

Appendix 4E (rule 4.3A)

Preliminary Final Report
Financial Year Ended 30 June 2019
(previous corresponding period is for the year ended 30 June 2018)

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NSX Limited

ABN: 33 089 447 058

Results for Announcement to the Market

				\$'000
Revenues from ordinary activities <i>(Appendix 4E Item 2.1)</i>	Up	5%	To	2,333
Net loss for the period attributable to members <i>(Appendix 4E item 2.2)</i>	Down	18%	To	(3,067)
Net loss from ordinary activities after tax attributable to members <i>(Appendix 4E item 2.3)</i>	Down	18%	To	(3,067)

Dividends/distributions <i>(Appendix 4E item 2.4)</i>	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Previous corresponding period (pcp)	Nil	Nil

Record date for determining entitlements to dividends. <i>(Appendix 4E item 2.5)</i>	N/A
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EXPLANATION OF RESULT <i>(Appendix 4E item 2.6)</i>			
CONSOLIDATED SUMMARY			
TABLE 1: SUMMARY OF GROUP RESULTS			
	2019	2018	Change
30 June		Restated	
Summary	\$'000	\$'000	%
Revenue	2,333	2,226	5
Expenses	5,259	5,760	-9
EBITDA	(2,925)	(3,534)	-17
Depreciation / Amortisation	141	221	-36
Net loss after tax	(3,067)	(3,755)	-18
			Change
Key Statistics	2019	2018	%
Earnings per share (cents)	(1.7)	(2.5)	35
Net tangible asset backing (cents)	1.3	0.7	94
Share price at end of period (cents)	18.5	19.0	-3
Shares on issue at end of period (mil)	185.0	147.9	25
Market capitalisation (\$'mil)	34.2	28.1	22
Cash at bank (\$'000)	3,468	2,421	43
Cash held for statutory purposes (\$'000)	1,476	2,200	-33

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CONSOLIDATED SUMMARY (cont'd)

The net loss after tax for NSX Limited (NSXL) was \$3.1 million for the period, or \$2.4 million on a normalised basis taking into account \$0.7 million in non-recurring or prior year costs taken up this year.

Revenue for the operation of the National Stock Exchange of Australia (NSXA) in FY19 was \$2.3 million, \$0.2 million lower than the pcp due to a reduced number of entities listing on the exchange during the year compared to the pcp along with a reduced number of active issuers due to the exchange's active stance on market surveillance and compliance capabilities and procedures, aligning the exchange operations with regulatory expectations and industry best practice.

Expenses for the Group before depreciation and amortisation were \$5.3 million (\$0.5 million better than pcp) , or \$4.6 million after excluding abnormal or on off costs which is \$0.9 million better than the pcp.

NSXL maintains a cash balance of \$3.5 million at the end of the period. Of the cash held, \$1.5 million is held as part of the compensation arrangements of the NSXA Market License and other general guarantees leaving \$2.0 million as working capital for NSXL as at 30 June.

Earnings per share (EPS) increased from (2.5) cents per share to (1.7) cents per share or a increase of 35% based on a weighted average number of shares of 184,954,043. Net tangible asset backing per share increased from 0.65 cents to 1.3 cents.

REVENUE

TABLE 2: TOTAL REVENUE

30 June		2019	2018	Change
Revenue Category	Notes	\$'000	\$'000	%
Exchange Revenue	2	2,239.5	2,111.7	6
Interest Received	2	41.9	59.1	-29
Other Revenue	2	52.0	55.2	-6
Total Revenue		2,333.3	2,226.0	5

Revenue associated with the operation of the NSXA account for 96% of all receipts. The balance of revenue is principally interest earned on cash and investments held during the period.

NSXL reported Total Revenue of \$2.3 million representing an increase of \$0.1 million on the pcp. This was primarily attributable to Application Fees and net of a growth in Annual Fees, on the pcp.

Higher listing standards, reflecting enhanced quality expectations implemented by the exchange, have seen fewer successful listings onto the exchange in FY19. 3 companies listed on NSXA during the period, this compares with 7 new listings in the pcp.

Over the past two years NSXA has invested significantly to enhance market surveillance and compliance capabilities and procedures, aligning the exchange operations with regulatory expectations and industry best practice. Evidence of this can be seen with 15 companies delisted, either voluntarily or by non compliance with NSX listing rules. While the value of this clean-up to NSXA is evident, this period of change will inevitably have a short-term impact on revenue.

