

## 1. Company details

Name of entity:	NSX Limited
ABN:	33 089 447 058
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

## 2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	32.1% to	787,413
Loss from ordinary activities after tax attributable to the owners of NSX Limited	up	29.6% to	(1,951,394)
Loss for the half-year attributable to the owners of NSX Limited	up	29.6% to	(1,951,394)

### *Dividends*

There were no dividends paid, recommended or declared during the current financial period.

### *Comments*

The loss for the consolidated entity after providing for income tax amounted to \$1,951,394 (31 December 2022: \$1,505,276).

## 3. Net tangible assets\*

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.01</u>	<u>0.49</u>

\* ROU Assets have not been included in the calculation of NTA.

## 4. Control gained over entities

Not applicable.

## 5. Loss of control over entities

Not applicable.

## 6. Dividends

### *Current period*

There were no dividends paid, recommended or declared during the current financial period.

### *Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

## 7. Dividend reinvestment plans

Not applicable.

## 8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
ClearPay Pty Ltd	41.00%	41.00%	-	-
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			-	-
Income tax on operating activities			-	-

## 9. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

## 10. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

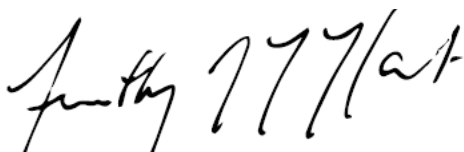
The financial statements were subject to a review by the auditors and the review report is attached as part of the Half - Year Financial Report. The review report contains a material uncertainty regarding going concern paragraph.

## 11. Attachments

*Details of attachments (if any):*

The Half - Year Financial Report of NSX Limited for the half-year ended 31 December 2023 is attached.

## 12. Signed



Tim Hart  
Director



Kelly Humphreys  
Director

28 February 2024



**NSX Limited**

**ABN 33 089 447 058**

**Half - Year Financial Report - 31 December 2023**

**NSX Limited**  
**Directors' report**  
**31 December 2023**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of NSX Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

**Directors**

The following persons were directors of NSX Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Michael Aitken	Non-Executive Director
Timothy Hart	Non-Executive Director and Chair
Kelly Humphreys	Non-Executive Director
Tod McGrouther	Non-Executive Director and acting Managing Director
Tony Shen (Weiguo)	Non-Executive Director (Resigned 23/11/2023)
Barnaby Egerton-Warburton	Non-Executive Director

**Company Secretary**

Scott Evans has held the position of the Company Secretary (B.Ec (hons) Graduate AICD, Fellow FINSIA, Fellow GIA, DFP) since the beginning of the reporting period, to the date of this report. He was appointed on 7 March 2006.

**Review of operations**

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$1,951,394 (31 December 2022: \$1,505,276).

	<b>31 December</b>	<b>31 December</b>	<b>Change</b>	<b>Change</b>
	<b>2023</b>	<b>2022</b>	<b>\$</b>	<b>%</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
Revenue from operations	774,684	864,971	(90,287)	(10%)
Other income	12,729	294,661	(281,932)	(96%)
Expenses including non-recurring costs	(2,738,807)	(2,664,908)	(73,899)	3%
Net loss after tax	(1,951,394)	(1,505,276)	(446,118)	30%
Shares on issue at end of period (*)	402,920,283	401,814,198	1,106,085	-

(\*) includes 1,500,000 partly paid shares

**OPERATING REVENUE**

Revenue associated with the operation of the National Stock Exchange of Australia (NSXA) accounts for 98% of all receipts. The balance of revenue is principally interest earned on cash and investments held during the half-year.

The consolidated entity reported total Revenue of \$0.78 million representing an decrease of \$0.37 million on the previous comparative period (pcp). There was a decrease in application fees from Issuers intending to list, subsequent quotation of security fees and other revenue. There was a reduction in annual fees due to the delisting of three securities that went into administration during the period and the fact that NSXA has not increased its fees for the past 3 years.

NSX continues with its main business of listing, quotation of Issuers and their securities as well as Nominated Advisers and broker Participants.

