



29 September 2021

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AGM ADDRESSES BY THE CHAIRMAN AND THE MANAGING DIRECTOR AND CEO

Attached are copies of the addresses to be given by the Chairman and the Managing Director and CEO at ASX Limited's Annual General Meeting today.

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ASX Limited 2021 Annual General Meeting

Chairman and CEO Addresses

29 September 2021

(Check against delivery)



Chairman's Address

Damian Roche

Let us now move to a discussion of ASX's performance in FY21.

FY21 overview

Fellow shareholders, it is a great pleasure to present my first AGM speech as your Chairman.

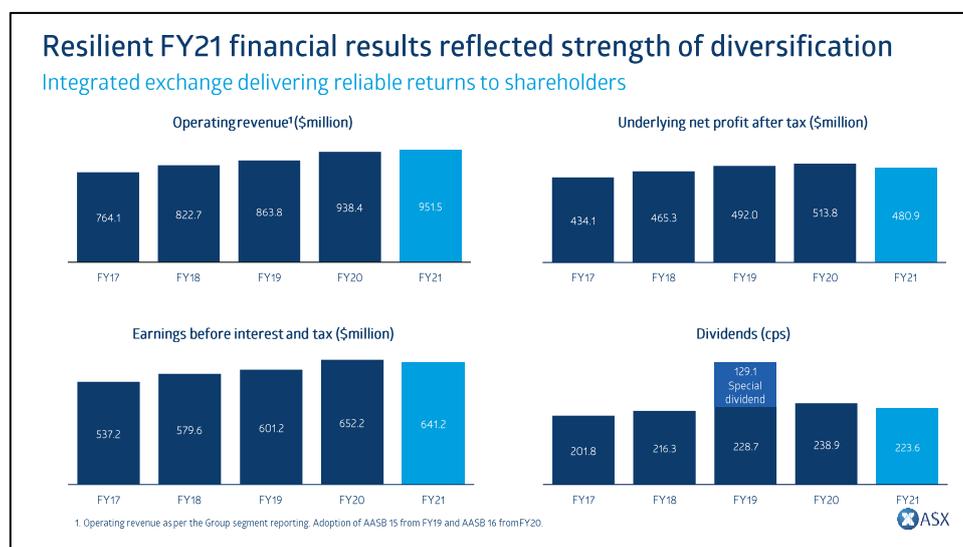
The impact of the COVID-19 pandemic on our society and our response as a nation has been the story of the year. Just as it was 12 months ago. We hope you and your loved ones are keeping safe and well.

While FY21 had its share of challenges for ASX, it was a year of significant achievement too.

In particular, I am proud of our staff for their adaptability to change and their dedication to serving our markets with integrity. I am also grateful to our customers for their support of our services and infrastructure. And I thank you, our shareholders, for your belief in the value of what ASX does and for having confidence in our future.

Each of those elements is vital for ASX's long-term sustainability, which is the theme of this year's Annual Report. Long-term sustainability brings together ASX's history with our spirit to innovate. It reflects the ASX way of hastening slowly, building value patiently and acting prudently across time. We must continue to perform our core functions with excellence and adopt new, world-best technologies too. That is exactly what we are doing.

Financial highlights



Turning to financial highlights ... while COVID continued to have an impact on markets in FY21, the inherent strength of ASX’s diversified business model delivered solid financial results.

Strong listings and equity market activity, due in part to an ongoing surge in retail trading, were tempered by the effects of the Reserve Bank of Australia’s current policy settings on both short-end futures volumes and interest income.

Looking at the slide ... operating revenue – shown at top left – was up 1.4% to \$951.5 million. This is a rise of over \$13 million and the ninth consecutive year of operating revenue growth.

In contrast, at top right, underlying net profit after tax fell 6.4%, to just under \$481 million.

On the bottom level of the slide ... earnings before interest and tax dipped almost 1.7% to just over \$641 million.

While total ordinary dividends for the year were more than \$2.23 per share, down 6.4% from last year. Our dividend for the second half was just over \$1.11 per share, fully franked. It will be paid today. We have maintained our payout ratio of 90% of underlying profit.

Dominic will provide more detail about ASX’s business performance for the year shortly. Before that, I would like to touch on a few aspects of the last 12 months.

Building an exchange for the future

The outage to trading last November fell short of our high standards and overshadowed the good work ASX has done to improve its reliability and resilience. We are proud of the fact that the upgrades we have made to our infrastructure have helped reduce technology and operational incidents across ASX by close to 90% over the past five years.

Nevertheless, we are addressing all the recommendations of an independent expert report commissioned to examine the incident and enhancing our project governance, delivery and execution practices. We also made changes to our organisational structure to strengthen management accountability and sharpen our focus on customers.

I can assure shareholders that your Board takes the resilience and reliability of our markets – and the trust our stakeholders have in our activities – extremely seriously. We learn from our experiences and seek to do things better.

That includes learning from the findings and assessments we receive from our regulators, ASIC and the RBA, from time to time throughout the year. For example, we continue to have dialogue with ASIC about a resolution to its investigation of the outage. ASX is a heavily scrutinised organisation. That is appropriate given the importance of our role. We take a constructive approach and are open to new ways to strengthen the quality of how we operate our business. ASX has a culture of continuous improvement.



We are also serious about investing in world-leading technology to serve the market for the next decade and beyond. This investment in improved infrastructure helps unlock innovation. It is also vital for our customers and for the reputation, stability and competitiveness of Australia's financial markets.

It is part of ASX's goal to transform our technology stack and digitise manual processes to build an exchange for the future. This is a multi-year and multi-project undertaking.

