive Schemes and general shares bought back.*

	Notes	Stated capital (net of treasury shares)[3] R'000	NDR R'000	Share-based payments reserve R'000	Fair value reserve[2] R'000	Total reserves R'000	Retained earnings R'000	Total equity R'000
Balance at 31 December 2023		**(165 612)**	**776 891**	**57 531**	**11 860**	**846 282**	**3 705 477**	**4 386 147**
Profit for the year		–	–	–	–	–	492 690	492 690
Other comprehensive income		–	14 635		(27 912)	(13 277)	–	(13 277)
Total comprehensive income for the year		–	14 635	–	(27 912)	(13 277)	492 690	479 413
LTIS 2018 Allocation 3 – shares vested		8 760	–	(8 760)	–	(8 760)	–	–
LTIS 2018 Allocation 4 – shares vested		13 465	–	(13 465)	–	(13 465)	–	–
Distribution from the JSE Debt Guarantee Fund Trust[1]		–	(3 066)	–	–	(3 066)	3 066	–
Dividends declared to owners		–	16 696	–	–	16 696	(676 547)	(659 851)
Equity-settled share-based payment		–	–	16 817	–	16 817	–	16 817
Transfer of profit to investor protection funds		–	7 588	–	–	7 588	(7 588)	–
Transfer of Listed companies - Fines - Issuer Regulation		–	7 300	–	–	7 300	(7 300)	–
Transfer of qualifying deductible expenses related to Fines – Issuer Regulation		–	(627)	–	–	(627)	627	–
Treasury shares – acquisitions[4]		(127 085)	–	–	–	–	–	(127 085)
Treasury shares – sales		40 230	–	–	–	–	–	40 230
Treasury shares – transaction costs		(663)	–	–	–	–	–	(663)
Total contributions by and distributions to owners of the Group recognised directly in equity		**(65 293)**	**27 891**	**(5 408)**	**–**	**22 483**	**(687 742)**	**(730 552)**
Balance at 30 June 2024		**(230 905)**	**819 417**	**52 123**	**(16 052)**	**855 488**	**3 510 425**	**4 135 008**
Note						22		

[1] The JSE Debt Guarantee Fund Trust Deed makes specific provision for the utilisation of excess funds for the purpose of reducing the risk of claims being made against the Trust. To this effect, R3.1 million (June 2023: R2.7 million December 2023: R5.8 million) before intercompany adjustments was transferred to the JSE Limited to defray market regulatory expenditure.

[2] This reserve relates to the equity investment in Globacap Technology Limited net of deferred tax. Refer to note 25 for details on this transaction.

[3] Debit balance due to treasury shares held by the JSE empowerment trust, shares held to facilitate the settlement of Long-Term Incentive Schemes and general shares bought back.

[4] Shares acquired at an average price of R97.46 (June and December 2023: R104.73). The treasury share purchase largely comprise of R70.6 million (June 2023: R79.3 million; December 2023: nil) acquired to facilitate the settlement of LTIS allocation awarded and accepted by employees in March of each period.

Condensed consolidated statement of cash flows

for the period ended 30 June 2024

	GROUP		
	6 months ended 30 June		Year ended 31 December
	2024 R'000	2023 R'000	2023 R'000
Cash flows from operating activities			
Cash generated by operations	**481 741**	510 176	1 117 531
Finance income received	**2 475 397**	2 348 839	4 927 630
Finance costs paid	**(2 303 840)**	(2 207 483)	(4 630 488)
Dividends received	**3 490**	3 240	6 730
Taxation paid	**(154 152)**	(166 829)	(310 270)
Net cash generated by operating activities	**502 636**	487 943	1 111 133
Cash flows from investing activities			
Proceeds from sale of other investments	**20 387**	171 596	357 567
Acquisition of other investments	**(236 885)**	(233 484)	(466 775)
Dividends from associate	**24 089**	20 570	20 570
Proceeds from disposal of property and equipment	**16**	11	–
Acquisition of leasehold improvements	**–**	(2 813)	(13 265)
Acquisition of intangible assets	**(22 655)**	(31 343)	(89 354)
Acquisition of other property and equipment	**(5 532)**	(1 471)	(64 888)
Debt instrument: Globacap SAFE note	**–**	–	256
Net cash used in investing activities	**(220 580)**	(76 934)	(255 889)
Cash flows from financing activities			
Acquisition of treasury shares*	**(127 747)**	(79 682)	(79 682)
Proceeds on sale of treasury shares*	**40 230**	8 776	9 300
Lease liabilities repaid	**(28 623)**	(31 054)	(65 792)
Dividends paid	**(659 842)**	(646 025)	(646 025)
Net cash used in financing activities	**(775 982)**	(747 985)	(782 199)
Net decrease in cash and cash equivalents	**(493 926)**	(336 976)	73 045
Cash and cash equivalents at 1 January	**2 303 763**	2 223 161	2 223 161
Effect of exchange rate fluctuations on cash held	**307**	2 059	7 557
Cash and cash equivalents at 30 June 2024	**1 810 144**	1 888 244	2 303 763