The operating revenue for each of our business activities is as follows:

Revenue Category	31 December	31 December	Change
	2023	2022	
	\$	\$	%
Annual fees	478,425	544,504	(12%)
Subsequent quotation fees	141,311	118,171	20%
Application fees	127,520	202,247	(37%)
Other revenue	27,428	283,233	(90%)
Interest received	12,729	11,477	11%
	<u>787,413</u>	<u>1,159,632</u>	

Discussion on the operating revenue is detailed below:

**Annual fees - \$0.066 million, down -12%**

Annual fees are the product of three key drivers, the number of listed securities, the market capitalisation of the listed entities and the scheduled fee charged. Annual fees were down due to the delisting of 3 issuers because they went into administration and new listings are charged a pro-rata annual fee. NSXA has not raised its fees in the last three years. Effective 1 January 2024 the Company has raised fees by 5%.

Annual fees were \$0.06 million lower than the pcp reflecting the net impact of 52 listed securities in the current period down from 59 in the pcp, with an average market capitalisation of \$40 million, down from \$51 million in the prior period. The total market capitalisation of the exchange at 31 December 2022 was \$2.1 billion.

**Subsequent quotation fees - \$0.023 million, up 20%**

The drivers of this revenue line are the number of new listings approved in preceding periods, the market capitalisation of those issuers, subsequent capital raised on the exchange, restricted securities that are released from escrow, and the scheduled fees charged. Subsequent quotation fees on the exchange increased by \$4,000 reflecting a higher run off of escrowed securities in the current period. A total of \$16.8 million in new capital was raised by companies listed on the exchange (excluding IPO capital raised) in the six-month period to 31 December 2023, compared to \$5.5 million in the pcp.

**Application fees - \$0.074 million, down -37%**

The drivers of this revenue line are the number of new listing approved in the period, the market capitalisation of those issuers and the scheduled fee charged. There is a decrease in Listing Fees from the pcp reflecting a lower number of applicants moving through the application process.

**Other revenue - 0.256 million, down by -90%**

Other revenue includes revenue received from the South Pacific Stock Exchange (SPX) and any other once off or miscellaneous revenue not elsewhere categorised. During the period, other revenue decreased by \$237,976 as in the previous year the Company was reimbursed for funds paid in February 2020 that had been considered unrecoverable.

**OPERATING EXPENSES**

Operating expenses increased by 1% from \$2.66 million to \$2.74 million. This increase is mainly due to an increase in employment expenses, marketing, and IT costs.

<b>31 December Expense Category</b>	<b>2023</b>	<b>2022</b>	<b>Change</b>	<b>Change</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
Employee benefits expense	832,636	795,211	37,425	5%
Marketing trading expenses	432,110	447,876	(15,766)	(4%)
Consultancy expenses	210,763	271,339	(60,576)	(22%)
Administration and other expenses	502,164	499,865	2,299	-
Depreciation, amortisation and impairments	279,930	355,295	(75,365)	(21%)
Occupancy expenses	28,996	19,750	9,246	47%
Compliance expenses	18,973	40,160	(21,187)	(53%)
Marketing and promotion expenses	76,651	9,266	67,385	727%
Legal expenses	64,848	30,808	34,040	110%
Finance costs	50,892	54,357	(3,465)	(6%)
IT costs	189,156	65,780	123,376	188%
Share-based payment expense	51,688	75,201	(23,513)	(31%)
	<u>2,738,807</u>	<u>2,664,908</u>	<u>73,899</u>	

Employee benefits expense increased by 5% pcp to \$0.83 million due to salary increases in April 2023.

Marketing expenses increased by 727% pcp to \$0.07 million as a result of marketing consulting and promotion for NSX.

IT Costs increased by 188% to \$0.18 million as a result of increase in the IT expenses due to the associated costs with the change over to the new NASDAQ trading engine in October 2023.

**BALANCE SHEET**

<b>Balance Sheet</b>	<b>31 December</b>	<b>30 June</b>	<b>Change</b>	<b>Change</b>
	<b>2023</b>	<b>2023</b>	<b>\$</b>	<b>%</b>
	<b>\$</b>	<b>\$</b>		
Cash	858,773	2,064,284	(1,205,511)	(58%)
Financial assets	363,593	361,193	2,400	1%
Other assets	2,599,734	2,304,423	295,311	13%
Total assets	<u>3,822,100</u>	<u>4,729,900</u>	<u>(907,800)</u>	
Payables	(2,064,043)	(1,163,088)	(900,955)	77%
Provisions	(269,081)	(239,031)	(30,050)	13%
Lease liabilities	(1,448,118)	(1,388,192)	(59,926)	4%
Total liabilities	<u>(3,781,242)</u>	<u>(2,790,311)</u>	<u>(990,931)</u>	
Equity	<u>40,858</u>	<u>1,939,589</u>	<u>(1,898,731)</u>	

As at 31 December 2023, net current assets decreased by \$982,712 from 30 June 2023 (largely attributable to the payments in cash to operate the business).