The refresh of the ASX equity market trading system fits this. So does our new secondary data centre, upgraded communications network, corporate actions straight-through processing service, new risk management and surveillance systems, upcoming electronic CHESSE statements ... and the CHESSE replacement project, which is on-track for go-live in April 2023.

We are safely and strategically transforming Australia's critical financial market infrastructure. It is more than CHESSE or one trading system.

I know Dominic will say more in his speech.

From a Board perspective, we accept that change is hard and creates risk. While we do what we can to mitigate risk, doing nothing or trying to squeeze more life out of ageing systems are not risk reduction strategies.

The best measure of lower operational risk is a decline in operational incidents. ASX has achieved this. And we've achieved this at a time of unprecedented investment in people and technology.

We are ambitious for ourselves, our customers and for Australia's financial markets. Realising that ambition takes time, investment and serious effort. There is more work to do and there will be challenges along the way. We ask to be judged on our results overall and over time. That's why we take a holistic approach when overseeing the awarding of performance and reward.

Being an innovative exchange at the leading edge of technology helps build a sustainable future. It is important to put sustainable foundations in place in other areas too.

Your Board has adopted three sustainability goals we aim to achieve by FY25. They relate to:

- enhancing the diversity and inclusiveness of our workplace, with women comprising 45% of our total workforce
- embracing renewable energy sources and cutting emissions within our own operations, with the goal of net zero carbon emissions in FY25 and the use of 100% renewable electricity in FY23, and
- enabling the transition to a low carbon economy through the products we develop and the disclosure and reporting standards we encourage as market operator.

We are progressing well to achieve all of these targets. Please see the Sustainability section in our Annual Report for details.

Board skills and experience

Turning to Board matters ... in April this year we farewelled Rick Holliday-Smith, who served as a director of ASX since the merger with the Sydney Futures Exchange in July 2006, and as Chairman from March 2012 up to his retirement. Rick made an enormous contribution to ASX and to Australia's financial markets. I thank him on behalf of us all.

I also acknowledge the significant contribution of Peter Marriott, who stepped down as Chair of the Audit and Risk Committee in August 2021 after 12 years in the role. Peter is seeking re-election to the Board today. If successful, he has announced that this will be his final term. Given the recent retirements of Rick and before him Peter Warne, the Board believes retaining Peter Marriott's industry experience and ASX knowledge will be hugely beneficial for the immediate future.

Also seeking re-election today are Yasmin Allen and Heather Ridout. Like Peter, Heather has declared that this will be her final term if re-elected today. Heather is the Chair of our Remuneration Committee, and has served shareholders with great distinction for nine years.

The credentials of all three directors are provided in the Annual Report and Notice of Meeting. They each have the Board's unanimous support.

Board renewal is an area of focus for me as Chairman. I am determined that we stay ahead of ASX's evolving needs and developments. That's why strengthening the technology, cyber security and project management-related expertise of the Board are areas of priority.

The ASX Board is conscientious and committed, and I thank my fellow directors for their work across the year. I also congratulate Dominic, his senior management team and all our people for their diligence and dedication over the last 12 months.

I also acknowledge our regulators – ASIC and the RBA – with whom we engage often and constructively, and have a common interest in preserving the long-term quality of Australia's financial markets.

Conclusion

As I wrote in the Annual Report, serving as Chairman of ASX comes with high expectations. None higher than my own. I am enjoying the role and am optimistic about the future for ASX. Our strategy is sound and we are pursuing it effectively. We will continue to work hard every day to earn the trust of our stakeholders. Our sustainability is built on this. We are on the right path and I look forward to your company along the way. Thank you for your support in FY21.

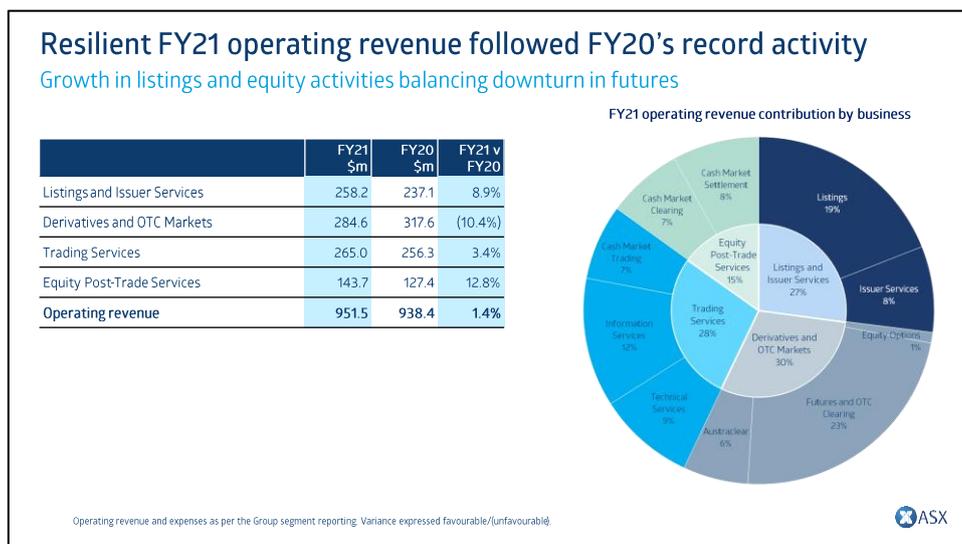
I now invite Dominic Stevens to address the AGM.



Thank you Damian and welcome everyone to our virtual 2021 AGM.

