

JSE Limited Pre-close meeting

May 2021



Agenda

Market activity

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Operational update

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Outlook

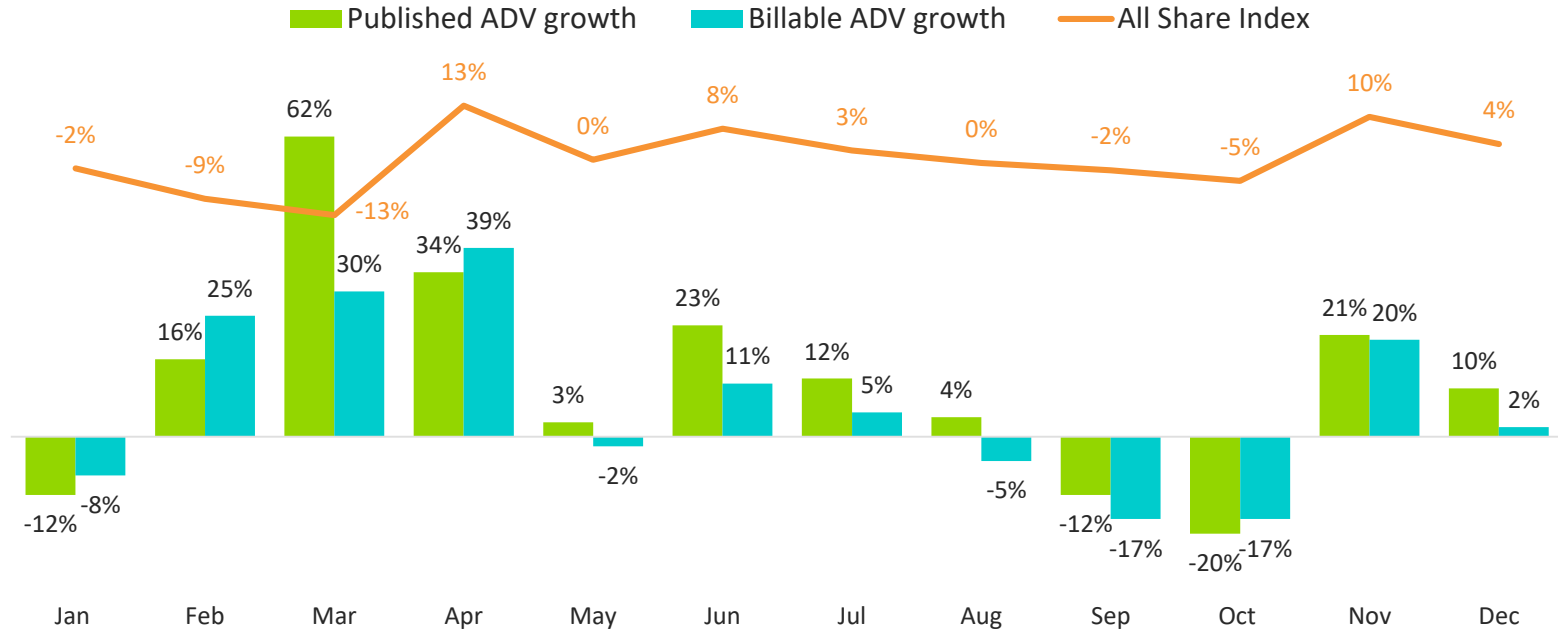
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Market activity drivers



Significant swings in level of market activity through the course of 2020

Volatility skewed in H1 2020



Market activity normalising vs a high comparable base in 2020

2021 Market activity (end April YTD)

Number of IPOs*

4

(2020: 3)

Equity transactions

-22%

(2020: 49%)

ADT ↓18% to 330 111 (2020:
404 591)

Billable equity value
Traded***

-11%

(2020: 25%)

Billable ADV ↓7% to R28bn
(2020: R30bn)

Equity derivatives value
traded

6%

(2020: 14%)

Bond nominal value**

-14%

(2020: 13%)

Currency derivatives
contracts

-41%

(2020: -7%)

Commodity derivatives
contract

-4%

(2020: 8%)

Interest rate derivatives
contracts

-7%

(2020: 17%)

*Montauk Renewables – Corporate action
Karoo0000 – Corporate action
Sappi Southern Africa – unsecured debt instrument
listed on the equity market
Deutsche Konsum REIT – New listing