Trade and other liabilities of \$3.8 million is represented by \$1.4 million in lease liabilities plus \$0.775 million in contract liabilities and \$1.28 million in creditors and other accrued liabilities. Contract liabilities reflect the unamortised balance of annual listing fees that have been billed and collected from Issuers and are recognised over 3 years as well as annual fees recognised over the current year. Consequently, as at 31 December, only part of the revenue has been recognised. The balance of \$0.775 million will be recognised as revenue in the Statement of Profit and Loss in future periods.

**WORKING CAPITAL**

The NSX Group maintains a cash balance of \$0.859 million (31 December 2022: \$4.7 million) at the end of the period. Of the working cash held, \$0.36 million is held as part of the market compensation arrangements and rental bonds. Interest derived from the cash held on deposit is used for working capital. Details of various arrangements that have an impact on the Company's cash balances are outlined below.

<b>Reconciliation of Cash</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$</b>	<b>\$</b>
Cash on hand and at bank	858,773	4,706,945
Deposits at call	<u>363,593</u>	<u>359,763</u>
Total cash at end of period	<u><u>1,222,366</u></u>	<u><u>5,066,708</u></u>

*Compensation Arrangements*

As part of the National Stock Exchange of Australia Limited's Australian Financial Markets Licence, the NSX Group operates investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. National Stock Exchange of Australia Limited has provided a cash deposit of \$0.2 million as part of its Compensation Arrangements. This is over and above the money that is included in the Fidelity Fund operated by NSXA which currently has a balance of \$0.6 million. Interest generated by the Fidelity Fund is re-invested into the fund.

*Rental Bonds and Other Bank Guarantees*

NSX Limited has in place a bank guarantee for the rental of premises in Sydney of \$151,593 (December 2022: \$147,763). These amounts are not available cash for use by the NSX Group as working capital. Interest generated from the cash held in the NSX deposit is re-invested into the Bond to allow for growth in the Bond requirements over time.

*Net Working Capital*

The following table details the impact of the bank guarantee arrangements on NSX Limited's current cash balances available for use.

<b>Net Working Capital</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$</b>	<b>\$</b>
Total cash at end of the period	1,222,366	5,066,708
Deposits held for equity markets compensation arrangements	(212,000)	(212,000)
Other bank guarantees	<u>(151,593)</u>	<u>(147,763)</u>
Total: cash available for use by the NSX group at the end of the period	<u><u>858,773</u></u>	<u><u>4,706,945</u></u>

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Matters subsequent to the end of the financial half-year**

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

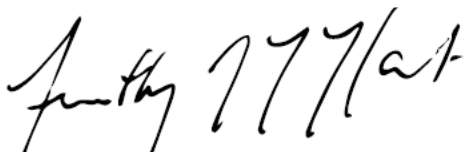
**NSX Limited**  
**Directors' report**  
**31 December 2023**

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Tim Hart  
Director

28 February 2024



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Kelly Humphreys  
Director





PKF(NS) Audit & Assurance Limited Partnership

ABN 91 850 861 839

755 Hunter Street, Newcastle West NSW 2302

Level 8, 1 O'Connell Street, Sydney NSW 2000

Newcastle T: +61 2 4962 2688 F: +61 2 4962 3245

Sydney T: +61 2 8346 6000 F: +61 2 8346 6099

info@pkf.com.au

www.pkf.com.au

NSX Limited

## Auditor's Independence Declaration under section 307C of the *Corporation Act 2001*

I am pleased to provide the following declaration of independence to the Directors of NSX Limited.

As lead audit partner for the review of the financial statements of NSX Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

The PKF logo, consisting of the letters 'PKF' in a bold, black, sans-serif font.