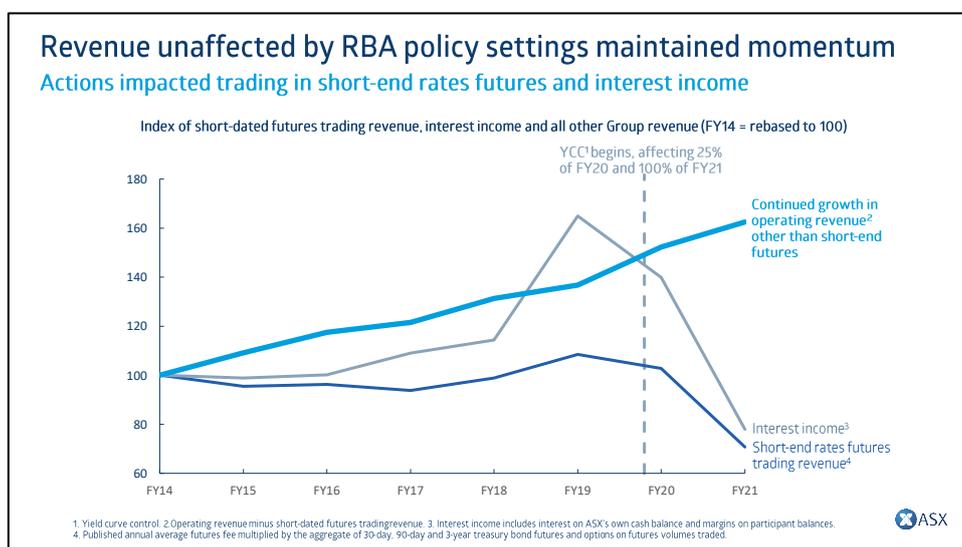
Today is the sixth AGM I have had the honour of addressing as ASX's CEO, and the fifth since we started executing our strategy of building an exchange for the future. After briefly discussing some of the drivers behind our FY21 result, I look forward to providing an update on the significant progress we have made over the last five years.

At our results in August, I described FY21 as eventful. Within 12 months, we experienced a recession, followed by a swift recovery in GDP. We saw high unemployment snap back to pre-COVID levels. And we watched the equity market touch all-time highs at the same time as interest rates were at all-time lows.



Against this economic backdrop, the strength of ASX's diversification was evident in our financial results. Equity-related products and services, as well as data and connectivity products, led to revenue growth in three of our four businesses. Those being Listings and Issuer Services with revenue growth of 8.9%; Trading Services revenue growth of 3.4%; and Equity Post-Trade Services revenue growth of 12.8%.

However, this growth was countered by the impact on our futures trading volumes of the RBA's policy settings to deal with the pandemic. These policy settings included record low interest rates with unprecedented provision of liquidity; yield curve control, which lowered short-term rate volatility; and a term funding facility. These settings drove the 10.4% decline in our Derivatives and OTC Markets revenue, as well as reducing ASX's interest income.



This slide shows the effect of the RBA's policy settings and the opportunities that a normalisation of these settings might bring. The chart depicts our revenues since 2014 split into three parts:

1. The revenue purely from short-end futures contracts – overnight index swaps, bills and 3-year bond futures – affected by low interest rate volatility – the bottom line
2. The interest revenue on capital and margins affected by low interest rates – the middle line
3. All other revenues not affected by these policies – the thicker blue line at the top.

There are two key takeaways from this chart.

Firstly – in two parts of our business, revenue has been affected significantly by these policy settings.

Secondly – other ASX revenues have continued growing, and in fact have accelerated over the past two years.

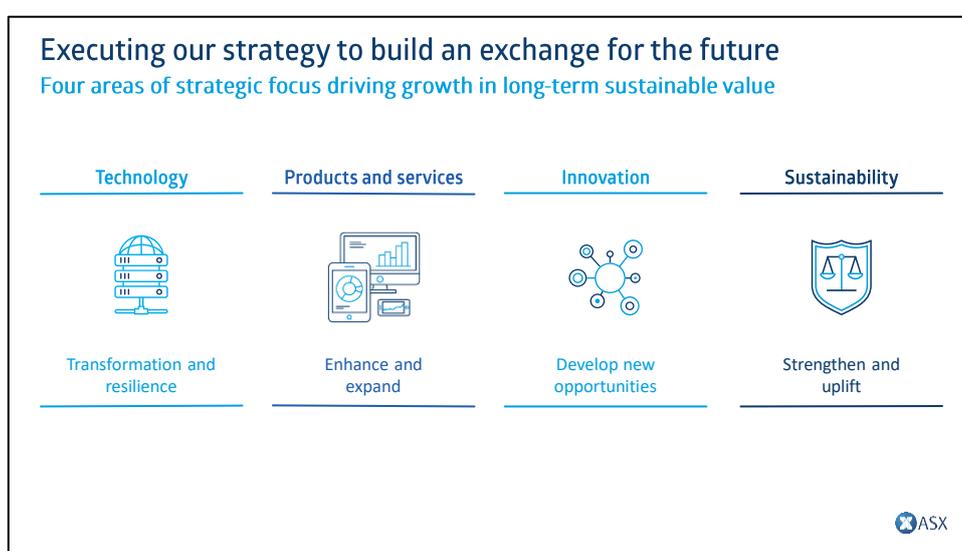
Looking ahead, it is encouraging that commentators see a high chance of an unwinding of yield curve control in the medium-term. This likelihood, together with the continued strong performance of our other businesses and our ability to leverage the good foundational work over the past five years, gives me confidence in the future.

FY21 marks five years of progressing our strategy to build an exchange for the future.

In many ways, ASX has been investing and evolving its operations for the future for over 150 years – only the technology enabling our business and the breadth of our focus have changed.