* *Largely relates to acquisition and sale of shares held to facilitate the settlement of Long-Term Incentive Scheme.*

Notes to the condensed consolidated financial statements

for the period ended 30 June 2024

1. Reporting entity

JSE Limited (the "JSE" or the "Company") is a company domiciled in South Africa. Its registration number is 2005/022939/06. The JSE is licensed as an exchange in terms of the Financial Markets Act 2012 ("FMA"). The JSE has the following main lines of business: Capital Markets, Post-Trade Services and Information Services. The address of the Company's registered office is One Exchange Square, 2 Gwen Lane, Sandown. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries and controlled structured entities (collectively referred to as the "Group" and individually as "Group entities") and reflect the Group's interest in associates.

2. Basis of preparation

2.1 Statement of compliance

The condensed consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board, interpretations issued by the IFRS Interpretations Committee (IFRS Committee), IAS 34 Interim Financial Reporting, the South African Institute of Chartered Accountants (SAICA) financial reporting guides as issued by the Accounting Practice Committee, the SAICA Headline Earnings Circular 1/2023, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act, 2008.

3. Changes in accounting policies

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2023. The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the new standards effective as of 1 January 2024.

New standards and amendments that impact on the Group's accounting policies have been assessed during the period, and these have had no material impact on the Group's financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Refer to note 8 for new standards and interpretations not yet adopted.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) – effective date: 1 January 2024

The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. There is no material impact for the Group as a result of this amendment.

Classification of liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1) – effective date: 1 January 2024

The amendment is to clarify how conditions with which an entity must comply within twelve months after the reporting period, affect the classification of a liability. There is no material impact for the Group as a result of this amendment.

3. Changes in accounting policies *continued*

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) – effective date 1 January 2024

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. There is no material impact for the Group as a result of this amendment.

4. Comparative figures

Unless otherwise indicated, comparative figures refer to the six months ended 30 June 2023 and the year ended 31 December 2023.

5. Use of estimates and judgements

The preparation of financial statements are in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board and requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Judgements and estimates are consistent with those in the consolidated financial statements as at and for the year ended 31 December 2023.

6. Operating segment

The Group determines and presents segments based on the information used to run the business by the Executive Committee (Exco).

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Costs in the JSE are managed holistically across the Exchange and variances against budget are closely monitored. Revenue results as disclosed in note 13 are reviewed regularly by the entity's chief operating decision makers (Exco) to make key decisions about resources to be allocated to the segment and assess its performance. Costs are not allocated to the individual segments and are reviewed by Exco as a single unit.

The holistic cost centre segment does not meet the definition of an operating segment as it does not earn revenues and thus not disclosed in these financial statements.

7. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2023 with additional disclosures included for financial instruments acquired in the current year.

8. New standards and interpretations not yet adopted

A new standard has been issued by the International Accounting Standards Board (IASB) prior to the publication of these financial statements, but are effective in future accounting periods, as listed below:

Lack of exchangeability (Amendments to IAS 21) – Effective 1 January 2025

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The Group is not expecting a material impact as a result of the amendment.

Classification and measurement of financial instruments (Amendments IFRS 9 and IFRS 7) – Effective 1 January 2026

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments. The impact of the amendment is still to be assessed.

Presentation and Disclosures in Financial Statements (New IFRS 18 standard) – Effective 1 January 2027

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. The impact of the amendment is still to be assessed.

Subsidiaries without Public Accountability: Disclosures (New IFRS 19 standard) – Effective 1 January 2027

IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. The impact of the amendment is still to be assessed.

9. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: In the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

10. Financial assets and financial liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at fair value through other comprehensive income (OCI) – debt instruments

The Group's investments in debt securities are classified as fair value through OCI financial assets and this relates to the investor protection fund investments and South African Government Bonds held by the JSE Limited. The principal objective of holding these investments are to collect contractual cash flows and selling these investments in accordance with the relevant mandates. The contractual terms of these investments gives rise to cash flows that are solely payments of principal and interest. Fair value gains and losses relating to debt instruments are subsequently classified to profit or loss upon realisation of the investment.