PKF

A handwritten signature in black ink that reads 'Martin Matthews'.

MARTIN MATTHEWS  
PARTNER

28 FEBRUARY 2024  
NEWCASTLE, NSW

**NSX Limited**  
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**31 December 2023**

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**General information**

The financial statements cover NSX Limited as a consolidated entity consisting of NSX Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is NSX Limited's functional and presentation currency.

NSX Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 3, Suite 3-04  
1 Bligh Street, Sydney

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2024.

**NSX Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2023**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	3	774,684	1,148,155
Interest revenue calculated using the effective interest method		12,729	11,477
<b>Expenses</b>			
Employee benefits expense		(832,636)	(795,211)
Market trading expense		(432,110)	(447,876)
Administration		(491,347)	(471,003)
Occupancy expense		(28,996)	(19,750)
Depreciation and amortisation expense		(279,930)	(355,295)
IT costs		(189,156)	(65,780)
Legal expenses		(64,848)	(30,808)
Consultancy expenses		(210,763)	(271,339)
Compliance expenses		(18,973)	(40,160)
Other expenses		(10,817)	(28,862)
Finance costs		(50,892)	(54,357)
Marketing expenses		(76,651)	(9,266)
Share-based payment expense		(51,688)	(75,201)
<b>Loss before income tax expense</b>		(1,951,394)	(1,505,276)
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of NSX Limited</b>		(1,951,394)	(1,505,276)
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year attributable to the owners of NSX Limited</b>		<u>(1,951,394)</u>	<u>(1,505,276)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	13	(0.49)	(0.45)
Diluted earnings per share	13	(0.49)	(0.45)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**NSX Limited**  
**Statement of financial position**  
**As at 31 December 2023**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December</b>	<b>30 June 2023</b>
		<b>2023</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		858,773	2,064,284
Trade and other receivables		137,220	121,997
Financial assets		363,593	361,193
Other current assets		1,006,867	801,691
<b>Total current assets</b>		<u>2,366,453</u>	<u>3,349,165</u>
<b>Non-current assets</b>			
Property, plant and equipment		-	6,641
Right-of-use assets	4	1,265,631	1,184,078
Intangibles		190,016	190,016
<b>Total non-current assets</b>		<u>1,455,647</u>	<u>1,380,735</u>
<b>Total assets</b>		<u>3,822,100</u>	<u>4,729,900</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		1,290,122	778,109
Lease liabilities	5	608,789	457,968
Employee benefits		231,186	210,018
Contract liabilities	6	695,759	249,723
<b>Total current liabilities</b>		<u>2,825,856</u>	<u>1,695,818</u>
<b>Non-current liabilities</b>			
Lease liabilities	5	839,329	930,224
Employee benefits		37,895	29,013
Contract liabilities	6	79,137	135,256
<b>Total non-current liabilities</b>		<u>956,361</u>	<u>1,094,493</u>
<b>Total liabilities</b>		<u>3,782,217</u>	<u>2,790,311</u>
<b>Net assets</b>		<u>39,883</u>	<u>1,939,589</u>
<b>Equity</b>			
Issued capital	7	64,601,055	64,580,872
Reserves	8	537,670	506,165
Accumulated losses		<u>(65,098,842)</u>	<u>(63,147,448)</u>
<b>Total equity</b>		<u>39,883</u>	<u>1,939,589</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**NSX Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2023**