Nonetheless, with the rate of technological change ever increasing, we recognise that to best serve our customers and Australia’s financial markets, now more than ever, we need to perform our core functions with excellence and adopt world-best technologies.

In positioning ASX for the next 20 years, our strategy has focused on four key elements.



The first is transforming our technology stack and increasing our resilience. As you might have heard me say before, those companies embracing technological change will lead their industry in growth and innovation. ASX is no different. A contemporary platform provides technological and operational resilience, as well as enabling the digitisation of data and processes. This positions us best to provide the infrastructure and services desired by our customers.

The second element we focused on is enhancing and expanding ASX’s products and services. What can we do to make business easier for our customers? And how can we make it easier for our customers to efficiently interact with their own customers? This takes on greater focus as our new tech platform delivers expanded functionality and connectivity.

Innovation is our third element. ASX has a long history at the forefront of the exchange industry in the adoption of technology for the benefit of customers, investors and regulators – for instance, the original CHES system is a great example of ASX being first in the world to digitise share ownership. ASX innovation provides our customers and industry with opportunities for cost and efficiency benefits, as well as the ability to develop new products and services. We believe that distributed ledger technology is a key way to deliver these opportunities.

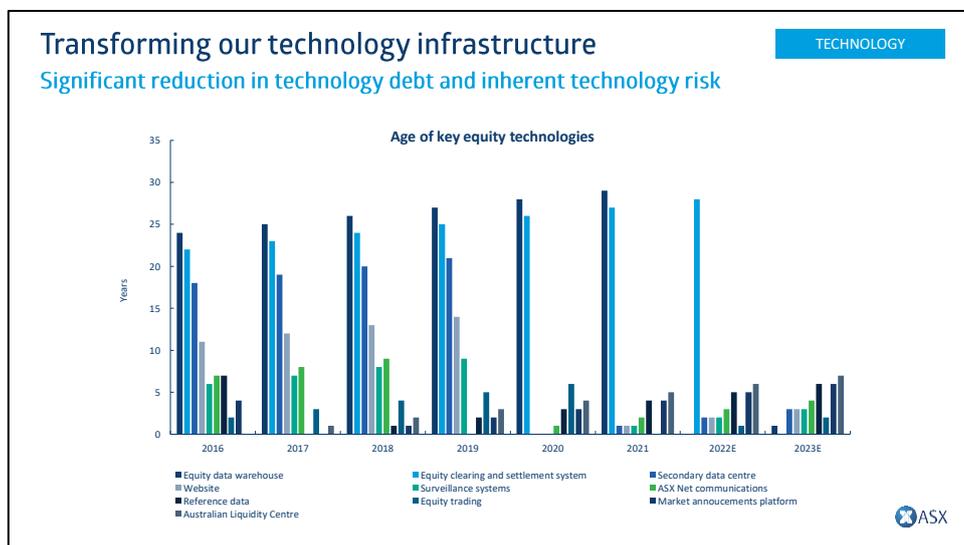
The fourth and final element is our ongoing commitment to sustainability. This reflects having strong foundations, earning our licence to operate and ensuring ASX continues to deliver long-term value for all its stakeholders – whether they be our people, customers, regulators, shareholders or the broader Australian economy.

ASX strongly believes that progress on these four fronts gives us the best chance of increasing the company’s long-term sustainable value for you, our shareholders.

So, if these elements have been our strategic focus over the last five years, how have we done regarding execution? And have we added value over these five years?

Let’s start with our technology transformation and digitisation.

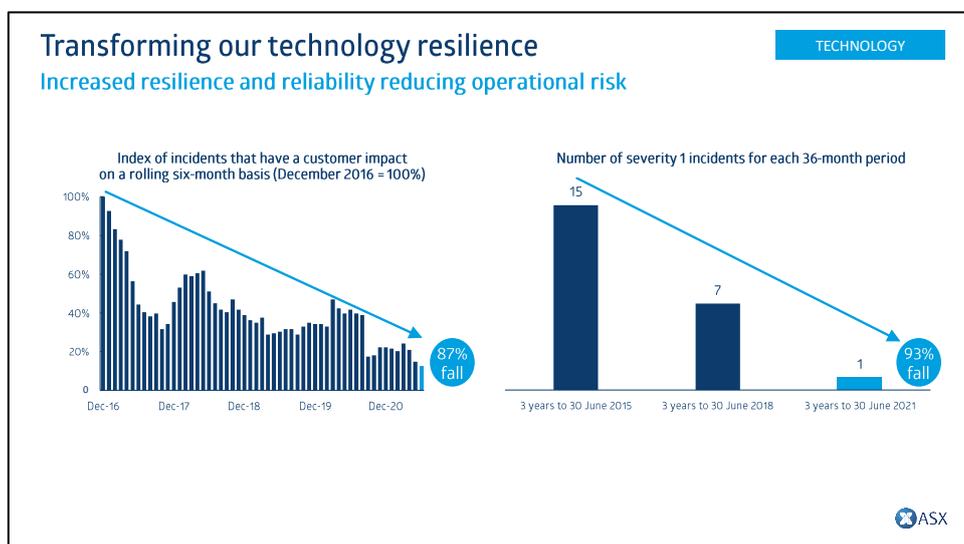
I am proud to report that we are well on our way to transforming our equity technology platform. With the rollout of CHES and some related operational databases over the coming 12 to 18 months, this body of work is scheduled to be completed in April 2023.