Impairment losses on monetary items such as debt securities and foreign exchange gains and losses are recognised in profit or loss. Translation differences included in fair value adjustment are recognised in other comprehensive income. When these investments are derecognised, the cumulative gain or loss previously recognised in OCI is transferred to profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss. Refer to note 25 (Other investments) for the financial assets classified as fair value through OCI.

Financial assets *continued*

Initial recognition and measurement *continued*

Financial assets designated at fair value through OCI – equity instruments

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investment in Globacap under this category. Refer to note 25 for more detail.

Financial assets at amortised cost

For debt instruments, the business model test and cash flow characteristics of solely payments of principal and interest (SPPI) test is applied by the Group in determining the category which best applies to the financial instruments that it holds and or trades. Under the business model test the Group determines the objective for which it holds the financial instrument. Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Other non-derivative financial instruments classified at amortised cost include trade and other receivables, contributions in JSE Clear Derivatives Default Fund (Pty) Limited, trade and other payables, cash and cash equivalents, amounts due to and from Group companies, and margin and collateral deposits.

10. Financial assets and financial liabilities *continued*

Financial assets *continued*

Initial recognition and measurement *continued*

Fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of comprehensive income. This category includes investment in the Globacap SAFE note (note 25) included in comparative periods.

A financial asset is primarily derecognised when:

- the rights to receive cash flows from the asset has expired; or
- the Group has transferred its rights to receive cash flows from the asset.

11. Basis of consolidation and financial information on material partly-owned subsidiaries

The condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

12. Change in the statement of comprehensive income (SOCI) presentation

Due to the change in the JSE Clear operations, the presentation of margin and collateral deposit interest income and interest expense was changed for the period ended 31 December 2023 to be separately presented in the Statement of Comprehensive Income above "Profit from operating activities before net finance income.

JSE Clear only serviced the JSE prior to the change, and as a result the amount was previously disclosed as part of finance income and finance expenses in the SOCI below "Profit from operating activities before net finance income". JSE Clear (Pty) Ltd commenced operations as an independent clearing house from 1 January 2023 and is now viewed as an income generating centre from a Group perspective. This resulted in the income earned from margin and collateral deposits supporting a substantial part of the Group operations. Management has therefore presented operational income from margin and collateral deposits separately to provide more relevant information, as the activities involved in generating net margin and collateral interest income differ from interest earned on own fund accounts.

The voluntary change in the presentation policy was accounted for in terms of IAS 1 and comparatives are restated in terms of IAS 8 as a change in accounting policy for comparability. The presentation change had no impact on profits for the year, statement of cash flow or statement of financial position.

12. Change in the statement of comprehensive income (SOCI) presentation *continued*

Restatement impact on the prior year figures:

	30 June 2023 (R'000)		
	Previously presented	Adjustment	Restated
Group			
Margin and collateral interest income	–	2 275 358	2 275 358
Margin and collateral interest expense	–	(2 215 734)	(2 215 734)
Profit from operating activities before net finance income	–	59 624	59 624
Finance income	2 360 600	(2 275 358)	85 242
Finance costs	(2 225 467)	2 215 734	(9 733)
Net finance income	135 133	(59 624)	75 509

13. Revenue

Revenue from contracts with clients comprise:

	6 months ended 30 June 2024 R'000	6 months ended 30 June 2023 R'000	Year ended 31 December 2023 R'000
Capital markets			
Bond Electronic Trading Platform (ETP)	**5 048**	4 908	9 021
Colocation fees	**23 753**	20 327	42 613
Commodity derivatives fees	**45 949**	36 847	79 685
Issuer services fees	**4 547**	4 749	10 820
Currency derivatives fees	**20 174**	18 369	36 691
Equity derivatives fees	**57 979**	58 711	116 904
Equity market fees*	**236 487**	241 098	487 617
Interest rate market fees	**45 221**	41 380	85 442
Primary market fees**	**87 365**	82 524	161 325
JSE Private Placement fees	**570**	427	1 194
SME development revenue	**1 860**	–	890
JSE Investor Services fees	**121 336**	94 130	190 104
Post-trade services			
Clearing and settlement fees	**196 640**	220 579	411 331
Back-office services (BDA)	**202 682**	181 044	368 337
Funds under management	**47 677**	52 860	103 711
JSE Clear	**60 451**	53 044	111 942
Information services			
Index fees	**47 925**	44 417	80 126
Market data fees	**193 904**	182 832	368 288
Total revenue excluding Strate ad valorem fees – cash equities and bonds***	**1 399 568**	1 338 246	2 666 040
Strate ad valorem fees – cash equities	**65 396**	66 183	127 477
Strate ad valorem fees – bonds	**10 824**	10 608	20 955
	1 475 788	1 415 037	2 814 472