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Accumulated losses</b> \$	<b>Reserves</b> \$	<b>Total equity</b> \$
Balance at 1 July 2022	59,877,458	(61,119,730)	1,482,398	240,126
Loss after income tax expense for the half-year	-	(1,505,276)	-	(1,505,276)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	(1,505,276)	-	(1,505,276)
Shares issued	5,300,623	-	-	5,300,623
Transaction cost on share issue	(623,697)	-	-	(623,697)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 14)	-	-	59,214	59,214
Balance at 31 December 2022	<u>64,554,384</u>	<u>(62,625,006)</u>	<u>1,541,612</u>	<u>3,470,990</u>
<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Accumulated losses</b> \$	<b>Reserves</b> \$	<b>Total equity</b> \$
Balance at 1 July 2023	64,580,872	(63,147,448)	506,165	1,939,589
Loss after income tax expense for the half-year	-	(1,951,394)	-	(1,951,394)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	(1,951,394)	-	(1,951,394)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 14)	-	-	51,688	51,688
Issuance of performance rights (note 7)	20,183	-	(20,183)	-
Balance at 31 December 2023	<u>64,601,055</u>	<u>(65,098,842)</u>	<u>537,670</u>	<u>39,883</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**NSX Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2023**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	1,159,782	1,829,363
Payments to suppliers and employees (inclusive of GST)	(2,117,389)	(2,344,184)
Interest received	10,078	11,107
Interest and other finance costs paid	<u>(48,276)</u>	<u>(54,155)</u>
<b>Net cash used in operating activities</b>	<u>(995,805)</u>	<u>(557,869)</u>
<b>Net cash from investing activities</b>	<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	5,284,637
Share issue transaction costs	-	(267,147)
Repayment of lease liabilities	<u>(209,706)</u>	<u>(549,858)</u>
<b>Net cash from/(used in) financing activities</b>	<u>(209,706)</u>	<u>4,467,632</u>
Net increase/(decrease) in cash and cash equivalents	(1,205,511)	3,909,763
Cash and cash equivalents at the beginning of the financial half-year	<u>2,064,284</u>	<u>1,156,945</u>
<b>Cash and cash equivalents at the end of the financial half-year.</b>	<u><u>858,773</u></u>	<u><u>5,066,708</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Note 1. Material accounting policy information**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

**Going Concern**

As at 31 December 2023, NSX Limited was in a net asset position of \$40,858 (30 June 2023: \$1,939,589). During the period the NSX Group incurred a loss of \$1,951,394 (31 December 2022: \$1,505,276) and has recognised a net current asset deficiency of \$459,403 (30 June 2023 net current asset position: \$1,653,347), and incurred cash outflows from operating activities of \$995,805 (31 December 2022: \$557,869).

The half-year financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Directors believe there are reasonable grounds to believe that the Group will be able to continue as a going concern after consideration of the following factors:

- On 1 February 2024 the Company announced an entitlement offer to raise \$5m exclusive of costs. If the full amount is raised, costs are estimated to be up to \$250,000 which primarily comprises of lead manager fees. The anticipated close date will be 1 March 2024 if the offer is not extended. The entitlement of the top two Company shareholders is \$1.2m each or \$2.4m in total. The Company expects that these shareholders will at least maintain their proportional holding in the Company. The Company is confident that there will be additional subscriptions above this amount. In any event the Directors are able to place any shortfall up to three months after the close of the offer. The shortfall placement is at the discretion of the Directors as described in the Entitlement Booklet.
- On 12 February 2024 the Company announced that it had received funding of \$500,000 as a convertible loan. Additionally, on 27 February 2024, the Company has received an additional \$500,000 funding as a convertible loan. The funding will be used as working capital by the Company.
- A pipeline of new listings is actively managed with numerous new listings expected throughout 2024.
- There is an ongoing review to identify ways to reduce costs or defer expenditure and lower the business cost base.
- NSX is progressing with an AFSL application, Tier 2 market licence application and then subsequently ESA (RBA) licence application (if required) to support future business development in the Private Markets space and certificated issuer settlement. The AFSL application being a priority at this time to support short term business initiatives.
- The Directors are confident of executing the joint venture agreement with Ajlan & Bros Holding Group (Abilitii) in the Kingdom of Saudi Arabia (KSA) to create a second securities and the first commodities exchange in 2024. This will provide NSX with material consultancy revenues through assistance with the application for the exchange licence. The Company is awaiting on the results of a government review before the JV agreement can be executed.

Management's internal forecast (which assumes achievement of the above factors) indicates that the NSX Group can continue as a going concern for at least the next 12 months.

Should some or all of the forecast assumptions not eventuate or take longer than foreseen, the Group may be unable to continue normal operations into the foreseeable future while it is not cashflow positive. The Group has a history of being able to raise capital and restructure operations when required and the Directors are therefore confident that should the need arise they will be able to raise sufficient funds from alternative sources to continue normal operations into the foreseeable future.

**Note 1. Material accounting policy information (continued)**

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are outlined below.

