SUMMARISED CONSOLIDATED ANNUAL FINANCIAL RESULTS

and ordinary cash dividend declaration

for the year ended 31 December

2023

Contents


JSE Limited Annual Results Presentation
19 March 2024
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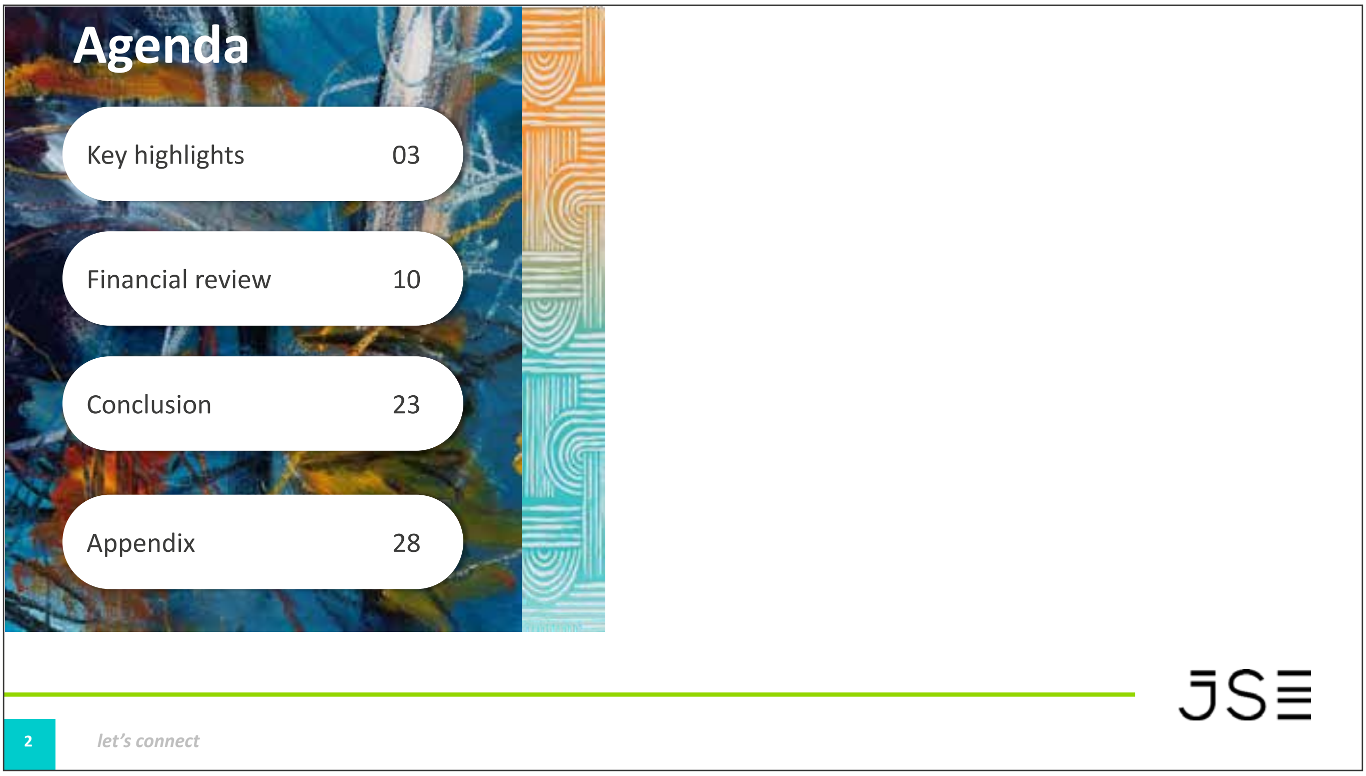
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Key highlights

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NOTES

Strong results against a challenging backdrop

Resilient revenue profile
Growth supported by segment & asset class diversification
Non-trading income represents 37% of total Operating income

Cost growth reflects focus on strategic initiatives
Disciplined approach to cost management
Key drivers are investment in people and technology

Healthy cash generation
Robust balance sheet and cash position
Net cash from operations at R1.1bn

Dividend declared
Ordinary dividend of 784 cents per share for the year, with a dividend yield of 8.5% (2022: 7.1%)

Innovative solutions
Strategic partnerships and innovative technology

R2.9bn Operating income[1]
+6.9% YoY

R2.0bn OPEX
+6.7% YoY

R831m NPAT
+11.0% YoY

R1.1bn Cash generated from operations
+13.6% YoY

[1]Includes net margin income

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Market performance set against dynamic global and EM factors

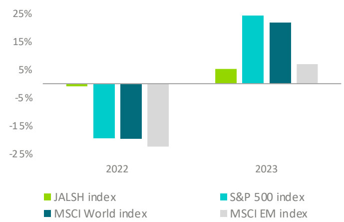
Emerging markets underperform global benchmarks in 2023

Earnings ratios at a discount to global emerging markets and developed markets

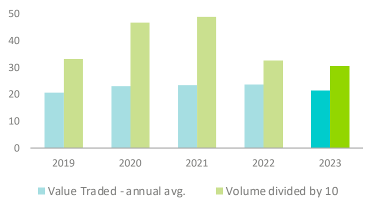
South Africa's weighting within FTSE Emerging Markets Index declined from 4.20% (31 Dec 2022) to 3.45% (31 Dec 2023)

Macroeconomic uncertainty and less liquidity for SA equity markets - Shift in capital flows as local investors sought foreign assets and global investors reduced their SA exposure

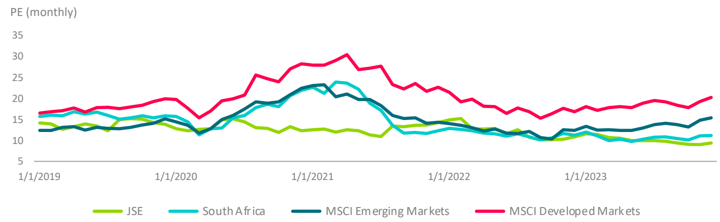
Global Indices FY 2022 and 2023 Performance



Equities market - Average Daily Value Traded (bn) / Average Daily Volume Traded (x10 mn)



Price/Earnings Multiple - Valuations Trends



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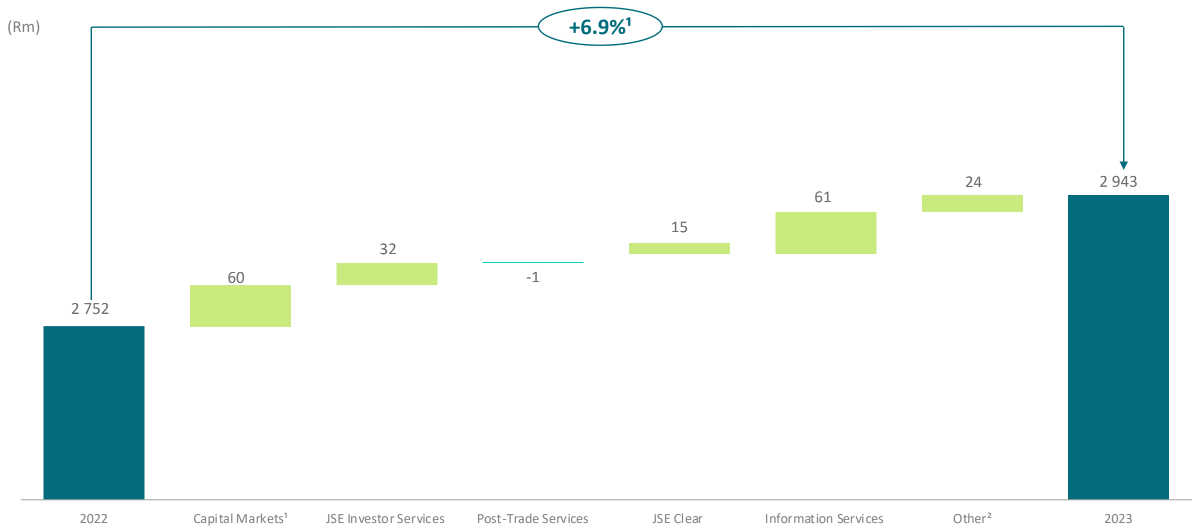
Operating income supported by diversified business segments & asset classes



[1]From 2023, Investor Protection Levy income forms part of Capital Markets revenue. This was previously reported under other income. This change was applied prospectively, resulting in a R47m operating income growth. Operating income growth excluding Investor Protection Levy is 5.2%. [2]Other: Strate ad valorem fees and margin income

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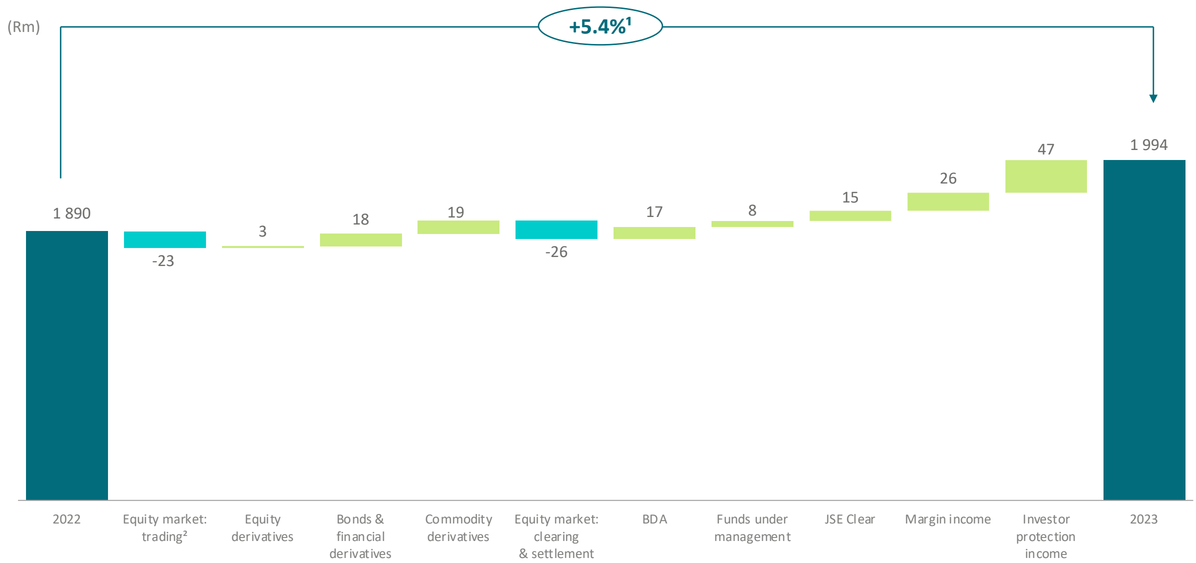
NOTES

Trading and post-trade revenue diversified by asset classes



[1]In 2023, Investor Protection Levy income forms part of Capital Markets revenue. This was previously reported under other income. This change was applied prospectively, resulting in a R47m operating income growth. Operating income growth from asset classes excluding Investor Protection Levy income is 3.0%. [2]Equity market trading includes colocation revenue (R10m)

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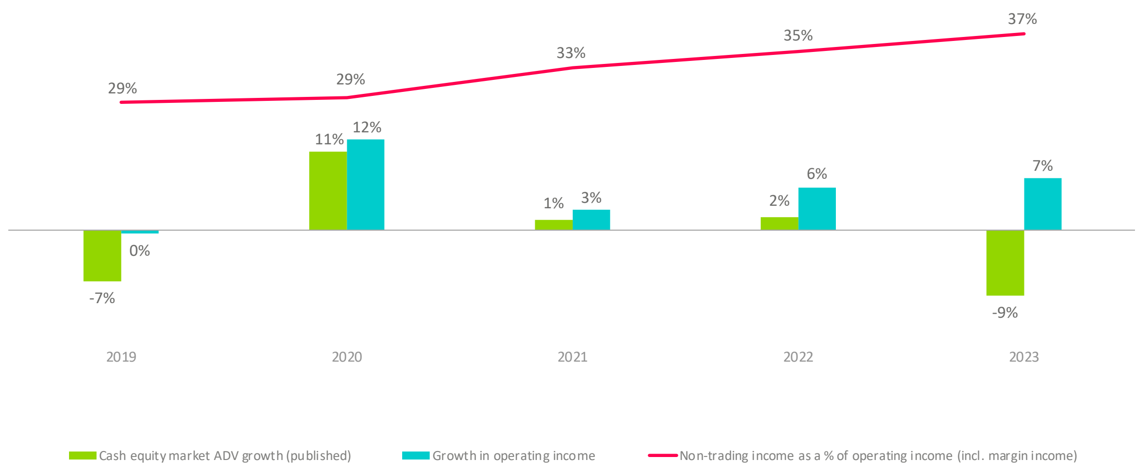
Continued revenue diversification supports business resilience