* *The 31 December 2023 published and 30 June 2024 results include the reclassification of Investor protection levy (IPL) income as a result of the change in pricing policy. The IPL levy cost is recovered as part of the transaction price for services rendered to the end user client and therefore form part of revenue. The IPL income was included as part of Other income in the period ended 30 June 2023.*

** *An amount of R1.2 million (June 2023: R1.07 million, December 2023: R2.5 million) gain was recognised in Primary market fees relating to initial listing fees for the current year.*

*** *The Strate ad valorem stream of income is evaluated in conjunction with the directly attributable cost included in note 15.*

14. Personnel expenses

	6 months ended 30 June		Year ended 31 December
	2024 R'000	2023 R'000	2023 R'000
Remuneration expenses	**339 158**	321 700	745 759
Gross remuneration paid	**342 408**	326 444	755 768
Less: Capitalised to intangible assets	**(3 250)**	(4 744)	(10 009)
Long-term incentive schemes*	**22 881**	22 296	38 033
	362 039	343 996	783 792

* *Includes the accounting impact of accelerated LTIS for good leavers and bad leavers adjustments; and also includes the critical skills cash scheme expense amounting to R6.1 million (June 2023: R7.8 million; December 2023: R18.1 million).*

15. Other expenses

	6 months ended 30 June		Year ended 31 December
	2024 R'000	2023 R'000	2023 R'000
Amortisation of intangible assets	**49 130**	49 252	104 866
Auditor's remuneration	**8 804**	4 207	13 834
Consulting fees	**10 701**	8 187	8 073
Depreciation	**53 547**	49 715	102 556
Enterprise development	**3 768**	4 511	8 646
Write off/Impairment of intangible asset**	**–**	105	5 824
Write off/Impairment of PPE**	**–**	5 665	5 665
Investor protection levy	**43 841**	33 124	79 702
Other expenses*	**192 119**	196 384	392 345
Strate ad valorem fees	**74 350**	74 455	144 125
Technology costs	**208 151**	176 581	384 993
	644 411	602 188	1 250 629

* *Other expenses comprises mainly of administration fees, legal and professional fees, marketing and advertising , swift charges, travelling expenses, internal audit and reviews costs, electricity and building utilities, learning and development costs, data information charges and operational risk losses.*

** *Relates to PPE items with a carrying value of approximately R5.7 million in December 2023 (June 2023: R5.7 million) and Intangible assets amounting to approximately R5.8 million in December 2023 (June 2023: R0.1 million) written off in the prior year for assets no longer in use.*

16. Income tax expenses

The Group's consolidated effective tax rate for the period ended 30 June 2024 is 27% (for the six months ended June 2023: 26%; for the year ended 31 December 2023: 27%).

Deferred tax assets and deferred tax liabilities for the Group are offset when there is a legally enforceable right to set off and when they relate to income taxes levied by the same taxation authority on the same taxable entity.

17. Earnings and headline earnings per share

	6 months ended 30 June		Year ended 31 December
	2024 R'000	2023 R'000	2023 R'000
17.1 Total basic earnings per share			
Profit for the year attributable to ordinary shareholders	**492 690**	492 791	830 979
Weighted average number of ordinary shares:			
Issued ordinary shares at 1 January	**86 877 600**	86 877 600	86 877 600
Effect of own shares held (JSE LTIS share scheme and JEF Trust)	**(5 576 136)**	(5 020 846)	(5 351 912)
Weighted average number of ordinary shares at period end	**81 301 464**	81 856 754	81 525 688
Total earnings per share (cents)	**606.0**	602.0	1 019.3
17.2 Total diluted earnings per share			
Profit for the year attributable and distributable to ordinary shareholders	**492 690**	492 791	830 979
Weighted average number of ordinary shares (diluted):			
Weighted average number of ordinary shares at period end (basic)	**81 301 464**	81 856 754	81 525 688
Effect of LTIS Share Scheme	**1 604 135**	1 117 396	1 414 139
Weighted average number of ordinary shares (diluted)	**82 905 599**	82 974 150	82 939 827
Diluted earnings per share (cents)	**594.3**	593.9	1 001.9

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices using a volume-weighted average price for the period.