*Share-based payment transactions*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

*Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

*Treatment of ClearPay Pty Ltd*

In 2020, NSX and Southern Cross Payments Ltd entered into a Shareholders Agreement to form a joint venture vehicle ClearPay Pty Ltd ("ClearPay JV").

Management have concluded that under AASB 11 Joint Arrangements NSX has joint control of ClearPay JV and it should be classified as a joint venture for the following reasons:

- The shareholder deed requires at least one NSX representative and one ISX representative at each Board meeting with a quorum of 2. As at 31 December 2023, there were 4 Board members in total, NSX has two board members and ISX has two board members therefore NSX holds 50% of the voting power; and
- NSX has the power to participate in the financial and operating policy decisions of ClearPay JV.



**Note 3. Revenue**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$</b>	<b>\$</b>
Application fees	127,520	202,247
Secondary capital raising	141,311	118,171
Annual fees	478,425	544,504
Other revenue	27,428	283,233
	<u>774,684</u>	<u>1,148,155</u>
Revenue	<u><u>774,684</u></u>	<u><u>1,148,155</u></u>

**Operating Segments**

*Identification of reportable operating segments*

The NSX Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The NSX Group operates in one operating segment, being:

- Stock Exchanges.

There is no aggregation of operating segments into reportable segments, given that each segment represents a distinct business.

**Note 4. Right-of-use assets**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Right-of-use	4,864,080	4,506,324
Less: Accumulated depreciation	<u>(3,598,449)</u>	<u>(3,322,246)</u>
	<u><u>1,265,631</u></u>	<u><u>1,184,078</u></u>

The consolidated entity's right-of-use asset includes lease of an office and a technology lease. The details are below:

*Sydney office lease*

The NSX moved into its premises at Level 3, 1 Bligh Street Sydney in October 2016, with a 5 year term which expired in August 2021. NSX entered into a variation of lease from 1 September 2021 with a 2 year term expiring on 31 August 2023. NSX has renewed the lease from 1 September 2023 with a 2 year term expiring on 31 August 2025.

*Technology leases*

NSX Limited has an agreement with NASDAQ to provide technology related services to enable the consolidated entity to operate a market for trading securities. The lease commenced on 31 July 2016 for a period of 10 years.

**NSX Limited**  
**Notes to the financial statements**  
**31 December 2023**

**Note 5. Lease liabilities**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Lease liabilities	608,789	457,968
<i>Non-current liabilities</i>		
Lease liabilities	839,329	930,224
	<u>1,448,118</u>	<u>1,388,192</u>

**Note 6. Contract liabilities**

	<b>Consolidated</b>	
	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Contract liabilities	695,759	249,723
<i>Non-current liabilities</i>		
Contract liabilities	79,137	135,256
	<u>774,896</u>	<u>384,979</u>

**Note 7. Issued capital**

	<b>Consolidated</b>			
	<b>31 December 2023</b>	<b>30 June 2023</b>	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	401,420,283	401,016,627	64,601,055	64,580,872

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Ordinary Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2023	401,016,627		64,580,872
Issue of shares - conversion of performance rights	24 July 2023	181,434	\$0.05	9,072
Issue of shares - conversion of performance rights	14 December 2023	222,222	\$0.05	11,111
Balance	31 December 2023	<u>401,420,283</u>		<u>64,601,055</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**NSX Limited**  
**Notes to the financial statements**  
**31 December 2023**

**Note 7. Issued capital (continued)**

There are \$1,500,000 ordinary shares paid to 1 cent. The party paid shares are only callable at the option of the holder. They can be voted in proportion to the amount that is paid up.

**Note 8. Reserves**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2023</b>
	<b>2023</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Options reserve	363,076	363,076
Performance rights reserve	174,594	143,089
	<u>537,670</u>	<u>506,165</u>

*Options reserve*

The reserve is used to recognise the value of equity benefits provided to CPS Capital Group Pty Ltd (CPS) or their nominee and KG Capital Partners Pty Ltd ("KG") or their nominee. CPS and KG acted as the lead brokers in capital raises during the year ended 30 June 2020.

*Performance rights reserve*

The reserve is used to recognise the value of equity benefits provided to employees under the Employee Incentive Plan.