Non-trading income offset lower trading activity



Data excludes other revenue and other finance income
Non-trading income includes market data fees (Information Services), JIS Investor Services, margin income, colocation fees and primary market fees

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Progress in 2023 across our strategic pillars

Transform

- JIS[1]: YoY revenue growth of 20.2%. Revenue and NPAT CAGR (since January 2021) of 23.5% and 71.4% respectively
- Data lake: all essential equity and bond data moved to cloud
- Launched big xyt ecosystems
- Launched JSE Voluntary Carbon Market
- Delivered tokenised digital assets prototype
- Progressed Bond CCP[2]

Protect the core

- Operational resilience: above long-run average
- Launched securities collateral
- Delivered STT[3] upgrade ahead of time and budget
- Introduced cloud-based colocation services
- Grew sustainability bonds (+17%) and AMCs[4] products (+91%)
- Delivered Listings Requirements enhancements

Sustainable marketplace

- Achieved BBBEE Level 1 status
- Net Promoter Score at an all-time high
- SMEs: Delivered a capital raising solution for SMEs in partnership with Western Cape government

Generate sustainable high-quality earnings over the period to 2026

[1]JSE Investor Services, [2] Central Clearing Counterparty, [3]Securities Trading Technologies, [4] Actively Managed Certificates

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Financial review

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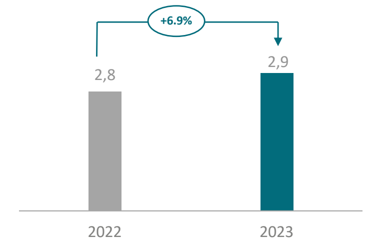
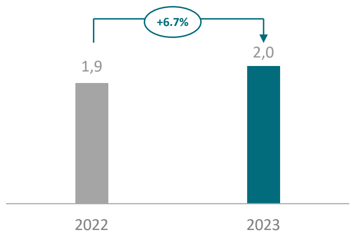
Key financial highlights – Income Statement

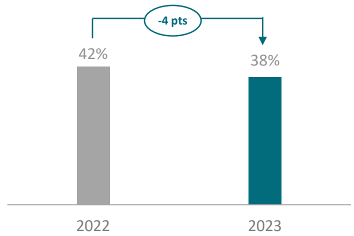
Operating income (Rbn)[1]



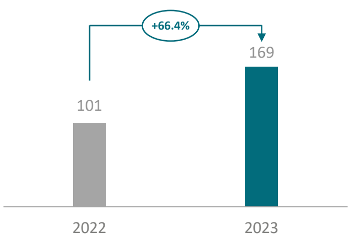
Total OPEX (Rbn)



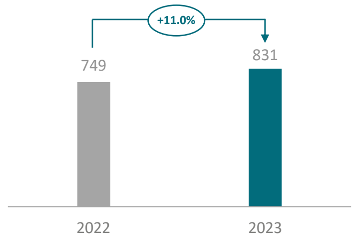
EBITDA margin[1]



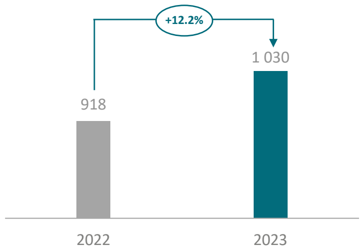
Net finance income (Rm)[2]



NPAT (Rm)



HEPS (cents)



[1]Margin income included in operating income and EBITDA. [2]Margin income reclassified from net finance income to operating income – 2023: R128m and 2022: R102m

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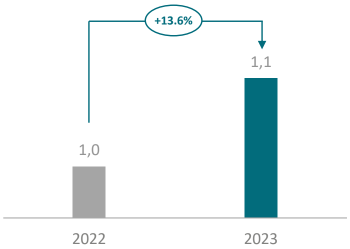
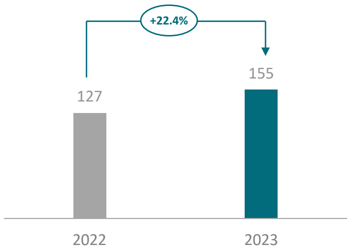
Key financial highlights - Cash and capital allocation

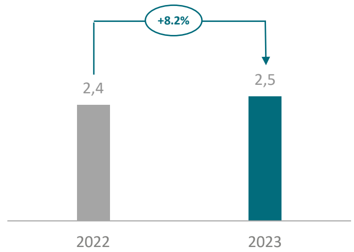
Net cash generated (Rbn)



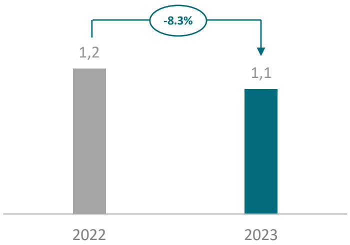
Capex (Rm)



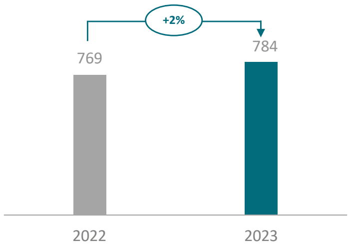
Cash balance (Rbn)[1]



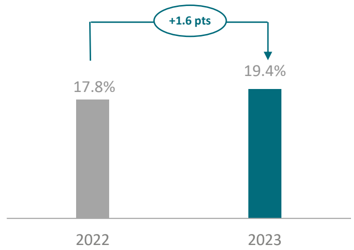
Regulatory capital[2] (Rbn)



Ordinary dividend per share (cents)



ROE



[1]Cash balance includes bonds: R256m, [2]Supported by R822m in cash, R143m in bonds

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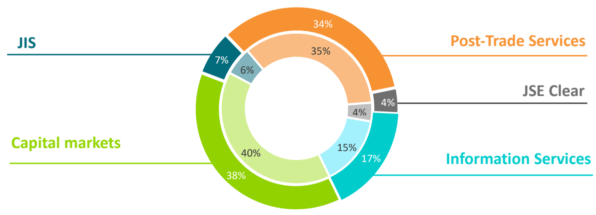
Revenue breakdown

- Capital markets grew 3% on the back of higher bonds and financial derivatives revenue, partly offset by lower equity market trading revenue
- JIS and Information Services revenue contributed 24% to operating revenue and increased by 20% and 16% YoY respectively
- Double digit growth in JIS, JSE Clear and Information Services
- Post-Trade Services was flat, in line with the lower equity value traded

FY 2023 revenue contribution (inner circle represents FY 2022)



Revenue (Rm)	2023	2022	% Growth YoY
Capital markets[1]	1 031	1002	3%
Primary market	161	158	2%
Equity market: trading[2]	486	509	-5%
Bonds & financial derivatives	129	111	16%
Equity derivatives	117	114	2%
Commodity derivatives	80	72	11%
JIS	190	159	20%
Post-Trade Services	883	884	0%
Equity market: clearing & settlement	411	438	-6%
BDA	368	351	5%
Funds under management	104	95	9%
JSE Clear[3]	112	97	16%
Information Services	448	388	16%
Market Data	369	320	15%
Indices	79	68	16%

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Note: Figures contain rounding differences
[1]Includes Issuer Services revenue (R11m), JPP (R0.6m) and investor protection levy income (R47m). For illustrative purposes, R30m has been excluded from other income and included in operating revenue for 2022. [2]Includes colocation revenue: R43m (2022: R33m). [3]For illustrative purposes, 2022 derivatives revenue has been excluded from Capital Markets and included in JSE Clear on a like for like basis, deemed JSE Clear revenue share (30%)

NOTES

Capital Markets & JIS

Equity market trading revenue down 5%
- Published equity value traded down 9.5% and ADV down to R21bn (2022: R24bn)
- Colocation activity contributed 69% (2022: 66%) to value traded, an important enabler of activity

Equity Derivatives revenue up 2%
- Equity derivatives value traded down 4%

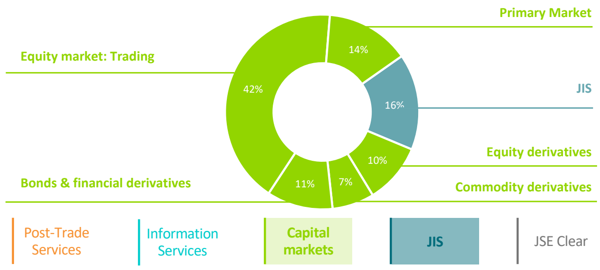
Primary market revenue up 2%
- Additional capital raised R41bn (2022: R13bn) up 211%
- Growth in sustainability segment and AMCs

Bonds & financial derivatives revenue up 16%
- Bond nominal value traded up 20%
- Currency derivatives no. of contracts traded up 36%
- Interest rate derivatives no. of contracts traded up 18%

Commodity derivatives revenue up 11%
- No. of contracts traded up 4%

JIS revenue up 20%
- 10 new customers
- Elevated corporate action activity
- Growth in margin income due to favourable interest rate environment
- 23.5% CAGR (since January 2021)

FY 2023 revenue contribution



	FY23 Revenue (Rm)	FY22 Revenue (Rm)	% Growth YoY
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[1]Includes Issuer Services revenue (R11m), JPP (R0.6m) and investor protection levy income (R47m). For illustrative purposes, R30m was excluded from other income and included in operating revenue in 2022.
[2]Includes colocation revenue: R43m (2022: R33m)

NOTES

Post-Trade Services & JSE Clear

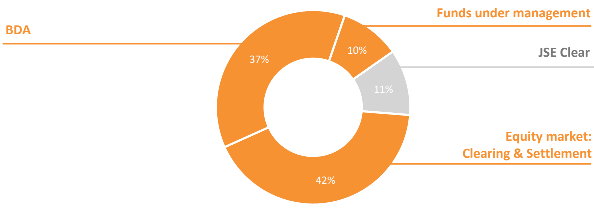
Clearing & Settlement fees down 6%
- Billable equity value traded down 5%

BDA fees up 5%
- Equity transactions up 1%; ADT[1] up to 327k (2022: 322k)

Funds under management revenue up 9%
- Higher JSE Trustee's cash balances

JSE Clear revenue up 16%
- JSE Clear started operating as an ICH in January 2023
- Unbundling of derivative fees (Equity, Interest rate, Commodity and Currency Derivatives Markets)
- Introduced a clearing membership fee

FY 2023 revenue contribution



Post-Trade Services | Information Services | Capital markets | JIS | JSE Clear

	FY23 Revenue (Rm)	FY22 Revenue (Rm)	% Growth YoY
Post-Trades Services	883	884	0%
Equity Market: Clearing & Settlement	411	438	-6%
BDA	368	351	5%
Funds under management	104	95	9%
JSE Clear	112	97	16%

[1]Average daily transactions

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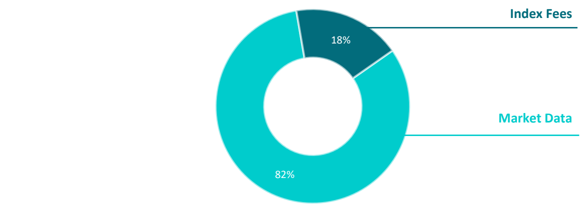
Information Services

Information Services revenue up 16%
- Growth in index revenue, largely from growth in USD partnership contributions from FTSE Russell
- An increase in USD-based annuity revenue
- Steady growth in core Market Data products

FY 2023 revenue contribution



Post-Trade Services | Information Services | Capital markets | JIS | JSE Clear

	FY23 Revenue (Rm)	FY22 Revenue (Rm)	% Growth YoY
Information Services	448	388	16%
Market Data	369	320	15%
Index fees	79	68	16%