17. Earnings and headline earnings per share *continued*

17.3 Headline earnings per share

	6 months ended 30 June		Year ended 31 December
	2024 R'000	2023 R'000	2023 R'000
Reconciliation of headline earnings:			
Profit for the period attributable to ordinary shareholders	**492 690**	492 791	830 979
Adjustments are made to the following:			
Amount net of tax	**–**	83	4 252
Write off/Impairment of intangible asset	**–**	113	5 824
– Taxation effect	**–**	(30)	(1 572)
Amount net of tax	**(12)**	4 129	4 283
Property and equipment written off			
(Profit)/Loss on disposal of property and equipment	**(16)**	5 657	203
– Taxation effect	**4**	(1 528)	(1 585)
Total headline earnings	**492 679**	497 003	839 514
Total headline earnings per share (cents)	**606.0**	607.2	1 029.8

17.4 Diluted headline earnings per share

	6 months ended 30 June		Year ended 31 December
	2024	2023	2023
Diluted headline earnings per share (cents)	**594.3**	599.0	1 012.2

18. Intangible assets

Included in the intangible asset of R648 million (June 2023: R678 million, December 2023: R674 million) is the goodwill of R216 million and customer relationships of R101 million (June 2023: R110 million; December 2023: R106 million) related to the acquisition of JSE Investor Services (Pty) Limited (JIS), software under development of R78 million (June 2023: R71 million; December 2023: R56 million) mainly in respect of SENS strategy, market data to the cloud, Saturn re-architecture and Webstir projects.

19. Employee benefits

Employee benefits include leave pay and critical skills scheme provisions and a discretionary bonus provision although the latter is only recognised in December of each period. There are no material differences year on year.

20. Expected credit loss

	R'000
At 1 January 2023	15 415
Increase in allowance for impairment	2 516
Write off	(1 109)
At 30 June 2023	16 822
Increase in allowance for impairment	1 974
Write off	5
At 31 December 2023	**18 801**
Increase in allowance for impairment	**3 772**
Write off	**(1 222)**
At 30 June 2024	**21 351**

Under IFRS 9, the Group uses debtor historic default rates in the assessment of the probability of credit losses, while incorporating forward-looking macro-economic factors. The year-to-date impairment was mainly raised in respect of specific debtors where the recoverability of amounts owing appeared to be doubtful. The Group believes the impairment allowance is sufficient in respect of trade receivables.

The Group uses the simplified approach in calculating ECL for trade receivables and other receivables.

The debtors credit terms are 30 days. Debtors outstanding for more that 120 days are written off. The current year write off relates to a debtor that was liquidated in the current year.

The Group uses the general approach in calculating ECL for interest receivables. The ECL is immaterial.

21. Financial instruments

The carrying amount of all significant financial instruments approximates the fair value.

	6 months ended 30 June		Year ended 31 December
	2024 R'000	2023 R'000	2023 R'000
22. Reserves			
Accumulated dividends paid to JEF Trust	**84 589**	67 894	67 893
South African Government bonds reserve	**13 172**	2 137	6 728
Fines reserve	**19 933**	18 883	13 260
JEF Trust	**54 360**	54 360	54 360
Investor protection funds reserve[2]	**647 363**	606 243	634 650
– JSE Debt Guarantee Fund Trust	**124 587**	121 627	123 070
– JSE Derivatives Fidelity Fund Trust	**295 454**	271 693	287 646
– JSE Guarantee Fund Trust	**227 322**	212 923	223 934
Non-distributable reserves	**819 417**	749 517	776 891
Fair value reserve[1]	**(16 052)**	34 147	11 860
Share based payment reserve[3]	**52 123**	69 214	57 531
	855 488	852 878	846 282

[1] *This reserve comprises fair value adjustments in respect of fair value through OCI financial assets.*
[2] *These funds were established for the purpose of investor protection in the event of a member defaulting in the Equity, Equity Derivatives and Bond Markets.*
[3] *This reserve relates to the portion of the LTIS 2018 Long-Term Incentive Schemes that have been expensed to date.*

23. Share-based payments

(i) Vesting of Allocation 3 Tranche 2 and Allocation 4 Tranche 1 (LTIS 2018)

Allocation 3 tranche 2 and allocation 4 tranche 1 of LTIS 2028 vested on 1 March 2024. All LTIS 2018 participants in the employ of the Company as at vesting date were eligible to participate in the vesting of these Tranches in accordance with the terms and conditions of the Scheme rules.