*Movements in reserves*

Movements in options and performance rights reserves during the current financial half-year are set out below:

<b>Consolidated</b>	<b>Options</b>	<b>Performance</b>	<b>Total</b>
	<b>Reserves</b>	<b>rights</b>	<b>reserve</b>
	<b>\$</b>	<b>reserve</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2023	363,076	143,089	506,165
Vesting of performance rights	-	51,688	51,688
Performance rights exercised	-	(20,183)	(20,183)
Balance at 31 December 2023	<u>363,076</u>	<u>174,594</u>	<u>537,670</u>

*Options*

<b>Details</b>	<b>Date</b>	<b>Share</b>
		<b>Options</b>
Balance	1 July 2019	-
Issue of unlisted broker options	10 October 2019	4,827,500
Issue of unlisted placement options	10 October 2019	4,827,500
Issue of unlisted success options	15 May 2020	13,000,000
Issue of unlisted success options	3 June 2020	2,000,000
Issue of unlisted success options	19 June 2020	7,500,000
Expiry of unlisted placement options & broker options	29 August 2022	(9,655,000)
Issue of unlisted options 4	04 January 2023	7,500,000
Expiry of unlisted success options 1	14 May 2023	(13,000,000)
Expiry of unlisted success options 2	3 June 2023	(2,000,000)
Expiry of unlisted success options 3	19 June 2023	(7,500,000)
Balance		<u>7,500,000</u>

There were no options exercised during the half year ended 31 December 2023.

**Note 8. Reserves (continued)**

*Performance rights*

<b>Details</b>	<b>Date</b>	<b>Performance rights</b>
Balance	01/07/2023	3,541,281
Rights converted to shares (note 15)	25/07/2023	(181,434)
Issue of performance rights to Employee (note 15)	25/07/2023	158,108
Rights converted to shares (note 15)	14/12/2023	(222,222)
Issue of performance rights to CoSec (note 15)	14/12/2023	270,270
		<u>3,566,003</u>

On 14 December 2023, 270,270 performance rights were issued to the current Company Secretary of the NSX under the Employee Incentive Plan with the following vesting conditions:

**Vesting condition:**

100% of the rights will vest on 23 November 2024 if the Company Secretary remains employed by the NSX throughout the period until the vesting date.

**Note 9. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 10. Contingent liabilities**

**Compensation Arrangements**

Part 7.5 of the *Corporations Act 2001* requires licensed markets through which participants provide services for retail clients to have compensation arrangements. The compensation arrangements are limited to the coverage of losses arising from defalcation of client assets held by participants registered with the Exchanges as the holders of Australian Market Licenses (AML) as detailed in the Corporations Act 2001.

*National Stock Exchange of Australia Limited Compensation Arrangements*

The minimum cover that NSX is required to have as part of the compensation arrangements is \$0.8 million. The arrangements to meet the minimum cover are in two parts: (a) the NSX Fidelity Fund of \$0.6 million and (b) a Letter of Credit for the amount of \$0.2 million. The combined sources have over \$0.8 million in funds which exceeds the minimum cover required.

**Note 11. Related party transactions**

**Transactions with related parties**

Mr Tim Hart is a director of Authenticate Pty Ltd. Authenticate Pty Ltd provides IT infrastructure as a service to NSX for the support of the Clearing and Settlement messaging to the CHES services. During the year ended 31 December 2023, services valued at \$102,276 were provided by Authenticate Pty Ltd. The services are provided on an arms length basis and on commercial terms.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Receivables from and payables to related parties

At period end \$18,426 was payable to Authenticate Pty Ltd.

**Note 12. Events after the reporting period**

On 1 February 2024 the consolidated entity announced a non-renounceable entitlement offer of 1:2 at \$0.025 per ordinary share. This entitlement offer will be open to existing shareholders as at 7 February 2024. The consolidated entity expects to raise up to \$5 million. The funds raised will be used for working capital and to accelerate business development initiatives.

In advance of the completion of the above entitlement offer, on the 12 February 2024 the consolidated entity secured a \$500,000 loan from its JV partner ClearPay. It is expected that repayment of the amounts to ClearPay is to be in cash plus accrued pro-rata interest on the closure of the entitlement offer. On 27 February 2024 NSX received an additional \$500,000 in funding as a convertible loan.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 13. Earnings per share**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of NSX Limited	<u>(1,951,394)</u>	<u>(1,505,276)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>401,195,901</u>	<u>335,905,278</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>401,195,901</u>	<u>335,905,278</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.49)	(0.45)
Diluted earnings per share	(0.49)	(0.45)

**Note 14. Share-based payments**

*Performance rights*

On 24 July 2023, 181,434 performance rights were converted to fully paid ordinary shares to the current employees of the NSX under the Employee Incentive Plan.