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NOTES

OPEX growth reflects investment in our people and technology

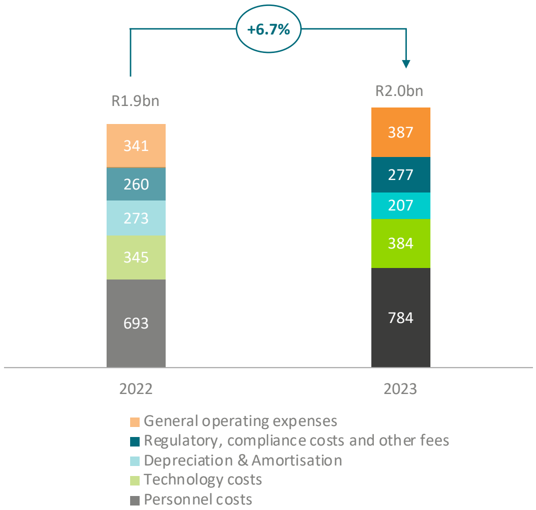
Personnel costs up 13% (R91m) to R784m
- Annual salary increases
- Higher incentives owing to good leavers and retention costs during the year as well as a lower LTIS vesting in the prior year

Technology costs up 11% (R39m) to R384m
- Growth strategy and initiatives for sustaining the business and related licence costs

Depreciation and amortisation down 24% (R66m) to R207m
- Change in estimate of useful life of capitalised software and systems

Regulatory, compliance costs & other fees up 7% (R17m) to R277m
- Higher regulatory levies due to JSEC (licensed as an ICH in the current year) and an increase in trading levies

General operating expenses up 14% (R46m) to R387m
- Reflective of the cost pressures in the operating environment and investment in strategic initiatives
- Unclaimed VAT expenses and an increase in diesel costs



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Contains rounding differences

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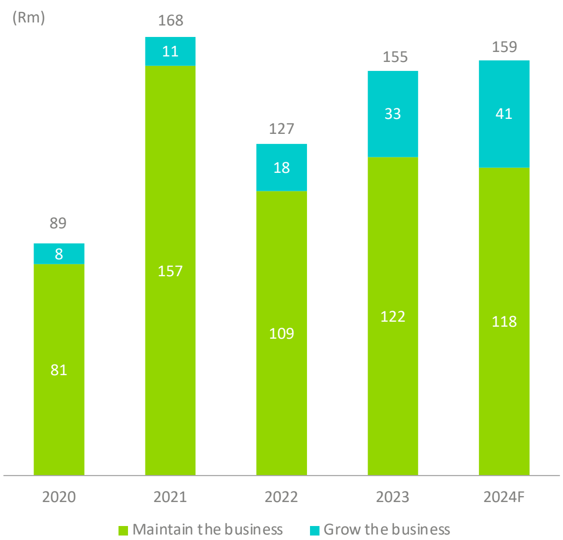
Capex spend in line with expectations



Grow the business:
- Information services - primarily the transfer of master data to the cloud, the data marketplace and Self-Service Business Intelligence (BI)
- Bond CCP - progressing development
- New market development - digital asset opportunities

Maintain the business:
- Rejuvenation of infrastructure and systems - completed three operating systems, platform upgrades and system migration
- Upgrade of operating systems and software - additional system functionalities to improve operational efficiencies
- Upgrade of platform supporting remaining derivative markets - commodities and bonds
- Regulatory enhancements

2024 Capex guidance: R145m - R165m[1]
- Information Services growth strategy
- Rejuvenation of infrastructure
- Regulatory enhancements
- Automation of key processes
- System maintenance

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[1]Capitalisation subject to technical accounting assessments

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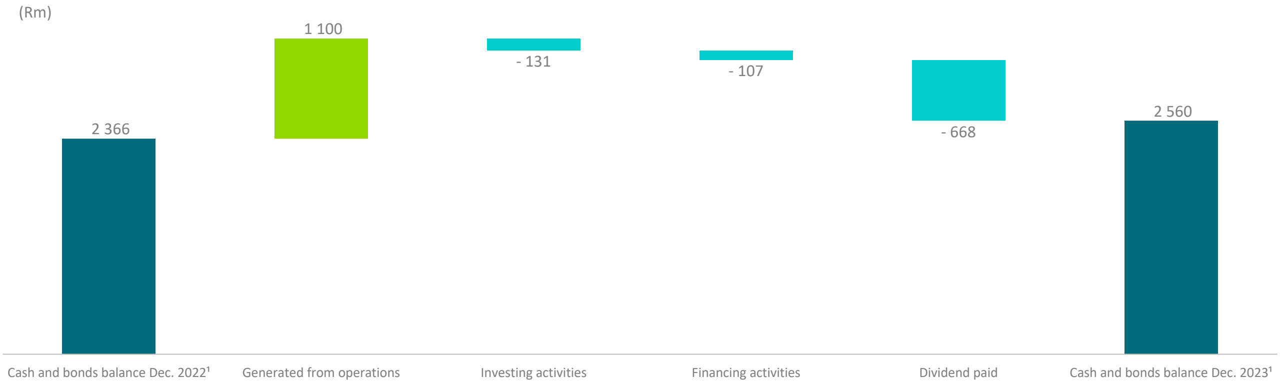
Robust balance sheet and healthy cash generation



Investing activities
- Intangible assets, acquisition of plant and equipment
- Investment in government bonds
- Leasehold improvements

Financing activities
- Acquisition of treasury shares
- Lease liability repaid

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¹Amount invested in bonds: R256m (2022: R143m)

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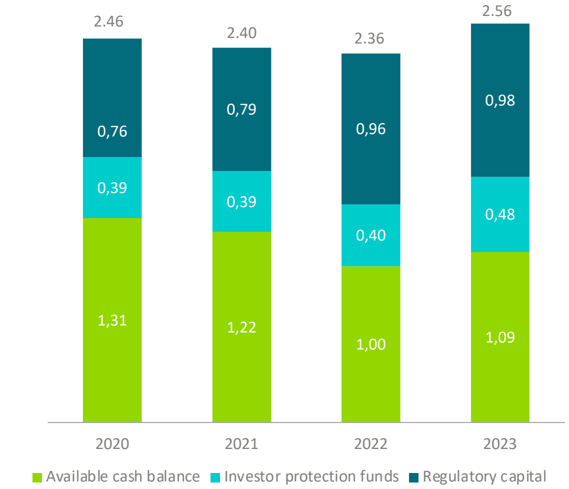
NOTES

Strong cash balance with adequate regulatory capital

Cash and bonds (Rbn)



Investor protection and other funds
- JSE Derivatives Fidelity Fund
- JSE Guarantee Fund
- BESA Guarantee Fund JSE
- Empowerment Fund

Available cash
- CAPEX
- Shareholder returns (67 – 100% pay-out)
- Other investment
- Working capital

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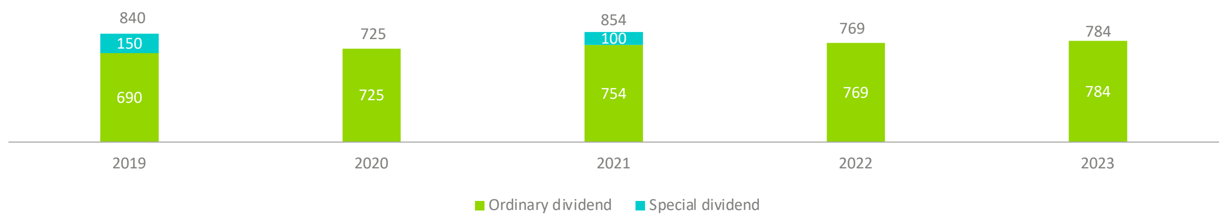
Dividend in line with stated policy

Dividend per share (cents)



	2019	2020	2021	2022	2023
Total dividend	R730m	R630m	R741m	R668m	R681m
Ordinary dividend pay-out ratio	87%	83%	92%	89%	82%
Dividend yield (total)	7.0%	6.3%	7.6%	7.1%	8.5%

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FY 2024 Expectations

Opex growth

5% – 8%

CAPEX

R145m – R165m

Dividend

67% – 100% pay-out ratio

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Conclusion

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Retaining our strong competitive value proposition

Transformative and innovative

- Partnerships with world-class network providers – Colo 2.0
- Broadening of products to include analytics and data solutions
- BDA modernisation
- Ability to improve pricing competitiveness and reduce all in cost for clients

Responsive and resilient operations

- Resilient operational exchange - market availability of 99.89%
- Settlement assurance
- Deep, liquid and quality markets
- World-class latency, connectivity and enhanced market access
- Globally aligned and credible benchmark indices for SA

Established and credible FMI

- Critical Financial Market Infrastructure (FMI)
- Multi asset class exchange
- Robust regulation
- Strong regulatory capital (R987.7m)
- Deep equity reserves (R4.4bn*)

*Total Group equity balance

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NOTES

The Group's 2026 strategy positions the JSE as a diversified exchange group

Protect the core

- Maintain operational resilience and stability
- Cloud strategy expansion
- Innovate and modernise legacy systems - transformation of BDA

Transform

- Evolving client proposition through innovative products and partnerships
- Continued diversification of revenue
- Progress Information Services growth strategy

Sustainable marketplace

- Attract and retain top talent
- Maintain level BEE Level 1 scorecard rating
- Progress listing reforms
- Deliver the sustainability strategy

Generate sustainable high-quality earnings over the period to 2026

2024 objectives

- NPAT growth: in line with CPI
- Maintain NPAT margin
- Maintain strong ROE

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Partnering to deliver BDA modernisation

- A pragmatic and systematic approach to modernisation by converting to modern software technology (Cobol to Java) and moving from mainframe to the cloud
- Partnering with AWS to facilitate and de-risk migration given their track record and capabilities

A richer interface and improved user experience

Reduced cost of running the system with benefits to be passed back to the broker community

Ability to produce new features beneficial to the market

Improved analytics and reporting

Access to data via secure API mechanisms

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Committed to stakeholder value creation

Resilient business model underpinned by healthy cash generation, robust balance sheet and sustainably high ROE

01. Increasing revenue diversification across business segments & asset classes

02. Maintaining our core value proposition through Resilient and stable market

03. Partnering and innovating to deliver transformation

04. Stable dividend profile

05. Successful M&A track record (JIS & Globacap)

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Appendix

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Progressing our Information Services strategy

2022

- Develop JSE Trade Explorer

- Completed Azure Cloud Foundations
- Commence transfer of Market Data to the cloud
- Commence JSE Market Data Connect

2023

- Launched JSE Trade Explorer
- Announced big xyt ecosystems
- Production-ready SENS to the cloud
- Production-ready financials to XBRL

Foundational components for a 5-year data monetisation strategy in the cloud

- Transfer Market Data to the cloud
- Launch JSE Market Data Connect (digital contracting) & production-ready JSE Market Data Connect (marketplace)
- Production-ready Foundry pipelines
- Commence Self-Service Business Intelligence

2024

Priorities

- **Bring foundational projects to practical completion – 50% of investment spend**
- **Launch a range of revenue-generating data products and services**
- **Explore opportunities for data revenue growth through inorganic opportunities, partnership or JVs**

Well positioned for material market data revenue growth in 2025 and 2026

Objectives

- **Complete essential functionality across all four foundational components**
- **Launch new data products or services**
- **Deliver IS revenue from new products or services (annualised)**
- **Establish big xyt ecosystems**

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NOTES

FY 2023 Market Drivers

	2023	2022
Primary Market		
Number of IPOs	3	5
Additional capital raised	41bn	13bn
Aggregate market cap. of all equity listed instruments on the JSE[1] (YoY growth)	-6%	+10%
New bond listings	742	774
Nominal value of listed bonds	4.6tr	4.3tr
New bond listings - sustainability segment	12	32
New ETFs	12	9
New ETNs	5	9
No. of warrants and structured products	443	360
New AMCs	23	9
JPP[2]	7.7bn	12bn
Post-Trade Services and JIS		
Billable equity value traded	-5%	14%
No. of transactions/deals	327k	322k
ADTs %	1%	-1%
JIS new customers[3]	10	21

	2023	2022
Secondary market		
Published equity value traded	-9.5%	flat
ADV[4] %	-9%	flat
Colocation activity as a % of total value traded	69%	66%
No. of racks	53	47
Interest rate derivatives contracts traded	4%	14%
Equity derivatives value traded	-4%	13%
Bond nominal value traded[5]	20%	4%
Currency derivatives no. of contracts traded	36%	15%
Commodity derivatives no. of contracts traded	4%	2%

[1]31 December 2022 to 31 December 2023, [2]JSE Private Placements live deals: 41 active, [3]JIS: includes registry and share plans clients, [4]ADV – Average Daily Value Traded calculated as value traded divided by number of trading days, [5]Bond repo up 20% to R30.7tr (2022: R25.8tr), Standard bonds up 23% to R13.5tr (2022: R11.0tr).