Annual Fees reported for the period were \$1.3 million, and represent a decrease of \$0.2 million or 8% from \$1.5 million in the pcp. This is a function of the net growth in listing activity during the last two years (as the full year impact of annual fees from the prior year are realized in the current period), combined with the decrease in the number of issuers due to the exchange's persistence on industry best practice which resulted in 15 companies delisted.

Subsequent Quotation Fees were \$0.3 million in FY19, in line with the amount in the pcp. This number is at present driven largely by the release of securities held in escrow following an IPO, and therefore the current year reflects the run off of prior years' activity.

This report is based on the consolidated financial statements which are being audited.

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EXPENSES

TABLE 3: TOTAL EXPENSES

30 June Expense Category	2019 \$'000	2018 \$'000	Change %
Employee benefits expense	2,521.7	1,761.7	43
Market trading expenses	963.5	1,261.6	-24
Consultancy expenses	614.9	615.7	0
Administration & Other expenses	778.9	481.0	62
Depreciation, amortisation and impairments	141.3	221.1	-36
Occupancy expenses	197.7	205.1	-4
Compliance expenses	32.7	145.4	-78
Marketing and promotion expenses	95.1	106.0	-10
Legal expenses	54.2	24.7	120
Discontinued operations	-	1,159.0	-100
Total Expenses	5,400.1	5,981.4	-10

NSXL incurred \$5.3 million excluding depreciation and amortization in Expenses in FY19.

Employee benefits, including NSXA and Corporate resources, increased by \$0.8 million to \$2.5 million. This was driven by the addition of new personnel and additional costs related to the termination payments to the outgoing CEO.

Market trading expenses of \$1.0 million encompass costs associated with the trading and settlement activities of the exchanges, including trading systems, data centres, security, market access and regulatory fees.

Consultancy expenses for the period were \$0.6 million, which were in line with the pcp. Included in this item are contractor payments and external advisers.

Administration and other expenses increased by \$0.3 million from the pcp to \$1.1 million due to new costs for the ASIC levy (\$0.5 million) for both the prior year and an accrual for the current year. This was offset by the write back of an intercompany loan of \$0.2 million with a discontinued operation is included in this amount.

Depreciation and amortization of \$0.1 million reflects the investment in PP&E of the group.

Occupancy expense of \$0.2 million is down 4% from the pcp, and includes expense related to the offices maintained by NSXL at a point in time during the period.

In the pcp, costs attributable to the Discontinued Operations in the of IR Plus Securities Exchange totaled \$1.2 million. This predominantly constituted employee benefits expense, and excludes any allocations from NSXL or NSXA which are eliminated on consolidation.

This report is based on the consolidated financial statements which are being audited.

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

	Note	Consolidated	
		2019	2018
		\$	Restated \$
Revenue	2	2,333,380	2,226,024
Employee benefits expense		(2,521,749)	(2,889,052)
Depreciation and amortisation		(141,293)	(221,098)
Consultancy fees		(614,882)	(620,374)
Compliance expenses		(32,725)	(145,381)
Legal expenses		(54,218)	(31,931)
Market trading expenses		(963,452)	(1,270,493)
Marketing and promotion		(95,131)	(106,212)
Occupancy expenses		(197,717)	(205,136)
Administration expenses		(522,030)	(179,906)
Other expenses		(256,925)	(311,807)
Loss before income tax		(3,066,742)	(3,755,366)
Income tax expenses		-	-
Loss after tax attributable to members from continuing operations		(3,066,742)	(3,755,366)
Loss Attributable to:			
Non controlling equity interest		408,990	355,717
Members of the parent entity		(3,475,732)	(4,111,083)
		(3,066,742)	(3,755,366)
Total comprehensive income attributable to:			
Non controlling equity interest		408,990	355,717
Members of the parent entity		(3,475,732)	(4,111,083)
		(3,066,742)	(3,755,366)
Earnings per share		Cents	Cents
Basic earnings per share			
earnings from continuing operations		(1.7)	(2.5)
Diluted earnings per share			
earnings from continuing operations		(1.7)	(2.5)

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Statement of Financial Position As At 30 June 2019