On 24 July 2023, 158,108 performance rights were issued to current employees of the NSX under the Employee Incentive Plan.

On 14 December 2023, 270,270 performance rights were issued to the current Company Secretary of the NSX under the Employee Incentive Plan.

On 14 December 2023, 222,222 performance rights were approved by the Board to be converted to shares for the current Company Secretary of the NSX under the Employee Incentive Plan.

**NSX Limited**  
**Notes to the financial statements**  
**31 December 2023**

**Note 14. Share-based payments (continued)**

Set out below are summaries of performance rights granted under the plan:

31 December 2023

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
16/07/2021	16/07/2026	\$0.00	181,434	-	(181,434)	-	-
24/11/2021	24/11/2026	\$0.00	833,334	-	-	-	833,334
07/04/2022	15/04/2026	\$0.00	294,948	-	-	-	294,948
08/04/2022	15/04/2026	\$0.00	777,451	-	-	-	777,451
20/12/2022	24/11/2027	\$0.00	222,222	-	(222,222)	-	-
28/04/2023	27/03/2026	\$0.00	1,231,892	-	-	-	1,231,892
24/07/2023	01/03/2024	\$0.00	-	158,108	-	-	158,108
23/11/2023	23/11/2024	\$0.00	-	270,270	-	-	270,270
			<u>3,541,281</u>	<u>428,378</u>	<u>(403,656)</u>	<u>-</u>	<u>3,566,003</u>

The weighted average remaining contractual life of performance rights outstanding at the end of the financial half-year was 3.2 years (2023:3.6 years).

For the performance rights granted previously and during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
16/07/2021	16/07/2026	\$0.12	\$0.00	214.14%	-	0.01%	\$0.125
24/11/2021	24/11/2026	\$0.08	\$0.00	214.14%	-	0.40%	\$0.088
07/04/2022	15/04/2026	\$0.05	\$0.00	206.55%	-	2.11%	\$0.050
08/04/2022	15/04/2026	\$0.05	\$0.00	206.55%	-	2.11%	\$0.050
20/12/2022	24/11/2027	\$0.04	\$0.00	216.80%	-	1.40%	\$0.050
05/04/2023	05/04/2025	\$0.04	\$0.00	217.20%	-	1.02%	\$0.047
24/07/2023	01/03/2024	\$0.06	\$0.00	101.40%	-	1.15%	\$0.056
23/11/2023	23/11/2024	\$0.03	\$0.00	101.40%	-	1.65%	\$0.028

Total share-based payments expense recorded in the profit or loss for the period ended 31 December 2023 amounted to \$51,688 (2022: \$75,201).

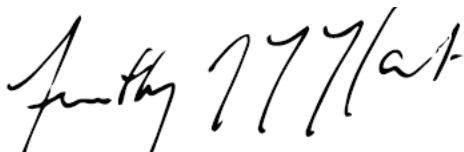
**NSX Limited**  
**Directors' declaration**  
**31 December 2023**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Tim Hart  
Director

28 February 2024



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Kelly Humphreys  
Director

## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF NSX LIMITED

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of NSX Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of material accounting policies, other selected explanatory notes, and the directors' declaration of the company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of NSX Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Material Uncertainty Regarding Going Concern

We draw attention to Note 1 of the half-year financial report, which describes the Director's assessment of the consolidated entity's ability to continue as a going concern. The consolidated entity incurred a net loss after tax from continuing operations of \$1,951,394 for the half year ended 31 December 2023 and had net assets of \$39,883 at that date. These conditions along with the matters described in Note 1, indicate a material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the Company a written Auditor's Independence Declaration.

#### Directors' Responsibility for the Half-Year Financial Report

The directors' of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.





## Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of NSX Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*PKF*

PKF

*Martin Matthews*

MARTIN MATTHEWS  
PARTNER

28 FEBRUARY 2024  
NEWCASTLE, NSW