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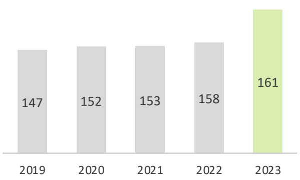
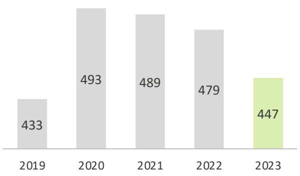
FY 2019 – 2023 revenue segment data

CAPITAL MARKETS

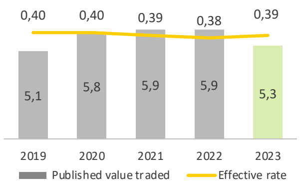
Primary Market (Rm)



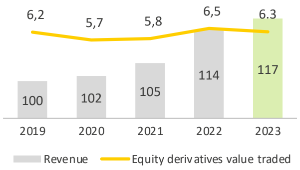
Equity Trading (Rm)



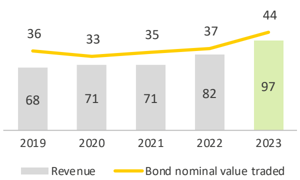
Published value traded (Rtr) and effective rate (bps)[1]



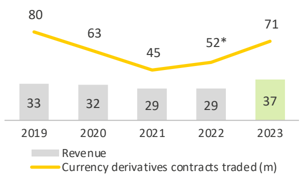
Equity Derivatives (Rm) and value traded (Rtr)



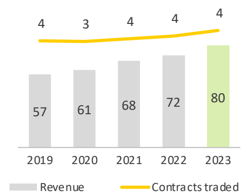
Interest Rate (Rm) and bond nominal value (Rtr)



Currency Derivatives (Rm) and contracts traded (m)



Commodity Derivatives (Rm) and contracts traded (m)



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*[1]Effective rate: Revenue divided by billable value traded, *Recalculation of statistics to obtain alignment between equity derivatives and currency derivatives markets*

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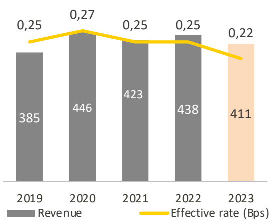
NOTES

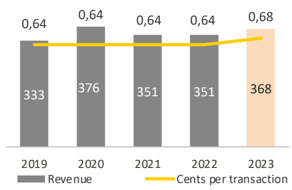
FY 2019 – 2023 revenue segment data

POST-TRADE SERVICES

Clearing and Settlement[1] (Rm) and effective rate (bps)[2]

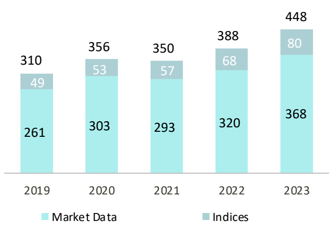


Back-Office Services (Rm) and cents per transaction



INFORMATION SERVICES

Information Services (Rm)



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[1]Clearing & Settlement revenue only reflects equity market clearing fees, [2]Effective rate: revenue divided by billable value traded

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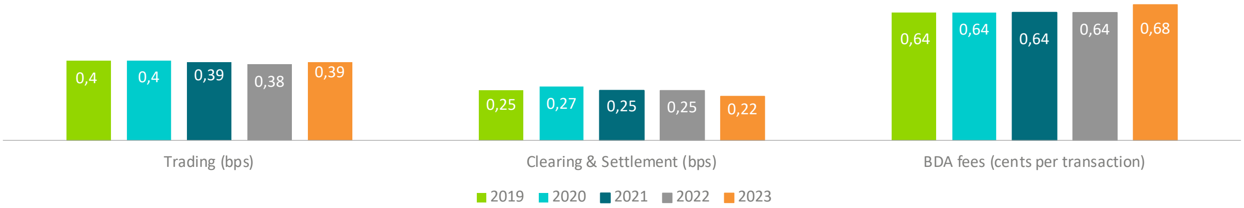
NOTES

Equity Market: JSE effective pricing trend



2023: Effective rate increased YoY owing to growth in trade activity of the complex order suite

2023: Effective rate decreased YoY owing to a decrease in transaction sizes, with fewer trades hitting the cap

2023: 4 cents increase per transaction

Effective rate: Revenue divided by billable value traded

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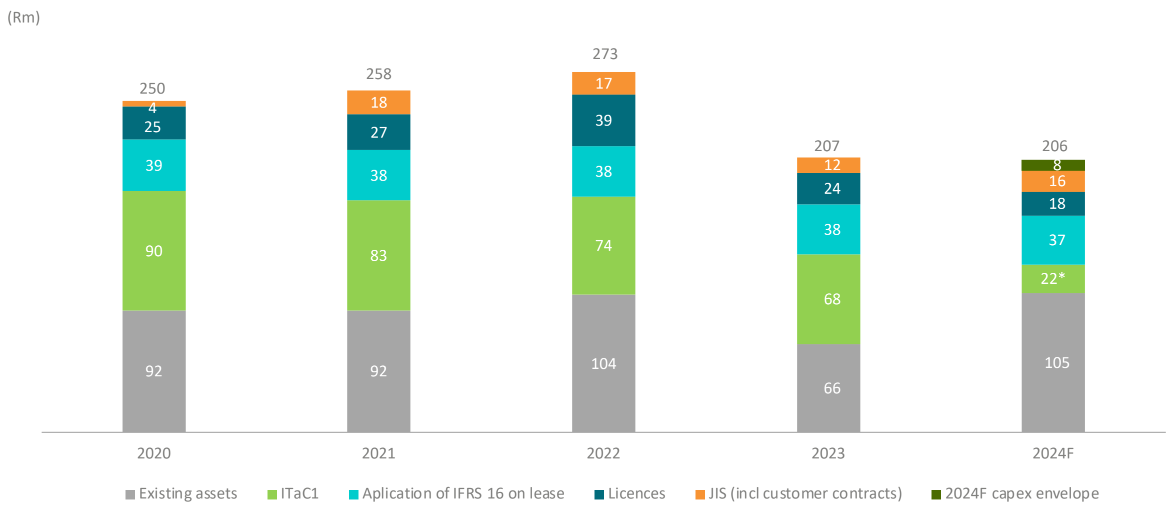
NOTES

Multi-year depreciation profile of assets and planned CAPEX



**4 major ITAC assets have reached the end of their useful lives*

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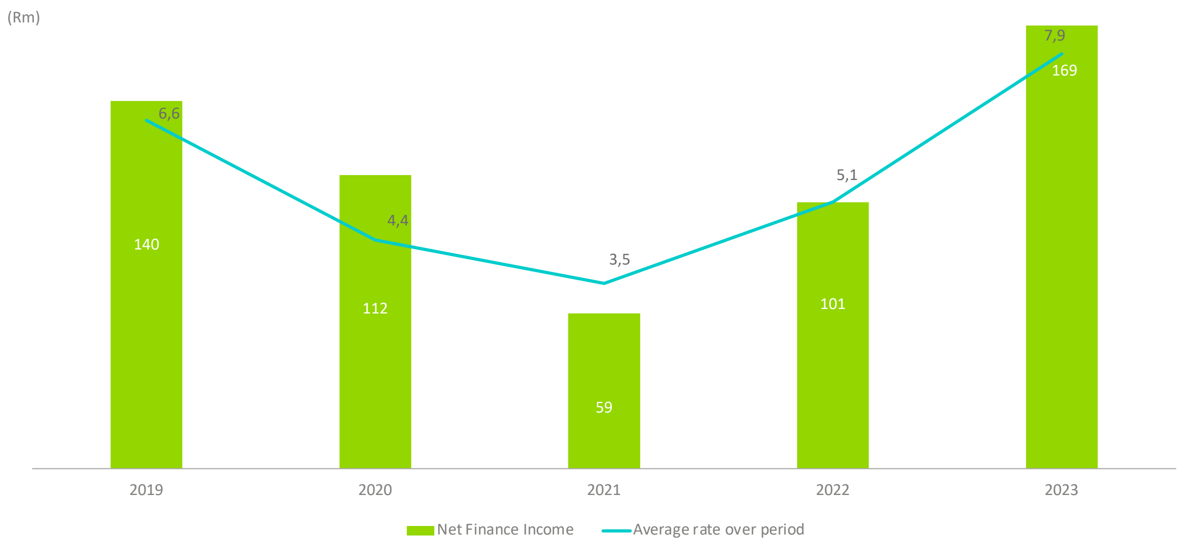
NOTES

Interest rate developments positively impact Net Finance Income



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

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NOTES

Income statement

(Rm)	2023	2022	∆ (%)
Revenue	**2 814**	2 650	6.2%
Margin income & collateral	**128**	102	25.8%
Operating income	**2 942**	2 752	6.9%
Other income	**30**	54	-45.4%
Total income	**2 972**	2 806	5.9%
Personnel expenses	**784**	693	13.2%
Other operating expenses	**1 048**	946	10.8%
EBITDA	**1 141**	1 168	-2.3%
EBITDA (%)	**38%**	42%	-4 pts
Depreciation and amortisation	**207**	273	-24.1%
Total operating expenses	**2 039**	1 912	6.7%
EBIT	**933**	894	4.4%
EBIT (%)	**31%**	32%	-1 pts
Net finance income	**169**	101	66.4%
Share of profit from associate	**39**	41	-5.6%
Profit before tax	**1 141**	1 037	10.0%
Income tax expense	**310**	288	7.5%
NPAT	**831**	749	11.0%
NPAT (%)	**30%**	28%	2 pts
EPS (cents)	**1 019.3**	911.1	11.9%
HEPS (cents)	**1 029.8**	917.7	12.2%

Note: Margin income reclassified from net finance income to operating income – 2023: R128m and 2022: R102m

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NOTES

Balance sheet

(Rm)	2023	2020
Non-current assets	**2 153**	1 992
Property and equipment	**174**	165
Intangible assets	**675**	696
Investment in associate	**347**	329
Other non-current assets	**958**	801
Current assets	**57 637**	59 345
Margin deposits	**53 999**	55 793
JSE Clear Derivatives Default Fund collateral deposits	**500**	500
Trade and other receivables	**831**	793
Cash and cash equivalents	**2 304**	2 223
Other current assets	**4**	36
Total assets	**59 790**	61 336
Total equity	**4 386**	4 173
Stated capital	**(166)**	(119)
Reserves	**846**	755
Retained earnings	**3 705**	3 537
Non-current liabilities	**116**	191
Current liabilities	**55 288**	56 972
Margin deposits	**53 999**	55 793
JSE Clear Derivatives Default Fund collateral contribution	**400**	400
Other current liabilities	**890**	780
Total equity and liabilities	**59 790**	61 336

Note: Figures contain rounding differences

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NOTES

Financial metrics

	2019	2020	2021	2022	2023
Operating margin (EBIT)[1]	31%	32%	31%	32%	**31%**
EPS (cents)	814.8	936.7	874.1	911.1	**1 019.3**
HEPS (cents)	814.6	936.7	878.9	917.7	**1 029.8**
PE	14.6	12.6	12.8	11.9	**9.0**
NPAT (Rm)	695	779	723	749	**831**
NPAT margin	31%	31%	28%	28%	**30%**
ROE	18%	19%	17%	18%	**19%**

Note: Figures contain rounding differences, [1]Margin income included in operating income in EBIT calculation – 2023: R128m and 2022: R102m

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NOTES

How the JSE art was used throughout the reporting suite

Our Integrated Annual Report 2023 showcases selected works from the JSE's corporate art collection, with the focus on artists involved with the Polly Street Art Centre, a significant feature in the evolution of South African art.