		Consolidated	
		2019	2018
			Restated
	Note	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		1,994,211	951,937
Trade and other receivables		63,471	121,003
Financial assets		1,475,125	1,469,303
Other current assets		68,551	75,610
Total current assets		3,601,358	2,617,853
Non-current assets			
Property, plant, and equipment		237,542	381,052
Total non-current assets		237,542	381,052
TOTAL ASSETS		3,838,900	2,998,905
LIABILITIES			
Current liabilities			
Trade and other payables		1,140,692	1,556,310
Deferred income		172,166	569,130
Short term provisions	3	141,946	479,570
Total current liabilities		1,454,804	2,605,010
Non-current liabilities			
Deferred income		56,053	126,600
Other long-term provisions	3	550	550
Total non-current liabilities		56,603	127,150
TOTAL LIABILITIES		1,511,407	2,732,160
NET ASSETS		2,327,493	266,745
EQUITY			
Issued capital	4	49,378,875	44,251,385
Retained earnings		(47,051,382)	(43,575,650)
Non-controlling interest		-	(408,990)
TOTAL EQUITY		2,327,493	266,745
Net Tangible Assets per share: (Cents per share)		1.26	0.65

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Statement of Changes in Equity For the Year Ended 30 June 2019

	Consolidated			Total \$
	Issued Capital \$	Non-Controlling Interests \$	Retained Earnings \$	
Balance at 1 July 2018 (Restated)	44,251,385	(408,990)	(43,575,650)	266,745
Loss for the year	-	-	(3,475,732)	(3,475,732)
Profit attributable to non-controlling interest		219,822		219,822
Shares issued	5,564,812	-	-	5,564,812
Transaction costs on share issue	(437,322)	-	-	(437,322)
Disposal of JV	-	189,168	-	189,168
Balance at 30 June 2019	49,378,875	-	(47,051,382)	2,327,493
Balance at 1 July 2017 (Restated)	44,251,385	(764,707)	(39,464,567)	4,022,111
Loss for the year	-	-	(4,111,083)	(4,111,083)
Profit attributable to non-controlling interest	-	355,717	-	355,717
Balance at 30 June 2018 (Restated)	44,251,385	(408,990)	(43,575,650)	266,745

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Statement of Cash Flows For the Year Ended 30 June 2019

	Consolidated	
	2019	2018
Note	\$	\$
Cash from operating activities:		
Receipts from customers	2,260,516	2,579,786
Payments to suppliers and employees	(5,839,518)	(5,188,432)
Interest received	41,073	55,442
Lease incentive	-	-
Net cash provided by/(used in) operating activities	(3,537,929)	(2,553,204)
Cash flows from investing activities:		
Cost related to exit from JV	(194,666)	
Proceeds from sale of property, plant and equipment	-	115,620
Acquisition of property, plant and equipment	-	(55,373)
Net cash provided by (used in) investing activities	(194,666)	60,247
Cash flows from financing activities:		
Proceeds from issue of shares by parent	5,332,313	-
Costs of issue of shares by parent	(437,322)	-
Net cash provided by/(used in) financing activities	4,894,991	-
Net increase/(decreases) in cash held	1,162,396	(2,492,957)
Cash at beginning of financial year	2,306,596	4,799,553
Cash at end of financial year	3,468,992	2,306,596

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Explanatory Notes

Note 1: Summary of Significant Accounting Policies

Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

Basis of Preparation of Preliminary Final Report

The preliminary final report has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The preliminary final report has also been prepared on a historical cost basis.

The preliminary final report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the last annual report and any public announcements to the market made by the Company during the reporting period in accordance with the continuous disclosure requirement of the Corporations Act 2001 and the listing rules of the Australian Stock Exchange.

The accounting policies adopted are consistent with those of the previous year. The preliminary final report is presented in Australian dollars.

Comparative information is reclassified and restated where appropriate to enhance comparability.

Note 2: Revenue

	Consolidated	
	2019	2018
	\$	Restated \$
Operating Activities		
Trading & listing fees (exchanges)	2,239,531	2,111,743
Interest received	41,893	59,060
Other revenue	51,956	55,221
Total revenue	2,333,380	2,226,024
(a) Reconciliation of revenue		
Revenue from continuing operations	2,333,380	2,226,024
Total revenue	2,333,380	2,226,024

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Explanatory Notes

Note 3: Provisions

(a) Movements in carrying amounts

	Consolidated	
	Employee Entitlements \$	Total \$
Opening balance at 1 July 2017	285,995	285,995
Additional provisions	349,169	349,169
Amounts used	(155,044)	(155,044)
Balance at 30 June 2018	480,120	480,120
Opening balance at 1 July 2018	480,120	480,120
Additional provisions	7,753	7,753
Amounts used	(345,377)	(345,377)
Balance at 30 June 2019	142,496	142,496

(b) Analysis of total provisions

	Consolidated	
	2019 \$	2018 \$
Current	141,946	479,570
Non-current	550	550
Balance at 30 June	142,496	480,120