On this slide, the height of the columns denotes the age of our key equity technologies. As we move through the years from left to right, you can see that one by one ASX is replacing and upgrading its key technologies. From some technologies being over 20 years old, we are moving to an average life of less than five years. We have already refreshed our trading systems, and upgraded the communications infrastructure that carries the trading, clearing, settlement and data information between ASX and its customers. We have also replaced our secondary data centre, risk management and surveillance systems, and our website. We are now moving into the delivery stages of our clearing and settlement and data warehouse technologies.

This strategy may also be characterised as ‘reducing technology debt’, with the height of the columns representing the size of the debt. Over the last five years, our capital expenditure program has paid down much of this debt. This transformation is the most important thing the organisation can do to reduce its inherent technology and operational risk. It’s also a key reason underpinning our improved performance.

Investing in contemporary technology has greatly improved the resilience and reliability of our financial markets infrastructure. I know this sounds at odds with the regrettable outage we had shortly after last year’s AGM. But as a business that has served the markets for decades, it is our improving performance over months and years, not our performance on a day, which we ask to be measured on.



As you can see from the chart on the left, if we step back and look at the big picture, we have dramatically reduced operational and technology incidents over the past five years. This trend has continued even in the last 12 months.

ASX holds itself to a high standard and is proud of its long-term performance to reduce incidents by close to 90% over the past five years. This is the best measure of long-term operational resilience.

Let's look at another measure – the chart on the right shows the number of severity 1 incidents over the last nine years. Severity 1 being the most severe type. As you can see, in the last three years we have had one severity 1 incident. If we look at the three years prior to that, we had seven. If we look back a further three years – so six to nine years ago in total – we had 15.

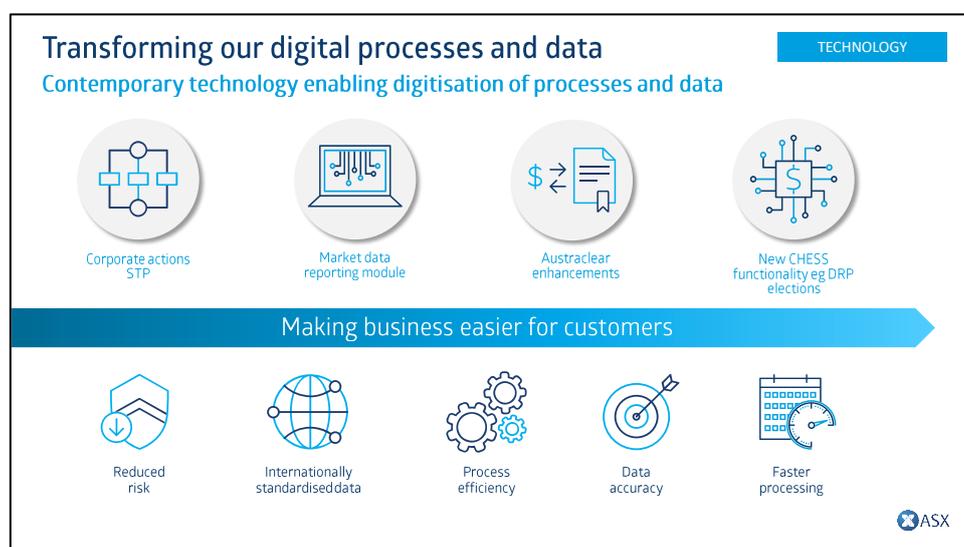
This is not to say ASX's past performance was sub-standard. On the contrary, we have always had a reputation for resilience. As we know, all types of organisations across the economy have outages from time to time. For example, according to the RBA, the retail payments sector suffered over 1,000 outages during the most recent three-year reporting period. As disappointing as they are, they are a fact of corporate life for those reliant on technology.

The takeaway here is that your company is investing in people and technology to reduce operational risk and to provide an innovative future for ASX and for Australia's financial markets.

The clearest objective measure of the reduction in operational risk is the reduction in operational incidents. On this measure, ASX's record is strong.

Pleasingly, not only do investments in technology lower our business risk and increase our resilience, they enable greater efficiency and functionality, and faster delivery of products and services into the future.

Our third goal in the technology area was the digitisation of processes and data to make business easier for our customers. Our contemporary platform is already enabling this, with more to come.



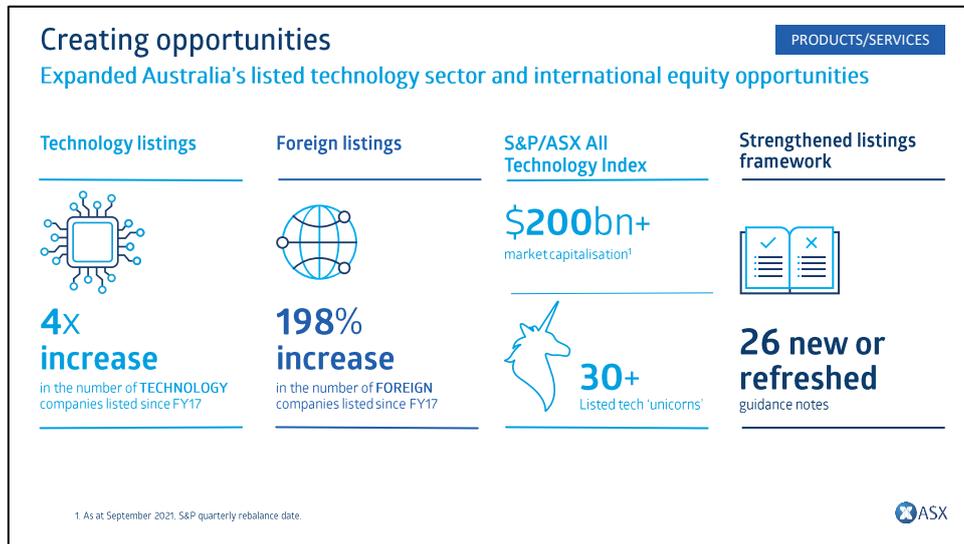
Our world-leading corporate actions straight-through processing is a prime example. By providing a fully automated end-to-end solution, ASX has reduced the processing risk associated with undertaking corporate actions by simplifying, standardising and removing manual steps from the announcement, data capture and support processes. In addition, digitising the data into the international ISO 20022 standard, has unlocked efficiencies associated with machine-readable data. ASX is a world leader in this area.