The first art classes were offered at Nr 1 Polly Street in 1949. Artists would get off the train or tram in Diagonal Street very close to where the Johannesburg Stock Exchange was located and would walk to the neighbourhood known as the Bantu Sports Club for the evening lesson that had to end before curfew.

The artists and idealists that taught at the centre included Eduardo Villa, Merle Huntley, Walter Battiss, Cecily Sash, Lary Scully, Fred Schimmel and Cecil Skotnes, and they left an unmeasurable legacy for the South African Art world.

Elza Miles beautifully summed up the value and importance of the Polly Street Art centre: "[it] was a crucible from which two distinct South African styles of expression emerged. Although both styles are modernistic, they show different points of view. The one finds inspiration in everyday life and is mimetic, the other draws on classical African and modernistic styles to shape and interpret observations from life. Whereas the one is direct, the other is interpretative, yet both open avenues for unlimited exploration. Herein lies the legacy of No. 1 Polly Street."

The many artists molded by this art initiative, teachers and students alike, established a unique South African visual paradigm that have filtered through to some of our most influential artists today.

JSE

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Thank you

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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")

Summarised consolidated annual financial results and ordinary cash dividend declaration for the year ended 31 December 2023

"The JSE has produced strong results, with growth of 12.2% in headline earnings per share (HEPS) and return on equity (ROE) of 19.4% in line with long-term targets. This strong performance has enabled the Board to declare a dividend of 784 cents per share for the full year. We continue to invest in defending our core trading activity while building new services across asset classes and in private capital raising, Information Services and JSE Investor Services, which enabled non-trading income to increase to 36.8% (2022: 34.6%) of operating income in line with our long-term strategy. We delivered an excellent operating performance with system uptime of 99.89%. We launched new partnerships to enable us to rapidly innovate in data services, private markets, carbon trading and a modernisation of our broker-dealer accounting (BDA) system, which will ensure the JSE maintains its leading position among emerging market exchange operators."

– Leila Fourie, *Group CEO*

Overview of results

- Headline earnings per share (HEPS) increased by 12.2% YoY to 1 029.8 cents per share (2022: 917.7 cents). Net profit after tax (NPAT) increased 11.0% to R831 million (2022: R749 million).
- The Group's revenue growth was supported by the diversified business segments and asset classes across the business. Operating income grew 6.9%[2] to R2.9 billion, supported by a 15.6% increase in revenue from Information Services and a 20.2% increase in revenue from JSE Investor Services (JIS).
- The JSE increased the proportion of its revenue derived from non-trading activity in line with our strategy (non-trading income of R954 million).
- Total operating expenditure increased by 6.7% YoY to R2.0 billion, delivering balanced operating leverage for the Group.
- Earnings before interest, tax and depreciation (EBITDA)[1] of R1.1 billion decreased by 2.3% YoY.
- Higher interest rates supported growth in net finance income, which increased 66.4% YoY to R169 million (2022: R101 million).
- Cash generated from operations of R1.1 billion grew YOY by 13.6% and has enabled the Board to declare an ordinary dividend of 784 cents per share for 2023 (2022: 769 cents) and a pay-out[3] ratio of 82.4% (2022: 89.3%).
- Capital expenditure of R155 million was focused on protecting the core business and growing new business lines.

[1] *Margin income included in operating income.*
[2] *Includes margin income.*
[3] *Pay-out ratio affected by non-cash items on income statement.*

- The Group maintains a robust balance sheet and cash of R2.3 billion as at 31 December 2023 (excluding bond investments of R256 million). Ring-fenced and non-distributable cash and bonds (regulatory capital and investor protection funds) amounted to R1.47 billion. The Group calculates and holds regulatory capital which amounted to R987.7 million (2022: R965.1 million) in total for JSE Limited and JSE Clear. The Group continues to maintain its solvency and liquidity position.

Rmillion (unless otherwise stated)	FY2023	FY2022	% change
Revenue	**2 814**	2 650	6.2%
Net margin and collateral[1]	**128**	102	25.8%
Operating income[2]	**2 942**	2 752	6.9%
Other income	**30**	54	(45.4%)
Total income	**2 972**	2 806	5.9%
Personnel expenses	**784**	693	13.2%
Other expenses	**1 048**	946	10.8%
Depreciation and amortisation	**207**	273	(24.1%)
Total expenditure	**2 039**	1 912	6.7%
Earnings before interest and tax (EBIT)	**933**	894	4.4%
Net finance income[2]	**169**	101	66.4%
Income tax expense	**310**	288	7.5%
Net profit after tax (NPAT)	**831**	749	11.0%
Earnings before interest tax depreciation and amortisation (EBITDA)[3]	**1 141**	1 168	(2.3%)
EBITDA margin[3]	**38%**	42%	(4 pts)
Profit before interest tax and incentives (PBITI)	**989**	939	5.3%
Earnings per share (EPS) (cents)	**1 019.3**	911.1	11.9%
Headline earnings per share (HEPS) (cents)	**1 029.8**	917.7	12.2%
Ordinary dividend per share declared (cents)	**784**	769	2.0%
Net cash generated from operations	**1 111**	978	13.6%
Capital expenditure	**155**	127	22.4%

1 *Income earned on margin and collateral deposits largely for JSE Clear.*
2 *Margin income was reclassified from net finance income to operating income (2023: R128 million and 2022: R102 million), following the appointment of JSE Clear as an independent clearing house in terms of Group accounting policy. The alignment is in accordance with industry best practice.*
3 *Margin income included in operating income.*

2023 business highlights

Successful growth of non-trading business reduces volatility in revenues.

Protecting the core business

Our systems were resilient, and we made several enhancements to our service offering and trading environment.

- Operational resilience: above our long-run average (99.89% market uptime).
- JSE Clear announced the acceptance of securities collateral.
- Delivered Securities Trading Technologies (STT) platform upgrade ahead of time and budget.
- Introduced cloud-based colocation services.
- Grew sustainability bonds and actively managed certificates (AMCs) by 17% and 91% respectively.
- Delivered Listing Requirements enhancements.

Transforming the business

New partnerships are enabling us to rapidly evolve to stay ahead of international trends while protecting our core business.

- JIS: YoY revenue growth of 20.2%. Revenue and NPAT CAGR (since January 2021) of 23.5% and 71.4% respectively.
- Data lake: all essential equity and bond data moved to the cloud.
- Launched big xyt ecosystems.
- Launched a South African Voluntary Carbon Market (VCM) and Renewable Energy Certificates (RECs) market.
- Delivered tokenised digital assets prototype.
- Progressing the central clearing for the bond electronic trading platform (ETP).

Financial performance

Revenue performance per segment

Capital Markets*

- Primary Market: +2.4% to R161 million.
- Equity Trading**: -4.6% to R486 million. While value traded was down by 9.5%, equity trading revenue was boosted by colocation revenue, up 30% to R43 million.
- Equity Derivatives Trading: +2.2% to R117 million.
- Currency Derivatives Trading: +26.5% to R37 million.
- Bond and Interest Rate Trading: +18.3% to R97 million.
- Commodity Derivatives Trading: +10.7% to R80 million.

** Capital markets revenue includes Issuer Services revenue and JSE Private Placements. From 2023, investor protection levy revenue forms part of Capital Markets revenue. This was previously disclosed in other income.*
*** Includes colocation revenue.*

JSE Investor Services (JIS)

- JIS: +20.2% to R190 million.

Post-Trade Services

- Clearing and Settlement: -6.0% to R411 million.
- Back-office services (BDA): +4.8% to R368 million.
- Funds under management: +8.9% to R104 million.

JSE Clear***

JSE Clear: +15.5% to R112 million.

**** For comparative purposes, 2022 derivatives revenue has been excluded from Capital Markets and included in JSE Clear. The JSE Clear revenue is 30% of the derivatives market.*

Information Services (IS)

- IS: +15.6% to R448 million (2022: R388 million).

Other income

- Other net income: -45.4% to R30 million, primarily owing to a reclassification of investor protection levy revenue from other income to operating income in 2023.

Operating expenditure

Total operating expenditure increased by 6.7% YoY.

- Personnel costs reflect annual salary increases and higher incentives owing to good leavers and retention costs during the year as well as a lower Long-Term Incentive Scheme (LTIS) vesting in the prior year.
- Technology costs increased as a result of investment in strategic initiatives and the negative impact of inflation and rand weakness on business as usual (BAU) related expenses.
- Depreciation and amortisation decreased due to a change in the estimated useful life of capitalised software and systems.
- Regulatory, compliance costs and other fees were higher due to an increase in regulatory related costs and new costs associated with the Independent Clearing House (ICH).
- General operating expenditure reflects the impact of a challenging operating environment and investment in strategic initiatives.

Net finance income

Net finance income: +66.4% YoY, due to higher yields on the JSE's cash balances following multiple repo rate increases.

Margin income was reclassified from net finance income to operating income (2023: R128 million and 2022: R102 million).

Cash flows and investments

The Group continued to be cash generative, with net cash generated from operations up 13.6% to R1.1 billion (2022: R978 million). At the end of December 2023, the cash balance stood at R2.3 billion (2022: R2.2 billion), excluding the bond investment of R256 million.

Capital expenditure totalled R155 million (2022: R127 million) and was focussed on protecting and growing the core business. All capital requirements for 2024 can be funded from the Group's cash resources.

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 – this amounted to R987.7 million in total for the JSE Limited and JSE Clear. The JSE and JSE Clear are adequately capitalised.

Future focus and prospects

Our long-term strategic objectives are to grow and diversify revenue streams, invest in operational resilience and further entrench sustainability in the business.

Our focus for 2024 is to:

- 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 including inorganic growth.
- Progress our growth strategy for Information Services, formulated on a five-year horizon.
- Continue to prudently manage the Group's cost base.

The JSE's practice has been to return distributable cash to shareholders after ring-fencing cash for regulatory capital requirements, investments as well as for working capital.

The JSE is a financial market infrastructure that enables efficient and optimum functioning of the capital markets in South Africa. In discharging the Group's responsibilities as a financial market infrastructure and delivering on its strategic objectives as a commercial entity, the JSE seeks to maintain an appropriate balance between the regulation of the markets that it operates, and the pursuit of shareholder returns. The Group will continue to exercise sound judgement in the investments it makes to ensure the JSE Group's sustainability and a beneficial outcome for all stakeholders.

2024 Guidance:

- OPEX growth: 5% – 8%
- CAPEX: R145 million – R165 million

Financial forecasts have not been reviewed or reported on by the Group's external auditors.

Declaration of ordinary cash dividend

The Board has declared an ordinary cash dividend for the year ended 31 December 2023, as follows:

Dividend	Annual gross amount per share	Withholding tax %	Annual net amount per share
Ordinary	784 cents	20%	627.20000 cents

The ordinary dividend of 784 cents increased by 2%, owing to an 12.2% increase in HEPS (2022: 769 cents), in accordance with the dividend policy. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The dividends are payable to shareholders recorded in the register of members of the JSE at close of business on Friday, 12 April 2024. In compliance with the Companies Act, 71 of 2008 (as amended) (the Companies Act), the directors confirm that the JSE will satisfy the solvency and liquidity test immediately after completion of the dividend distribution. In compliance with the requirements of Strate, the following salient dates for the payment of the ordinary cash dividends are applicable:

Dividend paid in year in respect of financial year ended	**31 December 2023**	31 December 2022
Ordinary dividend per share	**784 cents**	769 cents
Total rand value	**R681 million**	R668 million
Declaration date	**Monday, 18 March 2024**	Wednesday, 8 March 2023
Last date to trade JSE shares cum dividend	**Tuesday, 9 April 2024**	Tuesday, 28 March 2023
JSE shares commence trading ex-dividend	**Wednesday, 10 April 2024**	Wednesday, 29 March 2023
Record date for purposes of determining the registered holders of JSE shares to participate in the dividend at close of business on	**Friday, 12 April 2024**	Friday, 31 March 2023
Dividend payment date	**Monday, 15 April 2024**	Monday, 3 April 2023

Share certificates may not be dematerialised or rematerialised from Wednesday, 10 April 2024 to Friday, 12 April 2024, both days inclusive. On Monday, 15 April 2024, the dividend will be electronically transferred to the bank accounts of certificated shareholders. The accounts of those shareholders who have dematerialised their shares (which are held at their central securities depository participant or broker) will be credited on Monday, 15 April 2024.