(ii) Grant of Allocation #7 under LTIS 2018 during the period under review

In accordance with shareholder approval, for the provision of financial assistance to the JSE LTIS 2018 Trust, the Board approved a fresh annual allocation of shares (Allocation 7) to selected employees for the 2024 year. These individual allocations were all accepted by the scheme participants on or before 20 March 2024. Allocation 7 comprises a total of 781 870 JSE ordinary shares, and these shares were acquired in the open market on or before 20 March 2024, at a volume-weighted average price (including all execution costs) of R89.61 per ordinary share for both Executive Committee and Senior managers. These shares are held in trust and are restricted until all vesting conditions are fulfilled whereupon the shares vest.

Of the total number of shares granted in Allocation 7, a total of 534 968 shares has been granted to members of the JSE's Executive Committee.

23. Share-based payments *continued*

(ii) Grant of Allocation #7 under LTIS 2018 during the period under review *continued*

Information on Allocation 7 is as follows:

	Corporate performance shares
Executive Committee award	
Share price at grant date (rands per share)	89.61
Total number of shares granted	534 968
Dividend yield (%)	7.1%
Grant date	20 March 2024
Vesting profile:	
50% of the shares awarded vest on 1 March 2027 (Tranche 1)	267 484
50% of the shares awarded vest on 1 March 2028 (Tranche 2)	267 484

The shares forfeited by leavers to date are NIL (Tranche 1 and Tranche 2). The total shares outstanding at period end are 534 968.

	Corporate performance shares
Senior management award	
Share price at grant date (rands per share)	89.61
Total number of shares granted	246 902
Dividend yield (%)	7.1%
Grant date	20 March 2024
Vesting profile:	
50% of the shares awarded vest on 1 March 2027 (Tranche 1)	123 451
50% of the shares awarded vest on 1 March 2028 (Tranche 2)	123 451

Total shares forfeited by leavers to date are nil for the new allocation (Tranche 1 and Tranche 2). The total shares outstanding at year end are 246 902.

The profit or loss charge for the period, calculated using the Black Scholes valuation methodology, in respect of allocations granted under LTIS 2018 is as follows:

	6 months ended 30 June		Year ended 31 December
	2024 R'000	2023 R'000	2023 R'000
Allocation #2 (granted in March 2019)	**–**	(R0.2m)	R0.3m
Allocation #3 (granted in March 2020)	**R0.8m**	R1.2m	R0.5m
Allocation #4 (granted in March 2021)	**R2.5m**	R4.0m	R3.2m
Allocation #5 (granted in March 2022)	**R5.3m**	R4.4m	R6.8m
Allocation #6 (granted in March 2023)	**R5.8m**	R5.1m	R9.2m
Allocation #7 (granted in March 2024)	**R2.4m**	–	–
	R16.8m	R14.5m	R20.0m

24. Leases

	6 months ended 30 June 2024 R'000	6 months ended 30 June 2023 R'000	Year ended 31 December 2023 R'000
Impact on the statements of financial position as at 30 June 2024			
Assets			
Right-of-use assets at 1 January	**256 298**	256 298	256 298
Accumulated depreciation	**(214 493)**	(177 614)	(196 576)
Total assets*	**41 805**	78 685	59 722
Lease Liabilities			
Current portion	**81 379**	64 544	68 769
Non-current portion	**14 480**	94 676	55 713
Total liabilities	**95 859**	159 220	124 482
The following amounts are recognised in the statement of comprehensive income for the interim period ending 30 June 2024			
Depreciation	**(17 917)**	(19 394)	(38 356)
Loss from operating activities	**(17 917)**	(19 394)	(38 356)
Finance cost	**(5 741)**	(7 936)	(14 464)
Impact on profit for the period	**(23 658)**	(27 330)	(52 820)
Changes in liabilities arising from financing activities			
Opening balance at 1 January	**124 482**	190 274	190 274
Loan repayments	**(34 364)**	(38 990)	(80 256)
Interest charges	**5 741**	7 936	14 464
Balance at the end of the period	**95 859**	159 220	124 482

* *At the end of the current period, the right of use asset only consist of the head office property lease. The equipment hardware lease contract ended on 31 December 2023.*

25. Fair value estimation

Financial instruments measured in the statement of financial position at fair value require disclosure. The following is the fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The following table presents the Group's assets and liabilities that are measured at fair value.