For Austraclear, our bond settlement, depository and registry service for debt securities and cash transactions, we've delivered new functionality, which gives customers better automation and increased operational efficiency – for which their feedback has been very positive.

Moving to contemporary technology to power CHESSE for the next 20-plus years is another example of how investing in flexible, modular software enables the digitisation of processes and data. For example, the new CHESSE system will automate the previously manual election of dividend reinvestment plan processes. Custodians, registries, brokers, issuers and investors should benefit from standardisation and machine-readable data. In addition, the ability to interact

directly onto the distributed ledger will present new opportunities for customers to build applications and straight-through processing.

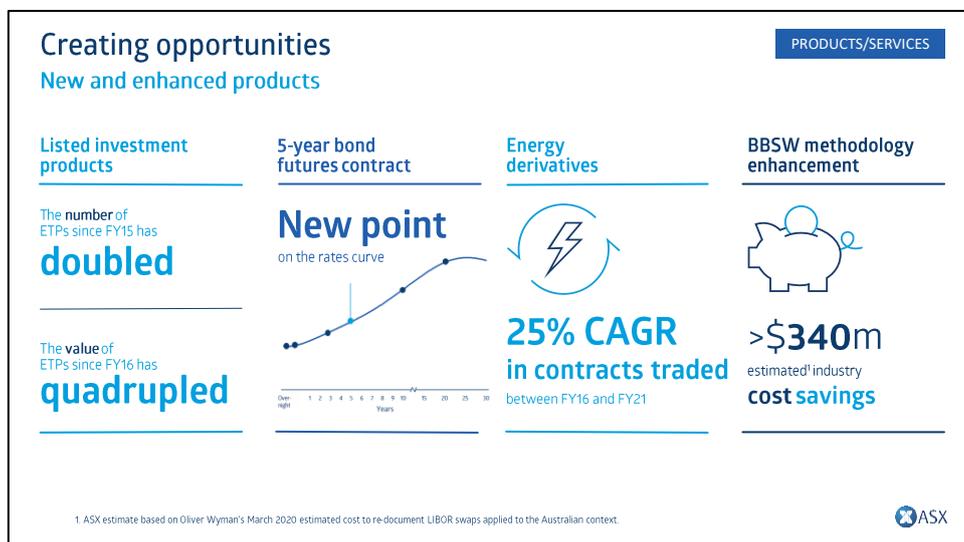
Turning now to our progress in expanding and enhancing our products and services.



The growth in the number of listed technology and foreign companies is something that I am particularly proud of. As I've said many times, growing the listed technology sector is of long-term importance not just to ASX but to the Australian economy overall. It is helping position Australia as a key player in the expanding global tech industry. Since FY17, the number of ASX-listed technology companies has increased four-fold, while the number of foreign listings has increased by 198%.

Recognising the critical mass of technology companies now listed on ASX, we launched the S&P/ASX All Technology Index in early 2020. Initially it had 46 constituents with a combined market capitalisation of over \$100 billion. As of the September 2021 re-balance, it has 81 constituents and a market capitalisation of over \$200 billion and includes over 30 tech unicorns.

Our success in being a globally recognised listings venue is built in part on ASX's reputation for operating markets of integrity. Central to maintaining that integrity are our listing rules. In FY20, recognising the importance of keeping these rules current and fit for purpose, we released a major package of listing rule changes and new and updated guidance notes. Also in FY20, the fourth edition of the Corporate Governance Principles and Recommendations took effect. These are a major part of our work to support best practice corporate governance and to keep pace with the market's evolution.

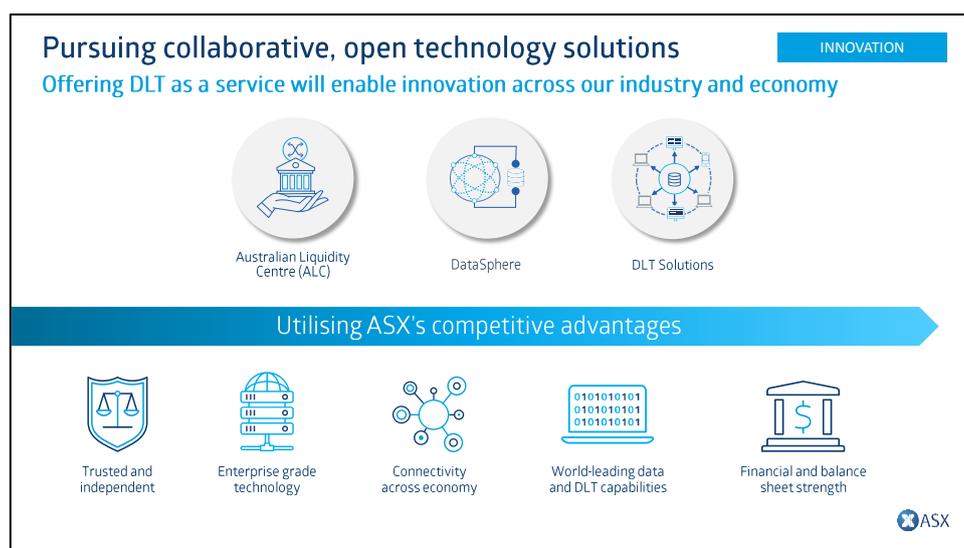


Alongside the growth in the number of listed companies, we continue to meet the increasing demand for listed investment products. We have doubled the number of exchange-traded products since FY15, and have recently seen particular growth in ETPs in the areas of global equities, fixed income, and active strategies.