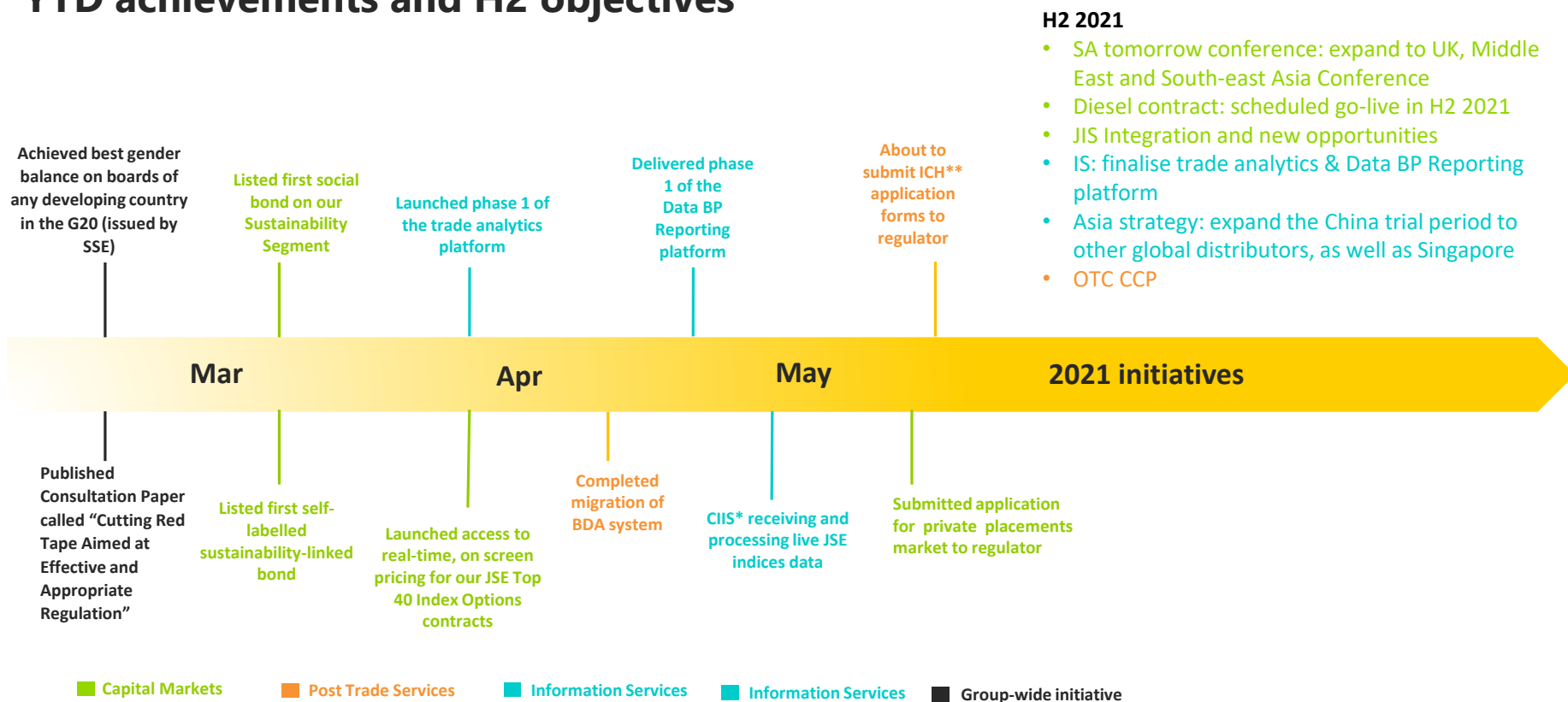
**Bond Repo ↓13% to R7.1tr (2020:
R8.2tr); Standard Bonds ↓17% to R3.9tr
(2020: R4.7tr)

*** Published equity value traded -9%
(2020: 33%); Published ADV ↓5% at
R23bn (2020: R24bn)

Operational update



YTD achievements and H2 objectives



H2 2021

- SA tomorrow conference: expand to UK, Middle East and South-east Asia Conference
- Diesel contract: scheduled go-live in H2 2021
- JIS Integration and new opportunities
- IS: finalise trade analytics & Data BP Reporting platform
- Asia strategy: expand the China trial period to other global distributors, as well as Singapore
- OTC CCP

*China Investment Information Services Limited (CIIS)

**Independent Clearing House

*** Sustainable Stock Exchanges (SSE)

JSE Investor Services (JIS) – Update

Business acquired mostly for revenue diversification and growth potential

Revenue mix of the business:

- A combination of annuity revenue driven from registry services and variable revenue driven by corporate actions

Constrained market environment resulting in client de-listings, suspensions, less corporation actions

In this COVID-19 context

- Lower variable revenue impacted by COVID in 2020 and 2021
- Lower non-recurring revenue temporarily weighing on margins

Positive commercial momentum

- ShareHub launched in August 2020
- New clients secured in Q1 2021

New opportunities for JIS:

- Entered into collaboration with William Radcliffe in Q2 2021
- Asset reunification and share register clean ups
- Share register analytics
- BEE training
- Executive share schemes

Outlook



Forward-looking statements overview (FY 2020 results)

High base effect owing to hyper volatility in H1 2020

Lower interest rate environment has negative impact on finance income

FX one-off gain in base

Forward-looking statements summary (FY 2020 results)

Revenue

- High base effect impact owing to lower market volumes compared to the COVID-19 driven volatility in H1 2020
- FX one-off gain in base (H1 2020: 39m)

Finance Income

- Repo rate decreased from 6.5% to 3.5% in 2020
- Negative impact of lower interest rates on net finance income

FX impact

- Information Services: we bill on the average FX rate for the month
- Stronger Rand in 2021 to impact market data rand nominal value

Personnel costs

- Salaries benchmarked against local peers
- Organisational structure set at 427 employees with a 5% vacancy rate
 - Average headcount at 408 vs 393 in 2020
- However, lower attrition rates has resulted in higher avg. headcount
- Average salary increases are limited to inflation estimates

Depreciation and amortisation

We have provided a multi-year depreciation profile of known CAPEX for 2021 and 2022

- 2021: R259 million
- 2022: R232 million

Technology costs

- Bulk of costs contractual, with annual inflationary increases
- Cybersecurity spend typically in excess of inflation
- Successfully implemented the mainframe upgrade
 - Duplicate costs
 - Expensed in H1 2021

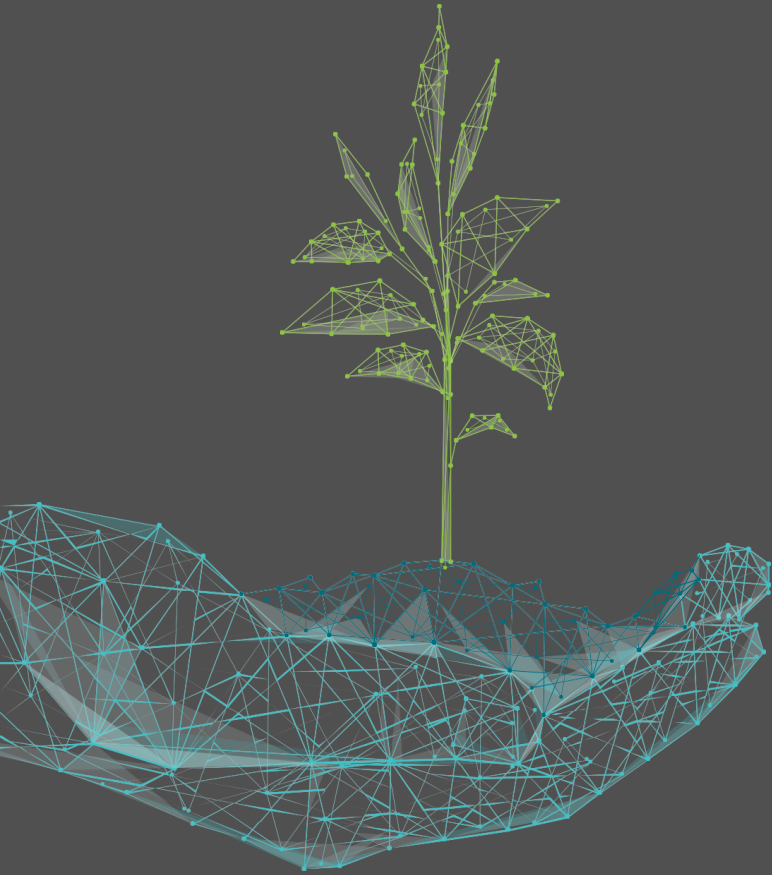
Inorganic investments

Total CAPEX: R145 million:

- Maintenance and upgrade of our infrastructure;
- organic growth including private placement platform for SMEs and infrastructure finance;
- Smart regulation;
- IT security; and
- Leasehold improvements

Allocating our capital to its most effective uses





Questions