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total balance R'000
Jun-24				
Assets				
Other investments				
– Equity securities (financial instruments)	**204 772**	**270 876**	**–**	**475 648**
– Debt securities (financial instruments measured at fair value through OCI)	**517 165**	**–**	**–**	**517 165**
– Non-listed equity instruments designated at fair value through OCI	**–**	**–**	**77 752**	**77 752**
Total assets	**721 938**	**270 876**	**77 752**	**1 070 566**
Dec-23				
Assets				
Other investments				
– Equity securities (financial instruments)	172 694	289 921	–	462 616
– Debt securities (financial instruments measured at fair value through OCI)	287 991	–	–	287 991
– Non-listed equity instruments designated at fair value through OCI	–	–	113 355	113 355
Total assets	460 685	289 921	113 355	863 962
Jun-23				
Assets				
Other investments				
– Equity securities (financial instruments)	171 337	273 758	–	445 095
– Debt securities (financial instruments measured at fair value through OCI)	226 018	–	–	226 018
– Non-listed equity instruments designated at fair value through OCI	–	–	141 781	141 781
Total assets	397 355	273 758	141 781	812 894

25. Fair value estimation *continued*

The fair value of financial instruments traded in active markets is based on quoted market prices, which represent actual and regularly occurring market transactions between market participants at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker or industry group pricing market transactions on an arm's length basis and transactions occur regularly. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily FTSE 100 equity investments and South African Government Bonds classified as fair value through OCI.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Level 2 is made up of protective cell funds and collective investment schemes, which is measured at the clean price and the foreign currency respectively and are publicly traded.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Level 3 comprise of unlisted equity investment in Globacap Fintech company.

For all other financial assets and liabilities, the carrying value approximates the fair value.

Reconciliation: Level 3 recurring fair value measurements

Globacap investment

In the 2021 financial period, JSE limited acquired a minority stake for R84 million (GBP 4 million) in Globacap Technology Ltd (Globacap), an unlisted entity based in the United Kingdom. An additional investment was made in 2022 at an initial cost of R9.6 million (GBP 500 000) which was subsequently converted to a preferred equity instrument in the prior year. Post conversion, the JSE owns 14.4% (June 2023 and December 2023: 14.4%) effective stake in Globacap. The total investment in the FinTech company is designated at fair value through other comprehensive income ('OCI'), as the investment is a strategic long-term investment not held for returns in the short term.

	Ordinary shares R'000	Preferred shares R'000	Globacap equity interest R'000
Globacap equity investment reconciliation			
Opening balance 1 January 2023	81 869	–	81 869
Transferred from safe note investment	–	14 250	14 250
Net fair value movement recognised in OCI during the period (pre-tax)	44 740	923	45 663
Closing balance June 2023	126 609	15 173	141 781
Net fair value movement recognised in OCI during the period (pre-tax)	(27 934)	(494)	(28 428)
Closing balance 31 December 2023	**98 675**	**14 679**	**113 354**
Net fair value movement recognised in OCI during the period (pre-tax)	**(31 793)**	**(3 809)**	**(35 601)**
Closing balance 30 June 2024	**66 882**	**10 870**	**77 752**

25. Fair value estimation *continued*

Reconciliation: Level 3 recurring fair value measurements *continued*

Globacap investment *continued*

The fair value of both preferred equity shares (previously SAFE note) and ordinary equity investments were determined using the methodology below. The different rights and preferences between the ordinary shares and preferred B shares have not been taken into account as they are considered negligible. No dividends were received in the current and prior reporting periods.

External, independent valuators were used in performance of the valuation at acquisition in 2021.

The fair value as at 30 June 2024 was determined in line with the valuation technique applied for the period ended 31 December 2023. Management considers the valuation technique as a reasonable basis of determining fair value as it incorporated a highly successful funding round outcome for the series B transaction.

The fair value for the period is measured using the probability weighted valuation technique as follows:

- A discounted cashflow valuation technique (income approach) using a detailed bottom-up approach for key commercial drivers and forecasted cashflows.
- A market price valuation approach which encompasses the successful funding round using the price external investors are willing to invest into Globacap.

For the period ended 30 June 2024, probabilities were applied, using management judgment, to the two valuation methods as follows:

- A 65% (June and December 2023: 50%;) weighting has been applied to the discounted cashflow model.
- A 35% (June and December 2023: 50%;) weighting has been applied to the market price valuation.

