

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C CASHFLOW STATEMENT

Sydney, NSW – NSX Limited (ASX: NSX) submits the following activities and Appendix 4C Cashflow Statement for the period ended 30 June 2019.

Group Cash Flow Activities

- Cash at the end of the quarter was \$3.5 million, following a net cash outflow of \$0.6 million. This is \$0.6 million lower than the March quarter, but \$1.2 million higher than the previous corresponding period (pcp)
- The cash receipts in the June quarter were up \$0.3 million on the March quarter and also higher by 14% on the pcp. This is as a result of increased subsequent equity raises by issuers and new listing applications during the period.
- Cash payments for operations in the June quarter (unadjusted) were lower than the previous quarter and the pcp due to timing of payments.

Business Activity

During the quarter:

- \$0.4 million in cash receipts from customers for the period. This is an increase of 14% or \$0.05 million when comparing to the pcp.
- Cash payments for administration and corporate costs for the period are down \$0.5 million over the previous quarter and \$0.2 million over the pcp.
- Cash payments for staff, corporate and board costs for the period were \$0.5 million and are consistent for the period.

Business Activities by Business Unit

National Stock Exchange of Australia Business Activities

During the quarter:

- Ann Bowering resigned as Managing Director and Matthew Loughnan was appointed interim CEO effective 6 July 2019.
- NSX real-time market data and company announcements became available across the Refinitiv (formerly Thomson Reuters) information platform
- Three new Nominated Advisers applied for recognition during the period: Otsana Pty Ltd, Nexia Melbourne Corporate Pty Ltd, and Connect International Capital Pty Ltd, bringing the total number of Nominated Advisers recognised by NSX to forty-three.
- NSX progressed the roll out of the IRESS access model to new and existing brokers. During the period FinClear Execution Limited commenced trading using the interface. The following firms are using IRESS Canaccord, Patersons Securities, Ord Minnett, Morgans, Bell Potter and Open Markets.
- NSX presented at the Stockbrokers and Financial Advisers Association Annual Conference.
- NSX presented at events in Melbourne, Brisbane and Perth to audiences comprising of corporate advisers, law firms and listed companies. These events have continued to generate interest in NSX and raise its profile across the market as a genuine choice for companies seeking to list

Activities Post Quarter End

Subsequent to the end of the June quarter:

- NSX signed a revised mandate with CPS Capital to raise up to \$10 million in new capital by way of a placement, subject to shareholder approval (refer to ASX announcement on 8 July 2019).
- Notice of meeting to approve the placement was issued to shareholders for an EGM on 29th August 2019 (ASX Announcement 22 July 2019)

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

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30 July 2019

ASX Market
Announcements
Office

ASX Limited

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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 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	395	2,261
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(491)	(2,365)
(f) administration and corporate costs	(558)	(3,669)
1.3 Dividends received (see note 3)		
1.4 Interest received	6	41
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (Lease incentive received)		
1.9 Net cash from / (used in) operating activities	(648)	(3,732)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(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	-	-
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	4,895
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)		
- Capital raise costs		
3.10 Net cash from / (used in) financing activities	-	4,895

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	4,117	2,307
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(648)	(3,732)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	4,895
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of quarter	3,469	3,469

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	1,487	2,136
5.2 Call deposits	782	781
5.3 Bank overdrafts		
5.4 Other (provide details)	1,200	1,200
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,469	4,117

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

Reconciliation of funding arrangements to support business operations privilege

	Current quarter \$A'000	Previous quarter \$A'000
5.6 Total cash at end of quarter (item 4.6)	3,469	4,117
5.7 Cash Deposits held for Equity Markets Compensation Arrangements.	(700)	(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)	2,269	2,917

Item 5.7 - Exchange Compensation Arrangement

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.

Therefore \$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

**Current quarter
\$A'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

124

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

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	750
9.6 Administration and corporate costs	1,100
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	1,850

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		

