

MARKET RELEASE

Quarterly Activities Report and Appendix 4C Cashflow Statement

30 October 2015

Sydney, NSW – NSX Limited (ASX: NSX) NSX submits the following activities and appendix 4C cashflow statement for the period ended 30 September 2015.

NSX Limited Corporate Activities

- The net cash inflow for the quarter was \$542,000 (previous quarter: inflow \$126,000).
- The difference between the net cash balances as at 30 September 2015 and 30 September 2014 was a net inflow of \$391,000.
- Cash receipts from customers were \$1,445,000 in the quarter compared to the previous September 2014 quarter of \$1,101,000 or an increase of \$344,000.
- In July FEX contributed a further \$176,253 to the SIM VSE Joint Venture leaving \$533,747 additional funding available.
- NSX has in place a funding guarantee with Financial and Energy Exchange Ltd (FEX) should receipts from customers not be sufficient to fund the business.

National Stock Exchange of Australia (“NSXA”) Business Activities

During the quarter:

- Since 1 July 2015 until 30 September five companies were approved to list with a combined market capitalisation of AUD\$338 million. The companies listed were CoAssets Limited (NSXCode: CAX), John Bridgeman Limited (NSXCode: JBL), Energy Solutions Limited (NSXCode: ESL), SHKL Group Limited (NSXCode: SKV), and I Synergy Holdings Limited (NSXCode: ISY).
- There are four listing applications pending at the end of quarter.
- There is no pending participant applications. There are two pending Nominated Adviser application.

SIM Venture Securities Exchange (“SIM VSE”) Business Activities

During the quarter:

- As at 30 September 2015 there was \$533,747 in funding remaining to be received from FEX.
- There were no new listings approved.

For further information please contact

Emlyn Scott
Chief Executive Officer, NSX Limited

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

NSX Limited

ABN

33 089 447 058

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	1,445	1,445
1.2 Payments for		
(a) staff costs	(325)	(325)
(b) advertising and marketing	(3)	(3)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(771)	(771)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	20	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	366	366

+ See chapter 19 for defined terms.

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Quarterly report for entities
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	Current quarter \$A'000	Year to date (3.. months) \$A'000
1.8 Net operating cash flows (carried forward)	366	366
1.9 Cash flows related to investing activities		
Payment for acquisition of:	-	-
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
	-	-
Net investing cash flows		
1.14 Total operating and investing cash flows	366	366
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	176	176
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
	176	176
Net financing cash flows		
Net increase (decrease) in cash held	542	542
1.21 Cash at beginning of quarter/year to date	2,434	2,434
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	2,976	2,976

Item 1.15 - SIM Venture Securities Exchange Joint Venture Funding

A Joint Venture partnership exists between SIM VSE Group Holdings Ltd and Financial and Energy Exchange Limited (FEX) for the purpose of funding the activities of the SIM Venture Securities Exchange Ltd. The funding amounts to \$3million to be paid by FEX in return for 50% of the issued capital of SIM VSE Group Holdings Ltd the parent of SIM Venture Securities Exchange Ltd.

As at 30 September 2015 \$533,747 in funding remained available to be received by the Joint Venture. In July 2015 FEX contributed \$176,253 where the funds were used to pay the costs associated with the operations of the joint venture.

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	\$47.2
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Director fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	payment of operating costs as required	112
3.2 Credit standby arrangements	-	-

Item 3.1 – Loan Facilities: Funding deed with Financial and Energy Exchange Limited (FEX)

As announced on 31 July 2013, the Board has negotiated additional funding with its major shareholder, Financial and Energy Exchange Limited (“FEX”) via a Funding Guarantee Deed (“Guarantee”). The Guarantee provided for the payment of operating costs of NSX each month as required.

As advised to the market on 17 December 2013, the Guarantee was amended where by FEX could only terminate the agreement with six months’ notice on condition that there was no takeover offer in effect. If there is a takeover offer in effect then the notice period would revert back to one months’ notice. All other terms and conditions remain unchanged. Repayment of the facility is at the discretion of the NSX and can be made in the way of cash or if made by way of shares then the share issue would be subject to ASX listing rules, the Corporations Act and Shareholder approval.