(c) Restructure Costs

	Consolidated	
	2019 \$	2018 \$
Opening balance at 1 July	294,808	10,000
Additional provisions	-	294,808
Amounts used	(294,808)	(10,000)
Balance at 30 June	-	294,808

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Explanatory Notes

Note 4: Issued Capital NSX Limited

184,954,043 (2018: 147,905,288) fully paid ordinary shares

1,500,000 (2018: 1,500,000) ordinary shares paid to 1 cent

Consolidated	
2019	2018
\$	\$
49,363,875	44,236,385
15,000	15,000
<u>49,378,875</u>	<u>44,251,385</u>

(a) Reconciliation of movements of fully paid ordinary shares

At beginning of period

Placement

5 October 2018

26 October 2018

19 June 2019

Capital raise costs

At Reporting Date

44,236,385	44,236,385
3,327,869	-
2,004,444	-
232,500	-
(437,323)	-
<u>49,363,875</u>	<u>44,236,385</u>

At beginning of period

Placement

5 October 2018

26 October 2018

19 June 2019

At Reporting Date

No.	No.
147,905,288	147,905,288
22,185,793	
13,362,962	
1,500,000	-
<u>184,954,043</u>	<u>147,905,288</u>

Ordinary shares participate in dividends and the proceeds on winding up of the Economic Entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The partly paid shares are only callable at the option of the holder or on liquidation. They can be voted in proportion to the amount that is paid up.

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Explanatory Notes

Note 5 Segment Reporting

Primary reporting - Business segments

Major Customers

The Group has a number of customers to which it provides both products and services. During the period the NSX Group had no major customers that contributed more than 5.0% (2018: no major customer contributed more than 5.0%) of total revenue.

Note 5 (a) Segment Performance

	Stock Exchanges \$'000	Unallocated Items \$'000	Total \$'000
12 Months Ended 30 June 2019			
Revenue			
External sales - services	2,239	-	2,239
Interest revenue	42	-	42
Other	-	52	52
Total segment revenue	<u>2,281</u>	<u>52</u>	2,333
Total group revenue			<u>2,333</u>
Results			
Segment net profit before tax	<u>1,018</u>	<u>(4,085)</u>	(3,067)
Other Items			
Depreciation and amortisation	<u>141</u>	-	141
12 Months Ended 30 June 2018			
Revenue			
External sales - services	2,112	-	2,112
Interest revenue	59	-	59
Other	-	55	55
Total segment revenue	<u>2,171</u>	<u>55</u>	2,226
Total group revenue			<u>2,226</u>
Results			
Segment net profit before tax	<u>3,136</u>	<u>(6,891)</u>	(3,755)
Other Items			
Depreciation and amortisation	<u>221</u>	-	221

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Note 5 (b) Segment Assets

	Stock Exchanges \$'000	Unallocated Items \$'000	Total \$'000
As at 30 June 2019			
Segment Assets	1,941	1,898	3,839
As at 30 June 2018			
Segment Assets	2,942	57	2,999

Note 5 (c) Segment Liabilities

	Stock Exchanges \$'000	Unallocated Items \$'000	Total \$'000
As at 30 June 2019			
Segment Liabilities	664	847	1,511
As at 30 June 2018			
Segment Liabilities	2,100	632	2,732

Note 5 (d) Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, intangibles, property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

Note 5 (e) Intersegment Transfers

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the Economic Entity at an arm's length. These transfers are eliminated on consolidation.

Note 5 (f) Business and Geographical Segments

Business segments

The Economic Entity has a single business segment. This is the Stock Exchanges segment and primarily includes the activities of the National Stock Exchange of Australia.

Geographic segments

The Economic Entity's business segments are located in Australia.

NSX Limited

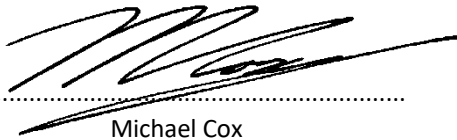
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Compliance Statement

The directors of the company declare that:

1. This preliminary report, and the accounts upon which the report is based, use the same accounting policies;
2. This report does give a true and fair view of the matters disclosed;
3. The accounts are in the process of being audited and no audit report is attached. The directors expect an unqualified opinion to be issued; and
4. The entity has a formally constituted audit committee.

This declaration is made in accordance with a resolution of the Board of Directors.



.....
Michael Cox
Director



.....
Tom Price
Director

Dated 29 August 2019, Sydney