The successful execution of the series B funding round occurred in March 2023 and given the passage of time since the last market price transaction the probability weighting was adjusted down from 50% to 35%. Forecast assumptions for the discounted cashflow model were further adjusted to revised estimates.

Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurements categorised within level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 30 June 2024 are shown below:

The valuation results in a fair value adjustment in other comprehensive income of R36.5 million loss (June 2023: R45.7 million gain; December 2023: R17.2 million gain) for the financial asset measured at other comprehensive income.

Discounted cashflow model (weighted at 65% (June and December 2023:50%) probability)

- 10-year free cash flow to equity forecast; the entity's detailed forecast was utilised for cashflows in years 1 to 3.
- 21.8% (June 2023:20%; December 2023: 21.8%) WACC;
- 43% (June & December 2023: 48%) revenue growth from year 4-6; 10% (June & December 2023:10%) from year 7-10 and
- 19% (June 2023: 16%; December 2023: 19%) operating expense growth rate from year 4-6; 3.9% (June 2023: 16%; December 2023: 3.9%) from year 7-10.

25. Fair value estimation *continued*

Reconciliation: Level 3 recurring fair value measurements *continued*

Globacap investment *continued*

Market model- Post funding expected value per share (weighted at 35% (June and December 2023:50%) probability)

- Series B funding round price £ 1.6448 per share

The fair value was calculated as at 30 June 2024.

Valuation technique		Significant unobservable inputs	Range	Sensitivity of the input to fair value
Non-listed equity instruments designated at fair value through OCI (Ordinary and preferred equity instrument)	Net Present Value (NPV) Method	Weighted average cost of capital (WACC)	21.8% (June 2023: 20%; December 2023: 21.8%)	5% (2023: 5%) (increase)/decrease in the WACC would result in a fair value (decrease)/increase of R7.7 million (June 2023: R9.7 million; December 2023: R6.8 million) in the investment fair value.
		Revenue growth rate	43% (June and December 2023: 48%)	3% (2023: 3%) increase/(decrease) in revenue growth rate from 2023 onwards results in a fair value increase/(decrease) of R8.1 million (June 2023: R4.1 million); December 2023: R6.5 million)
	Transaction price (market approach)	Estimated transaction price (Implied share price)	£ 1.6448 per share* (June and December 2023: £ 1.6448)	20% (2023: 20%) increase/(decrease) in the implied equity price results in a R13.4 million (June 2023: R19.1 million; December 2023: R21.8 million) increase/(decrease) in fair value.
	Probability weighting	Weighting of 50% on the DCF value and 50% on the implied equity value	65%/35% (June and December 2023: 50%/50%)	10% (2023: 10%) increase/(decrease) to the implied equity valuation weighting will result in a R18.8 million (June 2023: R14 million; December 2023: R20.9 million) increase/(decrease) in fair value

* *Series B funding round price £1.6448 per share.*

For the sensitivity analysis, it is assumed that any change in the individual inputs will not impact other assumptions as the inputs are not considered to have significant interrelations.

The fair value of the investment in Globacap is based on the premise of the investee continuing to operate on its current trajectory. Given the nature of the investment and the life stage of the investee, the value of the investment will be impacted significantly by the investee's ability/inability to generate funding.

26. Guarantees, contingent liabilities and commitments

26.1 Guarantees

A guarantee of an amount of R12 million (June & December 2023: R12 million) was issued by Rand Merchant Bank of South Africa Limited in favour of Strate Limited on behalf of JSE Limited in terms of an agreement to cover any failure by JSE Investor Services CSDP (Pty) Limited to comply with Strate rules and regulations.

JSE Limited issued a letter of undertaking and indemnity to Strate Limited in respect of JSE Investor Services CSDP (Pty) Limited for R7 million (June and December 2023: R7 million) for the purpose of ensuring that the subsidiary is in compliance with the Rules of Strate which applies to Central Securities Depository Participants in South Africa.

26.2 Contingent liabilities

No material contingent liabilities existed as at 30 June 2024.

26.3 Commitments

No material commitments existed as at 30 June 2024.

27. Events after reporting date

There have been no material events that would require adjustment or disclosure in the interim consolidated financial statements between 30 June 2024 and the date of Board approval of the condensed consolidated financial statements.

Sandton
7 August 2024

Sponsor: Rand Merchant Bank (A division of FirstRand Bank Limited)

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