The issued share capital of the JSE as at the declaration date was 86 877 600 ordinary shares.

The tax number of the JSE is 9313008840.

Dividend policy

The JSE's dividend policy aims to reflect an appropriate balance between cash returns to shareholders and reinvestment into the business. The dividend policy prescribes a pay-out ratio of between 67% – 100% of earnings.

The Board is confident that the dividend policy is aligned with the Group's growth strategy over the medium term.

Changes to the Board

The following changes, as previously announced, took effect during the period under review:

- Ms F Suliman was appointed as Group chief financial officer and executive director, effective 9 January 2023. Her appointment to the Board was confirmed by shareholders at the annual general meeting (AGM) held on 9 May 2023. Ms Suliman also serves as a member of the Group Investment Committee of the Board.
- Ms FN Khanyile, independent non-executive director, was appointed as a member of the Group Remuneration Committee of the Board, effective 10 March 2023. She stepped down as a member of the Group SRO Oversight Committee from that date. Ms Khanyile continues to serve on the Group Audit, Group Sustainability and Group Investment Committees of the Board.
- Dr MA Matooane, independent non-executive director, retired from the Board at the AGM held on 9 May 2023, in accordance with the JSE's policy on non-executive director tenure, having served for a 10-year term.

Subsequent to the period under review, and as previously announced:

- Ms Nolitha Fakude, independent non-executive director, has retired from the Board effective 5 January 2024. Ms Fakude joined the Board in 2017 and has 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.

Appreciation

As we reflect on the year, we would like to thank all JSE employees for their energy, resilience, and dedication. We would also like to thank the Board for their support and insights. We extend our thanks to our clients, regulators and policymakers for their collaboration and support. We look forward to continuing our engagements in the year ahead.

Message from the Chairman

"Our business model continues to evolve to meet the changing needs of capital market participants. Our growth areas, Information Services and JIS, continue to deliver financially and strategically. Our non-trading income is up from 2022 in line with our strategic intent to diversify Group revenue. The JSE continues to demonstrate its ability to adapt and respond to change."

– Phuthuma Nhleko, *Chairman*

Preparation of annual results

This report contains the summarised consolidated annual financial results of the Group, based on International Financial Reporting Standards (IFRS), for the year ended 31 December 2023. The preparation of the JSE's annual results has been supervised by the chief financial officer, Fawzia Suliman CA(SA), in terms of section 29(1)(e) of the Companies Act, 71 of 2008 (as amended) (the Companies Act). This report is extracted from the audited information but is itself not audited. The directors take full responsibility for the preparation of this report and warrant that the financial information has been correctly extracted from the underlying audited annual financial statements.

Approval of financial statements

The consolidated and separate audited annual financial statements of the JSE as identified under preparation of the annual results announcement were approved by the Board on 15 March 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)

18 March 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. In 2023 the JSE launched a Voluntary Carbon Market.

Condensed consolidated statement of comprehensive income

for the year ended 31 December 2023

		GROUP	
	Notes	**2023 R'000**	2022[1] R'000
Revenue	13.1	**2 814 472**	2 649 979
Other net income		**29 599**	54 167
Margin and collateral deposit interest income[1]	13.2	**4 779 218**	3 271 428
Margin and collateral deposit interest expense[1]	13.2	**(4 650 990)**	(3 169 535)
Personnel expenses	14	**(783 792)**	(692 697)
Other expenses	15	**(1 250 629)**	(1 213 036)
Expected credit loss (ECL) impairments		**(4 490)**	(5 936)
Profit from operating activities before net finance income		**933 388**	894 370
Finance income		**187 112**	120 133
Finance costs		**(18 223)**	(18 662)
Net finance income		**168 889**	101 471
Share of profit from associate (net of income tax)		**38 720**	40 997
Profit before income tax		**1 140 997**	1 036 838
Income tax expense	16	**(310 018)**	(288 282)
Profit for the year		**830 979**	748 556
Attributable to:			
Equity holders		**830 979**	748 556
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)		**82 913**	(22 167)
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)		**4 836**	872
Other comprehensive income for the year, net of income tax		**87 749**	(21 295)
Total comprehensive income for the year for the period		**918 728**	727 261
Attributable to:			
Equity holders		**918 728**	727 261
Total earnings per share			
Basic earnings per share (cents)	17.1	**1 019.3**	911.1
Diluted earnings per share (cents)	17.2	**1 001.9**	901.1

[1] *Restated, refer to note 3.1.*

Condensed consolidated statement of financial position

for the year ended 31 December 2023

	Notes	GROUP 2023 R'000	GROUP 2022 R'000
Assets			
Non-current assets		**2 153 473**	1 991 829
Property and equipment		**173 767**	165 494
Intangible assets	18	**674 863**	696 200
Investment in associate		**347 139**	328 989
Other investments	25	**863 962**	649 831
Right-of-use-assets	24	**59 722**	98 078
Deferred taxation		**34 020**	53 237
Current assets		**57 636 937**	59 344 643
Trade and other receivables		**830 619**	793 033
Income tax receivable		**3 224**	5 401
SAFE note – Globacap	25	**–**	10 234
JSE Clear Derivatives Default Fund collateral deposits		**500 000**	500 000
Margin deposits		**53 998 628**	55 792 547
Collateral deposits		**703**	20 267
Cash and cash equivalents		**2 303 763**	2 223 161
Total assets		**59 790 410**	61 336 472

	Notes	GROUP 2023 R'000	GROUP 2022 R'000
Equity and liabilities			
Total equity		**4 386 147**	4 173 147
Stated capital		**(165 612)**	(118 697)
Reserves		**846 282**	754 650
Retained earnings	24	**3 705 477**	3 537 194
Equity attributable to equity holders of the parent		**4 386 147**	4 173 147
Non-current liabilities		**116 008**	190 941
Employee benefits		**7 212**	7 257
Deferred taxation		**28 610**	31 019
Lease liability	25	**55 713**	131 195
Deferred income		**24 473**	21 470
Current liabilities		**55 288 255**	56 972 384
Trade and other payables		**639 478**	544 513
Income tax payable		**4 054**	18 035
Deferred income		**2 455**	1 745
Employee benefits		**174 168**	136 198
Lease liability	24	**68 769**	59 079
JSE Clear Derivatives Default Fund collateral contribution		**400 000**	400 000
Margin deposits		**53 998 628**	55 792 547
Collateral deposits		**703**	20 267
Total equity and liabilities		**59 790 410**	61 336 472

Condensed consolidated statement of changes in equity

for the year ended 31 December 2023

	Notes	Stated capital and 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 2022		(67 741)	682 723	72 839	1 926	757 488	3 529 234	4 218 981
Profit for the year from continuing operations		–	–	–	–	–	748 556	748 556
Other comprehensive income		–	(17 717)	–	(3 578)	(21 295)	–	(21 295)
Total comprehensive income for the year		–	(17 717)	–	(3 578)	(21 295)	748 556	727 261
LTIS 2018 Allocation 1 shares vested	20.5	4 995	–	(8 633)	–	(8 633)	–	(3 638)
LTIS 2018 Allocation 2 shares vested	20.5	7 838	–	(7 838)	–	(7 838)	–	–
Distribution from the JSE Debt Guarantee Fund Trust[1]		–	(3 414)	–	–	(3 414)	3 414	–
Dividends paid to owners	19.4	–	18 187	–	–	18 187	(737 806)	(719 619)
Equity-settled share-based payment	20.5	–	–	13 951	–	13 951	–	13 951
Transfer of profit to investor protection funds		–	6 814	–	–	6 814	(6 814)	–
Transfer of listed companies fines – Issuer regulation		–	2 880	–	–	2 880	(2 880)	–
Transfer of qualifying deductible expenses related to Fines – Issuer Regulation		–	–	–	–	–	–	–
Treasury shares – Acquisitions and sales[4]		(63 401)	(3 491)	–	–	(3 491)	3 491	(63 401)
Treasury shares – transaction costs		(388)	–	–	–	–	–	(388)
Total contributions by and distributions to owners of the Group recognised directly in equity		(50 956)	20 977	(2 520)	–	18 457	(740 595)	(773 095)
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, R5.8 million (2022: R3.4 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 and shares held to facilitate the settlement of Long-Term Incentive Schemes. Refer to note 22 for further details.*

[4] *Shares acquired at an average price of R104.73 (2022: R116.53).*

	Notes	Stated capital and 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 31 December 2022		**(118 697)**	**685 983**	**70 319**	**(1 652)**	**754 650**	**3 537 194**	**4 173 147**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**830 979**	**830 979**
Other comprehensive income		**–**	**74 237**	**–**	**13 512**	**87 749**	**–**	**87 749**
Total comprehensive income for the year		**–**	**74 237**	**–**	**13 512**	**87 749**	**830 979**	**918 728**
LTIS 2018 Allocation 2 – shares vested	20.5	**15 548**	**–**	**(24 832)**	**–**	**(24 832)**	**–**	**(9 284)**
LTIS 2018 Allocation 3 – shares vested	20.5	**7 920**	**–**	**(7 920)**	**–**	**(7 920)**	**–**	**–**
Distribution from the JSE Debt Guarantee Fund Trust[1]		**–**	**(5 772)**	**–**	**–**	**(5 772)**	**5 772**	**–**
Dividends paid to owners	19.4	**–**	**16 377**	**–**	**–**	**16 377**	**(662 402)**	**(646 025)**
Equity-settled share-based payment	20.5	**–**	**–**	**19 964**	**–**	**19 964**	**–**	**19 964**
Transfer of profit to investor protection funds		**–**	**11 690**	**–**	**–**	**11 690**	**(11 690)**	**–**
Transfer of listed companies fines – Issuer regulation		**–**	**35**	**–**	**–**	**35**	**(35)**	**–**
Transfer of qualifying deductible expenses related to Fines – Issuer Regulation		**–**	**(5 659)**	**–**	**–**	**(5 659)**	**5 659**	**–**
Treasury shares – Acquisitions and sales[4]		**(79 260)**	**–**	**–**	**–**	**–**	**–**	**(79 260)**
Treasury shares – Sales		**9 300**	**–**	**–**	**–**	**–**	**–**	**9 300**
Treasury shares – transaction costs		**(423)**	**–**	**–**	**–**	**–**	**–**	**(423)**
Total contributions by and distributions to owners of the Group recognised directly in equity		**(46 915)**	**16 671**	**(12 788)**	**–**	**3 883**	**(662 695)**	**(705 728)**
Balance at 31 December 2023		**(165 612)**	**776 891**	**57 531**	**11 860**	**846 282**	**3 705 477**	**4 386 147**
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, R5.8 million (2022: R3.4 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 and shares held to facilitate the settlement of Long-Term Incentive Schemes. Refer to note 22 for further details.*

[4] *Shares acquired at an average price of R104.73 (2022: R116.53).*

Condensed consolidated statement of cash flows

for the year ended 31 December 2023

	GROUP	
	2023 R'000	2022 R'000
Cash flows from operating activities		
Cash generated by operations	**1 117 531**	1 029 621
Finance income received	**4 927 630**	3 229 577
Finance costs paid	**(4 630 488)**	(3 017 945)
Dividends received	**6 730**	6 635
Taxation paid	**(310 270)**	(270 141)
Net cash generated by operating activities	**1 111 133**	977 747
Cash flows from investing activities		
Proceeds from sale of other investments	**357 567**	32 847
Acquisition of other investments	**(466 775)**	(175 457)
Dividends from associate	**20 570**	40 271
Acquisition of leasehold improvements	**(13 265)**	(20 024)
Acquisition of intangible assets	**(89 354)**	(134 593)
Acquisition of other property and equipment	**(64 888)**	(38 494)
Proceeds from disposal property plant and equipment	**256**	35
Debt instrument: Globacap SAFE note	**–**	(9 625)
Net cash used in investing activities	**(255 889)**	(305 040)
Cash flows from financing activities		
Acquisition of treasury shares	**(79 682)**	(73 055)
Proceeds on sale of treasury shares	**9 300**	9 267
Lease liabilities repaid	**(65 792)**	(62 435)
Dividends paid	**(646 025)**	(719 619)
Net cash used in financing activities	**(782 199)**	(845 842)
Net increase/(decrease) in cash and cash equivalents	**73 045**	(173 135)
Cash and cash equivalents at 1 January	**2 223 161**	2 393 002
Effect of exchange rate fluctuations on cash held	**7 557**	3 294
Cash and cash equivalents at 31 December 2023	**2 303 763**	2 223 161

Notes to the consolidated financial statements

for the year ended 31 December 2023

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 consolidated financial statements of the Company as at and for the year ended 31 December 2023 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 Group consolidated and Company financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), interpretations issued by the IFRS Interpretations Committee (IFRS-IC), 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 Group has consistently applied the accounting policies set out in note 3 to all periods presented in these consolidated financial statements, with exception to note 3.1.

