



**NSX Limited**  
ACN 089 447 058  
**and Subsidiary Entities**

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## QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C CASHFLOW STATEMENT

23 July 2020

Sydney, NSW – NSX Limited (ASX:NSX), the Company, submits the following Activities Report and Appendix 4C Cashflow Statement for the period ended 30 June 2020.

ASX Market  
Announcements  
Office

### Group Cash Flow Activities Report

ASX Limited

- Cash at the end of the quarter was \$4.6 million.
- During the quarter \$2.9 million in new capital, net of costs, was raised by way of a share placement as approved by shareholders at a General Meeting held on 30 April 2020. The shares were placed at 9.1 cents per share raising gross funds of \$3 million.
- The cash receipts in the June quarter were down \$0.1 million or 34% on the March quarter and lower than the previous corresponding period (pcp) by 41%. This was due to fewer listing applications.
- Cash payments for operations in the June quarter were lower than the previous quarter by \$0.09 million but higher expenditure than in the pcp by \$0.15 million. Lower costs are due to a review of cost savings during the period.

20 Bridge St,  
SYDNEY NSW 2000

### Business Activities Report

During the quarter:

- As previously announced, the Company is pleased that a new director, Kelly Humphreys was appointed during the period to the Board of NSX Limited ("NSXL"). A submission has been made to ASIC for her to join the board of the National Stock Exchange of Australia.
- The activities of the Company's wholly owned subsidiary, National Stock Exchange of Australia ("NSXA"), involved business as usual processing of new admission applications and market operations. During the period one new issuer joined the Official List.
- Directors being related parties of the Company, were paid remuneration in the amount of \$117k during the June quarter. No other related party payments were made.
- The NSXA Trade Acceptance Service ("TAS") project conducted testing, operational preparedness reviews, and participant liaison during the period. TAS rule changes were approved by ASIC ahead of the target launch date of August 2020.
- The Company conducted further detailing of ClearPay DLT based DvP platform and liaising with Probanx Ltd with respect to software development.
- The Company has sent shareholders a Notice of Meeting to be held on 24 August 2020. The meeting has been requisitioned by members holding 5% or more of the issued capital of the Company with a resolution to appoint Mr Craig Mason as a director. A second requisition has been received with a resolution to appoint Mr Roderick Roberts to the Board of the Company. The Board will call a meeting for this second requisition as well. The General Meetings will be held by virtual meeting while COVID-19 restrictions are in place.
- COVID-19 impact on operations, during the period, has been minimal as staff have been able to successfully work remotely as and when required.

**Authorised by the Board**

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

NSX Limited

**ABN**

33 089 447 058

**Quarter ended ("current quarter")**

30 June 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	233	2,058
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(3)	(29)
(d) leased assets	(165)	(646)
(e) staff costs	(558)	(2,730)
(f) administration and corporate costs	(457)	(2,311)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	29
1.5 Interest and other costs of finance paid	(111)	(228)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	92	92
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(965)</b>	<b>(3,765)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses (41% interest in ClearPay JV)	-	(3,200)
(c) property, plant and equipment	(105)	(232)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) 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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(105)</b>	<b>(3,432)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,568	3,532
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(198)	(626)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(101)	(264)
3.7 Transaction costs related to loans and borrowings	(4)	(17)
3.8 Dividends paid	-	-
3.9 Other (iSignthis Ltd investment in NSX Ltd)	1,500	5,700
<b>3.10 Net cash from / (used in) financing activities</b>	<b>2,765</b>	<b>8,325</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	2,902	3,469
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(965)	(3,765)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(105)	(3,432)

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,765	8,325
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,597</b>	<b>4,597</b>

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	2,610	915
5.2	Call deposits	787	787
5.3	Bank overdrafts	1,200	1,200
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,597</b>	<b>2,902</b>

**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)	4,597	2,902
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)
<b>Total: cash on hand and at bank (items 5.1 and 5.2)</b>	<b>3,397</b>	<b>1,702</b>

**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 \$580,000 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.

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	117
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note to Item 6.1: The amount of \$117k was payment of Director remuneration for the quarter ended 30 June 2020.*

<b>7.</b>	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Insurance premium financing)	70	-
7.4	<b>Total financing facilities</b>	70	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Combined PI, D&O and Crime Insurance premium for the year to 30 November 2020 was financed. Total amount financed was \$333k and total charges for financing are \$18k. \$351k is to be repaid over 10 instalments from 30 November 2019 to 30 August 2020.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(965)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,397
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,397
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>3.52</b>
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## 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.

Date: .....**23 July 2020**.....

Authorised by: .....**By the Board**.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.