We have added a new liquidity point for Australia’s interest rate market with our 5-year bond futures contract. This new product is crucially important for swap dealers, borrowers and fixed income managers – it was launched to support the evolving structure of the underlying interest rate market, and complements the 3 and 10-year contracts already in existence.

Our energy derivatives continue to grow strongly, with volumes up 25% per annum over the last five years. As a risk-hedging tool, these derivatives are playing an important role in supporting Australia’s transition to a low carbon economy. The growth in recent years has been supported by our efforts to put new market-making schemes together in both Australia and New Zealand, and more recently the evolution of our electricity caps from 30-minute to five-minute intervals.

Just as we have focused on saving our customers time and effort through the digitisation of processes and data, we also seek to make changes to deliver cost savings. Our work to enhance the BBSW benchmark methodology has meant that, unlike other global short-term rate benchmarks, Australia has avoided the need for the local financial industry to re-paper every BBSW-based swap, loan, investment or financial product. Extrapolating from estimates of overseas transition costs, maintaining BBSW as a benchmark in Australia may have saved the industry over \$300 million.

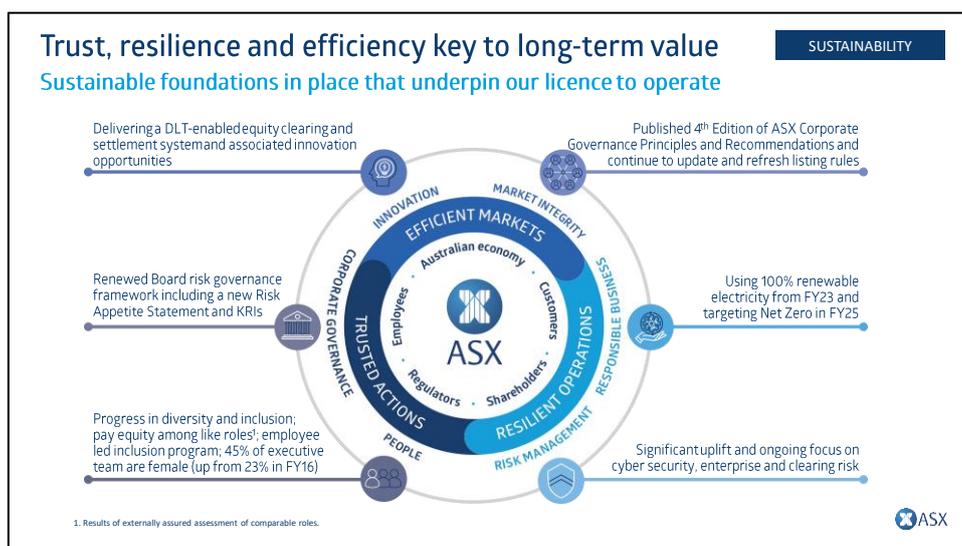


As is the case for any business, innovation is fundamental to ASX’s ability to deliver sustainable growth. We are focused on pursuing innovations that deliver open and collaborative technology solutions – innovative solutions that address not only our interactions with customers, but help our customers to interact with their customers.

The Australian Liquidity Centre is an example of an open infrastructure solution that was once a strategic breakout and is now part of our core business. Back in 2012, instead of building a data centre just for ASX, or even outsourcing our data centre requirements, we chose to invest in an open data centre model. In doing so, ASX developed an offering that enables customers to not only interact with ASX but with peers and service providers across the ecosystem as well. This has gone from an empty concrete box, to a hive of digital financial market activity, with close to 140 organisations in the facility.

ASX DataSphere, our data analytics offering, is a further example of providing an open infrastructure solution. Again, instead of building a big data platform just for ASX, we chose to build a governed, secure platform, offering access to both ASX and third parties. The platform has the data and analytical tools as well as the workspace, computing power and storage to facilitate our own analysis, as well as providing the same service to our customers.

We are also applying this open infrastructure approach to our distributed ledger technology. We will be offering DLT as a service to our customers. This is a long-term strategy and reflects our confidence in the power of this database technology, which is called out as one of the key technologies that will transform the way we do business and manage data in the next 10 to 20 years.



Underpinning our ability to evolve, adapt and reinvent over the last 150 years has been our deep-rooted commitment to generate long-term value for all our stakeholders. While technology has changed the way exchanges operate over this time, common throughout has been the importance of being trusted for our actions, providing resilient operations and supporting the efficiency of our markets.

These three pillars underpin our sustainability – or licence to operate – I’d like to highlight our progress in three of these areas.

Our ability to earn and preserve the trust of our stakeholders is anchored in our people. We are making progress in gender diversity. For example, 45% of my direct reports are women, which is double what it was when I started as CEO. We are achieving pay equity for similar roles, and have increased our female participation workforce target from 40% to 45% by FY25.

Then there is the progress we have made to strengthen risk management. Between FY17 and FY20, we uplifted ASX’s enterprise and technology risk management following the completion of our Building Stronger Foundations program. We are committed to continually improve this area, particularly our cyber security, and clearing risk systems and processes.