Due to the repayment under the Funding Deed the Board and FEX have executed a new funding deed. The new deed states that the interest rate will be 8% on the accrued balance and a facility fee of \$50,000 will be paid by NSX on repayment of the loan balance. In addition, there is a change of the notification period that FEX must give to NSX in the event of non-payment of a draw down request by NSX from one month to 5 business days. The change was made to align the notice period with weekly draw down requests made to FEX so that NSX has earlier warning of any potential non-payment event. Non-payment by FEX means that NSX may elect to terminate the agreement, and if NSX elects to do so, then the six month termination notice period, that FEX has to comply with, would begin.

As at 30 September 2015 the Loan Balance is \$112,200. The balance relates to services rendered by FEX on behalf of NSX but which have not yet been paid by NSX and is not part of the drawn down. NSX is currently funded by receipts from customers and borrowings from FEX (if required). As at the date of this report a drawdown of funding has not been required from FEX.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	748	206
4.2 Deposits at call	2,228	2,228
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	2,976	2,434

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Other disclosures required by AASB 107: Cash available for use by the Group.

Reconciliation of funding arrangements to support the Equity Exchange operations

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Total cash at end of quarter (item 1.23)	2,976	2,434
5.2 Cash Deposits held for Equity Markets Compensation Arrangements.	(1,700)	(1,700)
5.3 Cash Deposit held while National Stock Exchange of Australia is registered as a General Settlement Participant of ASX Settlement Pty Ltd.	(500)	(500)
5.4 Other Bank Guarantees (as detailed below)	(28)	(28)
Total: cash on hand and at bank (item 4.1)	748	206

Item 5.2 - Equity Markets Compensation Arrangements

As part of the National Stock Exchange of Australia Limited's Australian Financial Markets Licence, NSX operates investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. The minimum cover required by the Licence is \$800,000. The source for the cover is a Fidelity Fund and a Letter of Credit as allowed by the Act. The Fidelity Fund currently has over \$500,000 on deposit. To support the Letter of Credit the National Stock Exchange of Australia Limited has provided a cash deposit of \$700,000. There is currently excess funds to the cover required in the compensation arrangements.

As part of the SIM Venture Securities Exchange Limited's (SIM VSE) Australian Financial Markets Licence, SIM VSE operates investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. The minimum cover required by the Licence is \$1,000,000. The sources for the cover is a Fidelity Fund and a Letter of Credit as allowed by the Act. The Fidelity Fund currently has over \$50,000 on deposit. To support the Letter of Credit NSX Limited has provided a cash deposit of \$1,000,000 on behalf of SIM VSE. There is currently excess funds to the cover required in the compensation arrangements.

Therefore \$1,700,000 is not available cash for use by the NSX Group as working capital. Interest earned from the cash deposits is available for working capital purposes.

Item 5.3 - General Settlement Participant Requirements

As part of the requirements for the National Stock Exchange of Australia (NSXA) to be registered as a General Settlement Participant for the purposes of ASX Settlement Pty Ltd Operating Rules (ASXOR 4.3.13) NSX has to lodge a Settlement Bond in the form of a Bank Guarantee with ASX Settlement. The amount of the settlement bond is \$500,000 and is used to compensate ASX Settlement if and only if NSX, as a Settlement Participant, breaches any rule that causes ASX Settlement to suffer or incur any losses or damages as a result of that breach.

Therefore \$500,000 is not available cash for use by the NSX Group as working capital. Interest earned from the cash deposits is available for working capital purposes.

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Item 5.4 - Rental Bonds

NSX limited has in place a bank guarantee for the rental of premises in Newcastle and also a bank guarantee for credit card facilities totalling \$28,000.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:Michael Cox..... Date: 30 October 2015.....
(Director)

Print name:Michael Cox.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.