

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C CASHFLOW STATEMENT

30 October 2017

Sydney, NSW – NSX Limited (ASX: NSX) submits the following activities and appendix 4C cashflow statement for the period ended 30 September 2017.

ASX Market
Announcement Office
ASX Limited

20 Bridge St,
SYDNEY NSW 2000

NSX Limited Group cash flow activities

During the quarter ended 30 September 2017:

- Net cash receipts from operations for the quarter were \$0.082 million, or \$0.434 excluding non-recurring items. This is a \$0.113 million or 35% improvement in the performance of the underlying operations of the exchange compared to the pcp.
- Of this, net receipts of \$0.234 million or \$0.586 million excluding non-recurring items related to the operation of the National Stock Exchange of Australia and NSX Corporate, while net payments of \$0.152 million related to the maintenance and development of the IR Plus market.
- Cash receipts from customers were \$1.665 million for the quarter, ahead of the pcp by \$0.248 million or 18%.
- Payments for staff of \$0.744 million includes a once off termination of \$0.352 million. The normalized cost for the quarter of \$0.392 million is consistent with the pcp amount of \$0.395 million.
- Payments for administration and corporate costs for the period of \$0.829 million are up 11% or \$0.082 million on the pcp number of \$0.747 million. This reflects the investment in technology and the marginal increase in costs from the centralization of operations to Sydney.
- Net cash used in investing activities for the period was \$0.053 million as part of our continual investment into technology.
- Cash on hand at the end of the quarter was \$4.943 million, up \$0.029 million.

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

During the quarter ended 30 September 2017:

- In the quarter, two new issuers were admitted to the official list of NSXA, bringing the total number of securities listed on the NSXA at 30 September 2017 to 72.
- New capital of \$2.397 million was raised by issuers during the quarter.
- 4 issuers were delisted during the period.
- On 3 July 2017, IRESS released the latest upgrade to their system which included for the first time, trading access to NSXA listed securities for IRESS customers.
- On 8 September, 2017 NSX was pleased to announce that it has entered into an agreement with the independent research firm, RaaS Advisory Pty Ltd ("RAAS") for the provision of market research services covering companies listed on the NSXA. RAAS will provide independent research on new and existing NSX listed companies which will be distributed throughout the NSX network including via IRESS, Bloomberg and FactSet.

- NSXA continued to invest heavily in the enhancement of its global market surveillance capabilities including expanding the tools available to the exchange to include Thompson Reuters World Check platform.

IR Plus Securities Exchange Incorporated Joint Venture

During the quarter:

- Further work was completed on the re-launch of the exchange.

For further information on the financial aspects of the activities please refer to the attached Appendix 4C or contact:

Ann Bowering
Managing Director and CEO
NSX Limited
ann.bowering@nsx.com.au

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/0 9/16

Name of entity

NSX Limited

ABN

33 089 447 058

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,665	1,665
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(20)	(20)
(d) leased assets		
(e) staff costs	(744)	(744)
(f) administration and corporate costs	(829)	(829)
1.3 Dividends received (see note 3)		
1.4 Interest received	10	10
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other		
1.9 Net cash from / (used in) operating activities	(82)	(82)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(53)	(53)
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(53)	(53)

Item 2.1(a) – Capital Equipment

Expenditure on capital equipment required for the new offices at 1 Bligh Street and also for new systems to support the equity markets.

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	4,914	4,914
4.2 Net cash from / (used in) operating activities (item 1.9 above)	82	82
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(53)	(53)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of quarter	4,943	4,943

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,068	739
5.2 Call deposits	1,675	1,975
5.3 Bank overdrafts		
5.4 Other (provide details)	2,200	2,200
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,943	4,914

Item 5: Other disclosures required by AASB 107: Cash available for use by the Group.

Reconciliation of funding arrangements to support business operations

	Current quarter \$A'000	Previous quarter \$A'000
5.6 Total cash at end of quarter (item 4.6)	4,943	4,914
5.7 Cash Deposits held for Equity Markets Compensation Arrangements.	(1,700)	(1,700)
5.8 Cash Deposit held while National Stock Exchange of Australia is registered as a General Settlement Participant of ASX Settlement Pty Ltd.	(500)	(500)
Total: cash on hand and at bank (items 5.1 and 5.2)	2,743	2,714

Item 5.7 - Exchange 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 sources for the cover is a Fidelity Fund and also a Letter of Credit as allowed by the Act. The Fidelity Fund currently has over \$520,000 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. The cash balances for the Fidelity Fund are not consolidated with NSX accounts above.

As part of the IR Plus Securities Exchange Limited's (IR Plus) Australian Financial Markets Licence, IR Plus 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 also 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. The cash balances for the Fidelity Fund are not consolidated with NSX accounts above.

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 5.8 - 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.

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000

72

Includes payments to Ann Bowering both as a director and Managing Director of the Company along with Michael Cox, Thomas Price and Weiguo Shen as Directors of the company.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	NIL
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	500,000
9.6 Administration and corporate costs	700,000
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	1,200,000

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:Michael Cox..... Date:30 October 2017...
(Director/~~Company secretary~~)

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.