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. Refer to note 9 for new standards and interpretations not yet adopted.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)– effective date: 1 January 2023

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted. The amendments had no impact on the Group's consolidated financial statements.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 – effective date: 1 January 2023

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies. They also provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The impact of the amendments is included in the accounting policy disclosures in these Group annual consolidated financial statements.

3. Changes in accounting policies *continued*

Definition of Accounting Estimates – Amendments to IAS 8 – effective date: 1 January 2023

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board. The amendments had no impact on the Group's consolidated financial statements.

IFRS 17 Insurance contracts – effective date: 1 January 2023

IFRS 17 is the new standard that prescribes the accounting for insurance contracts and will replace the current insurance contracts standard, IFRS 4. IFRS 17 aims to provide more transparency and comparability between insurance companies and other industries by providing a prescriptive approach to determining policyholder liabilities, as well as the release of profits on these contracts to the income statement. The amendments had no impact on the Group's consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – effective date: 1 January 2023

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments had no impact on the Group's consolidated financial statements.

3.1 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 in the current year 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 in prior years, 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 in the current year 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.

Restatement impact on the prior year figures:

	31 DECEMBER 2022 (R'000)		
	Previously presented	Adjustment	Restated
Group			
Margin and collateral interest income	–	3 271 428	3 271 428
Margin and collateral interest expense	–	(3 169 535)	(3 169 535)
Profit from operating activities before net finance income	–	101 893	101 893
Finance income	3 391 561	(3 271 428)	120 133
Finance costs	(3 188 197)	3 169 535	(18 662)
Net finance income	203 364	(101 893)	101 471

4. Comparative figures

Unless otherwise indicated, comparative figures refer to the year ended 31 December 2022.

5. Use of estimates and judgements

The preparation of financial statements is in conformity with IFRS 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 2022 except for changes in noted in 5.1 below.

5.1 Changes to the use of estimates and assumptions

Useful life of property, plant and equipment (PPE) and intangible asset:

During the current reporting period, the group IT assessment indicated a change to the useful life of computer software components and some PPE items supporting the major operating systems within the JSE Group namely; Millennium IT (MIT), Real Time Clearing (RTC) and Integrated Trading and Clearing (ITAC) systems.

It became evident that the expected remaining useful life of the impacted system components needed to be extended to align to the Group IT strategy. The assets are capable of functioning in a manner intended by management during the extended useful life period.

The aforementioned changes have been accounted for as a change in accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The change in the estimated remaining useful life period is adjusted for prospectively from 1 January 2023 and the impact of the change is as follows:

Useful life disclosure:

The useful life assessment resulted in the extension of the estimated useful life period for the affected intangible assets and property plant and equipment (PPE).

The PPE period is within the range disclosed as at 31 December 2022. Intangible assets (computer software) have increased from 3 – 5 years to 3 – 15 years.

Financial statement impact:

Impact of revised useful life (in rands)	31 Dec 2023 12 months	Future periods impact
Statement of comprehensive income		
Amortisation (Decrease/(increase))	**54 830 911**	**(54 830 911)**
Depreciation (Decrease/(increase))	**1 801 744**	**(1 801 744)**
Deferred tax (expense)/income	**(15 290 817)**	**15 290 817**
Net profit/(loss) impact	**41 341 838**	**(41 341 838)**
Statement of financial position		
Intangible assets – increase/(decrease)	**54 830 911**	**(54 830 911)**
PPE – increase/(decrease)	**1 801 744**	**(1 801 743)**
Deferred tax (liability)/asset	**(15 290 817)**	**15 290 817**
Net equity	**41 341 838**	**(41 341 838)**

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.

6. Operating segment *continued*

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 the 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 2022 with additional disclosures included for financial instruments acquired in the current year.

8. Significant events and new transactions with related parties

In compliance with the FMA, JSE Limited and JSE Clear (Pty) Limited (JSE Clear) are required to hold regulatory capital. At reporting date, the Board believes that both JSE and JSE Clear are sufficiently capitalised.

The following new transactions with related parties were concluded in the year end period 2023:

JSE Clear (Pty) Ltd (JSEC), a subsidiary of the group, started operating as an independent clearing house and central counterparty (CCP) in terms of FSCA effective 1 January 2023.

The prerequisite for the ICH licence is the ability for JSEC to function as an independent entity i.e. the main operational assets and transactions must be controlled and executed by the entity directly. JSE Limited has transfer the real time clearing system intangible asset, investment in subsidiary (JSE Clear Derivatives Default Fund Proprietary Limited – JSEC DDF) and the collateral deposit relating to JSEC DDF to JSEC during the current year. The intergroup transaction did not impact the consolidated financial statements of the JSE Group.

Other Investments

In the prior year (9 March 2022) the JSE participated in a bridge funding round with Globacap Technology Limited (Globacap) to the value of £500 000. The SAFE note converted into equity shares in the current year (March 2023) resulting in a derecognition of the financial asset measured at fair value through profit and loss and a corresponding recognition of an equity instrument financial asset measured at fair value through OCI. Refer to note 25.

The Group disposed a portion of South Africa Government Bonds held for regulatory capital purposes. The disposal was part of the risk management strategy and the business model in which the bonds are held remains as "hold to collect contractual cashflows and sell".

Changes to the executive directors

Fawzia Suliman was appointed as the new Group chief financial officer for JSE Limited effective 9 January 2023.

9. 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:

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 impact expected by the Group as a result of this amendment.

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. The impact of the amendment on the Group is currently being assessed.

10. 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

11. 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.

11. Financial assets and financial liabilities *continued*

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.

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.

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

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023. 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.

13. Total income

13.1 Revenue from contracts with clients comprise:

	GROUP 2023 R'000	GROUP 2022 R'000
Capital markets		
Bond Electronic Trading Platform (ETP)	**9 021**	9 627
Colocation fees	**42 613**	33 073
Commodity derivatives fees	**79 685**	102 917
Issuer services fees	**10 820**	7 281
Currency derivatives fees	**36 691**	41 294
Equity derivatives fees	**116 904**	163 344
Equity market fees	**487 617**	479 148
Interest rate market fees	**85 442**	72 864
Primary market fees[1]	**161 325**	157 515
JSE Investor Services fees	**190 104**	159 059
JSE Private Placement fees	**1 194**	277
SME development revenue[2]	**890**	–
Post-trade services		
Clearing and settlement fees	**411 331**	437 696
Back-office services (BDA)	**368 337**	351 366
Funds under management	**103 711**	95 234
JSE Clear revenue[3]	**111 942**	–
Information services		
Index fees	**80 126**	68 499
Market data fees	**368 288**	319 508
Total revenue excluding Strate *ad valorem* fees – cash equities and bonds[4]	**2 666 040**	2 498 703
Strate *ad valorem* fees – cash equities	**127 477**	132 854
Strate *ad valorem* fees – bonds	**20 955**	18 422
	2 814 472	2 649 979

[1] *An amount of R2.5 million gain (2022: R1.9 million loss) was recognised in Primary market fees relating to initial listing fees for the current year.*

[2] *New revenue stream in the current year providing SME's with placement and development services.*

[3] *In the current year, JSE Clear (Pty) Ltd started operating as an independent clearing house and central counterparty (CCP) in terms of FSCA effective 1 January 2023. As a result, a new revenue stream was recognised in the current year for membership and clearing fees.*

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

13. Total income *continued*

13.2 Margin and collateral interest income and expense[1]

	GROUP 2023 R'000	GROUP 2022* R'000
Finance income earned on margin and collateral deposits	**4 779 218**	3 271 428
– Derivatives	**4 684 007**	3 202 965
– JSE Clear Derivatives Default Fund	**31 930**	26 620
– Equities	**63 281**	41 843
Finance costs on margin and collateral deposits	**(4 650 990)**	(3 169 535)
– Derivatives	**(4 568 449)**	(3 109 059)
– JSE Clear Derivatives Default Fund	**(31 644)**	(26 575)
– Equities	**(50 896)**	(33 901)
Total net margin and collateral deposit interest income	**128 229**	101 893

[1] *Restated, refer to note 3.1 for further details.*

14. Personnel expenses

	GROUP 2023 R'000	GROUP 2022 R'000
Remuneration expenses	**756 760**	667 112
Gross paid	**766 769**	678 666
Less: Capitalised to intangible assets	**(10 009)**	(11 554)
Long-term incentive schemes[2]	**38 032**	25 585
Gross personnel expenses	**783 792**	692 697

[2] *Includes the accounting impact of accelerated LTIS for good leavers. Includes critical skills cash scheme amounting to R7.8 million (2022: R10.5 million).*

15. Other expenses

	GROUP	
	2023 R'000	2022 R'000
Amortisation of intangible assets[1]	**104 866**	164 900
Auditor's remuneration	**13 834**	9 661
Consulting fees	**8 073**	10 973
Depreciation	**102 556**	108 493
Enterprise development	**8 646**	8 082
Write off/Impairment of intangible asset[2]	**5 824**	5 396
Write off/Impairment of PPE[2]	**5 665**	–
Investor protection levy	**79 702**	39 608
Other expenses[3]	**392 345**	370 207
Strate *ad valorem* fees	**144 125**	150 968
Technology costs	**384 993**	344 748
	1 250 629	1 213 036

[1] *Amortisation reduced due to the revised useful life of the JSE Group core systems. Refer to note 5.1. for further details.*
[2] *Relates to PPE items with a carrying value of approximately R5.7 million (2022: nil) and Intangible assets amounting to approximately R5.8 million (2022: R5.4 million) written off in the current year for assets no longer in use.*
[3] *Other expenses comprises mainly of administration fees and legal fees, marketing and advertising, swift charges, travel costs, internal audit and reviews costs, learning and development costs, data information charges and operational risk losses.*

16. Income tax expenses

The Group's consolidated effective tax rate for the year ended 31 December 2023 is 27% (2022: 28%).

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.

On 23 February 2022, the Minister of Finance announced a reduction to the South African corporate income tax rate from 28% to 27% for companies with years of assessment ending on or after 31 March 2023. The group entities have measured their current and deferred taxation at 27%.

17. Earnings and headline earnings per share

	GROUP 2023 R'000	GROUP 2022 R'000
17.1 Total basic earnings per share		
Profit for the year attributable to ordinary shareholders	**830 979**	748 556
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	**86 877 600**	86 877 600
Effect of own shares held (JSE LTIS 2018 and JEF Trust)	**(5 351 912)**	(4 720 454)
Weighted average number of ordinary shares at 31 December	**81 525 688**	82 157 146
Total earnings per share (cents)	**1 019.3**	911.1
17.2 Total diluted earnings per share		
Profit for the year attributable and distributable to ordinary shareholders	**830 979**	748 556
Weighted average number of ordinary shares (diluted):		
Weighted average number of ordinary shares at 31 December (basic)	**81 525 688**	82 157 146
Effect of LTIS Share Scheme	**1 414 139**	916 922
Weighted average number of ordinary shares (diluted)	**82 939 827**	83 074 068
Diluted earnings per share (cents)	**1 001.9**	901.1
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 year.		
17.3 Headline earnings per share		
Reconciliation of headline earnings:		
Profit for the year attributable to ordinary shareholders	**830 979**	748 556
Adjustments are made to the following:		
Gross Amount	**4 252**	5 396
Write off/Impairment of intangible asset	**5 824**	5 396
– Taxation effect	**(1 572)**	–
Gross Amount	**4 283**	(10)
Property and equipment written off	**5 665**	–
Loss/(profit) on disposal of property and equipment	**203**	(14)
– Taxation effect	**(1 585)**	4
Total headline earnings	**839 514**	753 941
Total headline earnings per share (cents)	**1 029.8**	917.7
17.4 Diluted headline earnings per share		
Diluted headline earnings per share (cents) from continuing operations	**1 012.2**	907.6

18. Intangible assets

Included in the intangible asset of R674 million (2022: R696 million) is the goodwill of R216 million and customer relationships of R106 million (2022: R114 million) related to the acquisition of JSE Investor Services (Pty) Limited (JIS), software under development of R56 million (2022: R51 million) mainly in respect of market regulations re-architecture and automation.