And on climate-change, we have made a commitment to switch to 100% renewable electricity in FY23, which will reduce our carbon emissions profile by over 85%. This will be a significant step forward as we seek to achieve net zero for our scope 1 and 2 emissions by the end of FY25.

So, in summary,

If I go back to the start of my presentation – I set out our strategic plan for building an exchange for the future. I posed the question: have we delivered to these metrics over the past five years?

Delivering an exchange for the future

Providing enhanced value today; building the financial markets infrastructure of tomorrow

 <p>Technology</p> <hr/> <p>Transformation and resilience</p> <ul style="list-style-type: none"> ✓ Significant reduction in technology debt ✓ ~90% decrease in incidents and outages ✓ Making business easier for customers through digitised processes and data 	 <p>Products and services</p> <hr/> <p>Expand and enhance</p> <ul style="list-style-type: none"> ✓ Expanding investment universe across multiple asset classes ✓ Meeting evolving customer needs ✓ Providing solutions that deliver industry-wide cost savings 	 <p>Innovation</p> <hr/> <p>Develop new opportunities</p> <ul style="list-style-type: none"> ✓ Connecting customers with customers at the ALC ✓ Sharing benefits of open data science infrastructure with stakeholders ✓ Leading the world in enterprise delivery of DLT infrastructure 	 <p>Sustainability</p> <hr/> <p>Strengthen and uplift</p> <ul style="list-style-type: none"> ✓ Building a diverse and inclusive culture ✓ Embedding a risk aware culture ✓ Net zero by the end of FY25
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ASX

On technology, I think the performance charts speak for themselves:

- The amount of transformation, reduction in technology debt and lowering of inherent risk has never been as high as in the last five years and will get even better in the next two.
- Reducing incidents and outages by circa 90% underscores the reduction in operational risk, however we will continue to work hard on the last 10%. It is disappointing that this big picture resilience story struggles to get public traction.
- With corporate actions being digitised and the coming benefits of CHES, we are proud of our progress in this area.

On products and services:

- We are broadening and deepening our suite of services and have delivered strongly on growing our listings franchise, the investment product space and our derivatives area.
- We see our technology transformation allowing ASX to supercharge what it does in the area over the next five years. Customer service and efficiency will be a major theme.

On innovation:

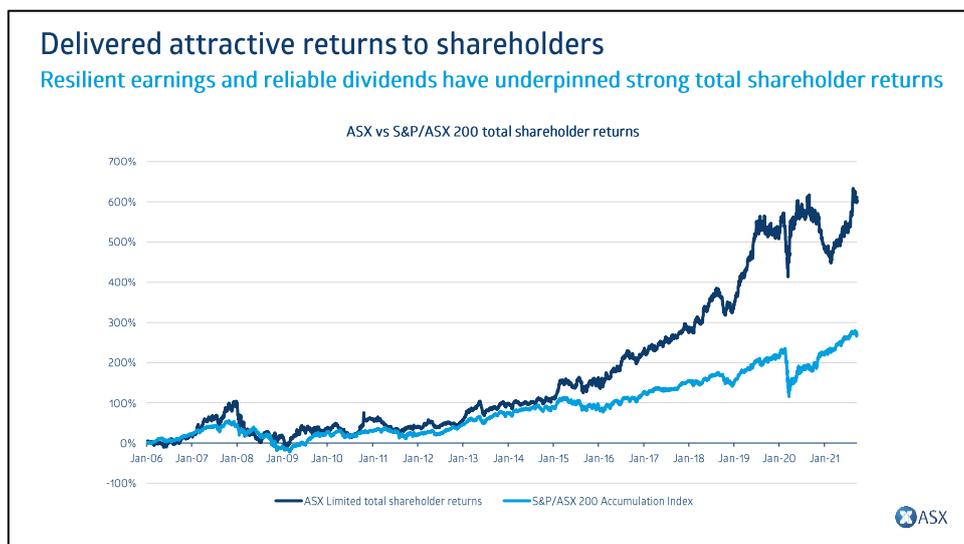
- 10 years ago, ASX innovated at the ALC by building an ‘open’ data centre, encouraging better connectivity within the industry. Over the last five years, ASX has reaped the benefit of this innovative risk taking.
- Similarly, ASX is innovating in the area of big data and DLT. In DLT, possibly the most important technology for exchanges for the coming decade, ASX has a leading global position in the enterprise delivery of DLT infrastructure.

And finally on sustainability:

- We are building a diverse and inclusive culture.
- And we are looking to be using 100% renewable energy in FY23 and targeting net zero in FY25.

As ASX CEO, I am proud of the immense program of work the team has achieved in the last five years. Importantly, by doing the hard things, ASX has set itself up for the next 10 to 20 years. That is what building an exchange for the future is all about.

So to close ...



We had a belief five years ago that progress on these four fronts would give ASX the best chance to increase its long-term sustainable value to you, our shareholders.

Our strategy has seen revenue continue to break new records, and it has also seen expenses increase as we fund the transformation of the exchange.

However, over the last five years we have been adding new revenues at a multiple of new expenses, and we have seen EBITDA, EBIT and NPAT grow over the period.

This has led to a healthy stream of dividends to shareholders, all fully franked, and a special dividend in 2019, also fully franked.

And dividends, put together with strong share price performance, has led to strong total shareholder returns over the past five years, shown on my final slide, in comparison to the S&P/ASX200 accumulation index.

I would like to thank all our shareholders for your support over the past five years. I look forward to ASX continuing to improve, evolve and build its value in the years to come.

Before I hand back to Damian, we will now show a short video about ASX's connectivity services.