19. Employee benefits

There are no material differences year on year.

20. Expected credit loss

	R'000
At 1 January 2022	9 479
Increase in allowance for impairment	5 936
At 31 December 2022	**15 415**
Increase in allowance for impairment	**4 490**
Write off	**(1 104)**
At 31 December 2023	**18 801**

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 than 120 days and where there is no prospects of collection, are written off.

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.

22. Reserves

	GROUP 2023 R'000	GROUP 2022 R'000
Accumulated dividends paid to JEF Trust	**67 893**	51 517
South African Government bonds reserve	**6 728**	1 892
Fair value reserve[1]	**11 860**	(1 652)
Fines reserve	**13 260**	18 883
JEF Trust	**54 360**	54 360
Investor protection funds reserve[2]	**634 650**	559 331
– JSE Debt Guarantee Fund Trust	**123 070**	120 273
– JSE Derivatives Fidelity Fund Trust	**287 646**	244 249
– JSE Guarantee Fund Trust	**223 934**	194 809
Non-distributable reserves	**788 751**	684 331
Share-based payment reserve[3]	**57 531**	70 319
	846 282	754 650

[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 2 Tranche 2 and Allocation 3 Tranche 1 (LTIS 2018)

Allocation 2 Tranche 2 (LTIS 2018) and allocation 3 Tranche 1 (LTIS 2018) vested on 1 March 2023. 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) Allocation #6 under LTIS 2018 – Granted 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 6) to selected employees for the 2023 year. These individual allocations were all accepted by the scheme participants on or before 20 March 2023. Allocation 6 comprises a total of 756 828 JSE ordinary shares, and these shares were acquired in the open market on or before 16 March 2023, at a volume-weighted average price (including all execution costs) of R104.73 per ordinary share for both Executive Committee and Senior members. These shares are held in trust and are restricted until all vesting conditions are fulfilled whereupon the shares vest. The vesting is subject to –

(i) the JSE achieving specified corporate performance targets over the measurement period; and
(ii) the LTIS 2018 participant remaining in the employ of the JSE for the vesting term

Of the total number of shares granted in Allocation 6, a total of 486 352 shares has been granted to members of the JSE's Executive Committee.

23. Share-based payments *continued*

(ii) Allocation #6 under LTIS 2018 – Granted during the period under review *continued*

	Corporate performance shares
Executive Committee award	
Share price at grant date (rands per share)	104.73
Total number of shares granted	486 352
Dividend yield (%)	7.9%
Grant date	1 March 2023
Vesting profile:	
50% of the shares awarded vest on 1 March 2026 (Tranche 1)	243 176
50% of the shares awarded vest on 1 March 2027 (Tranche 2)	243 176

The shares forfeited by leavers to date are Nil (Tranche 1 and Tranche 2). The total shares outstanding at year end are 486 352.

	Corporate performance shares
Senior management award	
Share price at grant date (rands per share)	104.73
Total number of shares granted	270 476
Dividend yield (%)	7.9%
Grant date	1 March 2023
Vesting profile:	
50% of the shares awarded vest on 1 March 2026 (Tranche 1)	135 238
50% of the shares awarded vest on 1 March 2027 (Tranche 2)	135 238

The shares forfeited by leavers to date are Nil (Tranche 1 and Tranche 2). The total shares outstanding at year end are 270 476.

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:

	2023	2022
Allocation #1 (granted in September 2018)	**–**	(R2.7m)
Allocation #2 (granted in March 2019)	**R0.3m**	(R4.8m)
Allocation #3 (granted in March 2020)	**R0.5m**	R0.5m
Allocation #4 (granted in March 2021)	**R3.2m**	R8.3m
Allocation #5 (granted in March 2022)	**R6.8m**	R12.6m
Allocation #6 (granted in March 2023)	**R9.2m**	–
	R20.0m	R13.9m

24. Leases

	GROUP 2023 R'000	2022 R'000
Impact on the statements of financial position as at 31 December 2023		
Assets		
Right-of-use assets at 1 January	**256 298**	256 298
Accumulated depreciation	**(196 576)**	(158 220)
Total assets[1]	**59 722**	98 077
Lease Liabilities		
Current portion	**68 769**	59 079
Non-current portion	**55 713**	131 195
Total liabilities	**124 482**	190 274
The following amounts are recognised in the statement of comprehensive income for the period ending 31 December 2023		
Depreciation	**(38 356)**	(39 645)
Loss from operating activities	**(38 356)**	(39 645)
Finance cost	**(14 464)**	(19 949)
Impact on profit for the year	**(52 820)**	(59 595)
Changes in liabilities arising from financing activities		
Opening balance 1 January 2023	**190 274**	252 708
Loan repayments for the year	**(80 256)**	(82 384)
Interest charges for the year	**14 464**	19 949
Balance 31 December 2023[1]	**124 482**	190 274

[1] *At the end of the current year, the right of use asset only consist of the head office property lease. The hardware lease contract ended as at 31 December 2023.*

25. Fair value estimation

25.1 Fair value hierarchy

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.

	GROUP			
	Level 1 R'000	**Level 2 R'000**	**Level 3 R'000**	**Total balance R'000**
December 2023				
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**
December 2022				
Assets				
Other investments				
– Equity securities (financial instruments)	165 140	233 999	–	399 138
– Debt securities (financial instruments measured at fair value through OCI)	168 823		–	168 823
– Non-listed equity instruments designated at fair value through OCI	–	–	81 869	81 869
SAFE note debt securities FVTPL	–	–	10 234	10 234
Total assets	333 963	233 999	92 103	660 065

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.

25. Fair value estimation *continued*

25.1 Fair value hierarchy *continued*

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 investments and debt securities SAFE note in Globacap.

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

25.2 Reconciliation: Level 3 recurring fair value measurements

25.2.1 Globacap investment

25.2.1.1 Globacap equity investment reconciliation

In 2021, JSE limited acquired a minority stake for R84 million in Globacap Technology Ltd (Globacap), an unlisted entity based in the United Kingdom. Management has elected to designate the investment at fair value through 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 2022	86 480	–	86 480
Net fair value movement recognised in OCI during the period (pre-tax)	(4 611)	–	(4 611)
Closing balance 31 December 2022	**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)	**16 806**	**429**	**17 235**
Closing balance 31 December 2023	**98 675**	**14 679**	**113 354**

25.2.1.2 Simple Agreement Future Equity (SAFE) note reconciliation

In the prior year (9 March 2022) the JSE participated in a bridge funding round to the value of £500 000 (R9.6 million). The bridge funding round was raised using a Simple Agreement Future Equity note (SAFE note), a debt instrument convertible to equity. In the prior year, the investment was classified as measured mandatorily at fair value through profit and loss.

In April 2023, the SAFE note converted to an equity instrument (preferred B shares) during the successful execution of the series B funding round. The conversion resulted in a derecognition of the Fair value through profit and loss instrument and the group designated the equity instrument at Fair value through OCI in line with the rest of the exposure. Post conversion, the JSE owns 14.4% (2022: 18.4%) effective stake in Globacap.

25. Fair value estimation *continued*

25.2 Reconciliation: Level 3 recurring fair value measurements *continued*

25.2.1 Globacap investment *continued*

	SAFE note R'000
Simple Agreement Future Equity SAFE note (FVTPL)	
Reconciliation: Level 3 recurring fair value measurements	
Opening balance 1 January 2022	–
Investment acquisition	9 625
Net fair value movement recognised in P&L during the period (pre-tax)	609
Closing balance 31 December 2022	**10 234**
Net fair value movement recognised in P&L during the period (pre-tax)	**4 016**
Transferred from SAFE note investment	**(14 250)**
Closing balance 31 December 2023	**–**

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.

The fair value on derecognition date and as at 31 December 2023 is determined in line with the valuation technique applied for the period ended 31 December 2022. 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 of the SAFE note was measured using the probability weighted valuation technique at derecognition date 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 31 December 2022, probabilities were applied, using management judgment, to the two valuation methods as follows:

- An 80% weighting has been applied to the discounted cashflow model.
- A 20% weighting has been applied to the market price valuation.

25. Fair value estimation *continued*

25.2 Reconciliation: Level 3 recurring fair value measurements *continued*

25.2.1 Globacap investment *continued*

Given the successful execution of the series B funding round, the weighting applied to the market price is adjusted to 50% as the likeliness of occurrence was confirmed on 14 April 2023. The new weighting is as follows:

- A 50% weighting has been applied to the discounted cashflow model.
- A 50% weighting has been applied to the market price valuation.

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 31 December 2023 are shown below:

The valuation results in a fair value adjustment (largely driven through foreign exchange gains and losses) in other comprehensive income of R17 million gain (2022: R4.6 million loss) for the financial asset measured at other comprehensive income and R4 million gain (R0.6 million gain) recognised in profit and loss for the SAFE note financial asset measured at fair value through profit and loss as reflected above.

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 31 December 2023 are shown below:

Discounted cashflow model (weighted at 50% (2022: 80%) probability)

- 10-year free cash flow to equity forecast;
- 21.8% (2022: 20%) WACC;
- 48% (2022: 48%) revenue growth for years 2027-2030; 10% (2022: 48%) for years after 2030, and
- 19% (2022: 15%) operating expense growth rate 2027-2032; 3.9% for years after 2030.

25. Fair value estimation *continued*

25.2 Reconciliation: Level 3 recurring fair value measurements *continued*

25.2.1 Globacap investment *continued*

Market model – Post funding value per share (weighted at 50% (2022: 20%) probability)

- o Series B funding round price £1.6448 per share.

The fair value was calculated as at 31 December 2023.

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% (2022: 20%)	5% (2022: 5%) increase/(decrease) in the WACC would result in a fair value increase/(decrease) of R6.8 million (Dec 2022: R12.1 million)
		Revenue growth rate	48% (2022: 48%)	3% (2022: 3%) increase/(decrease) in revenue growth rate from 2023 onwards results in a fair value increase/(decrease) of R6.5 million (Dec 2022: R10.6 million)
	Transaction price (market approach)	Transaction price (Implied share price)	£1.6448 per share[1] (2022: £1.6448)	20% (2022: 20%) increase/(decrease) in the price results in a R21.8 million (Dec 2022: R6 million) increase/(decrease) in fair value.
	Probability weighting	Weighting of 50% on the DCF value and 50% on the implied equity	50%/50% (2022: 80%/20%)	10% (2022: 10%) increase/(decrease) to the implied equity valuation weighting will result in a R20.9 million (Dec 2022: R11 million) increase/(decrease) in fair value

[1] *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 (2022: 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 R12 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 31 December 2023.

26.3 Commitments

No material commitments existed as at 31 December 2023.

27. Events after reporting date

There have been no material events that would require adjustment or disclosure in the annual financial statements between 31 December 2023 and the date of Board approval of the annual financial statements.

28. Audit opinion

Ernst & Young Inc. the Group's independent auditor, has audited the consolidated annual financial statements of the JSE from which the summarised consolidated results contained in this report have been derived, and has expressed an unmodified audit opinion on the consolidated annual financial statements. The summarised consolidated financial results comprise the statements of financial position at 31 December 2023 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes. A copy of the auditor's report is available for inspection at the JSE's registered office.

The auditor's report does not necessarily report on all of the information contained in the summarised consolidated annual results and cash dividend declaration. Shareholders are therefore advised to obtain a copy of the auditor's report together with the accompanying financial information from the JSE's registered office.

Sandton
18 March 2024

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

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