



## 4Q21 QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

23 July 2021

ASX Market  
Announcements Office

ASX Limited  
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SYDNEY NSW 2000

### Quarter Highlights

#### NSX Limited :

- Completed the first tranche of a successful \$2.5m capital raise at \$0.14 per share with a further \$1m to come to raise a total of \$3.5m.

#### National Stock Exchange:

- First ASX listed issuer transferred to NSX under Fast Track rules.
- Three (3) new issuer IPO's in the period.
- First online broker commenced testing with NSXA platforms, launch imminent.
- Regulatory engagement to expand product range continues.

Sydney, NSW – NSX Limited (ASX:NSX), (“the Company”), is pleased to provide its Activities Report and ASX Appendix 4C Cashflow Statement for the period ended 30 June 2021 (4Q21).

#### Group Cash Flow Activities Report

- Cash at the end of the quarter was \$3.4 million, following a net cash outflow of \$0.7 million as part of continuing operations.
- During the quarter \$0.2 million in cash receipts were received from customers. The cash receipts in the June quarter were in line with March and December quarter but down \$0.2 million on the previous corresponding period (pcp), the Company receives most of its annual revenue (on a cash basis) in the September quarter.
- Cash payments for administration costs for the period are \$0.6 million up \$0.3 million on the previous quarter. This increase is due to ASIC Industry Levy paid in April 2021.
- Cash payments to staff, corporate and the board for the period were \$0.5 million in line with the previous quarter.
- Cash payment for intellectual property is \$0.3 million on June quarter as part of ongoing NASDAQ trading engine upgrade.
- On 10 and 11 June 2021 NSX completed a placement to unrelated Security Holders of 17,857,151 shares at an issue price of 14 cents raising \$2.4 million (net of cash costs).
- As announced on 5 July 2021, the Company will hold a General Meeting on 5 August 2021, the purpose of which is seeking shareholder approval to raise an additional \$1 million in capital from related parties of the company as part of the previously completed capital raising in June 2021.

#### Quarterly Business Activities Report

##### NSX Limited Activities

- The Company continues with its activities concerning the ClearPay joint venture.
- Directors being related parties of the Company, for the purposes of this report, were paid remuneration in the amount of \$118k during the June quarter. No other related party payments were made.

## **Quarterly Business Activities Report (Cont.) - NSXL**

### **ClearPay Joint Venture**

- Preliminary engagement with regulators has commenced regarding licensing requirements;
- DvP platform software development continues; and
- DESS Digital Ledger Technology system operational with no downtime.

### **National Stock Exchange (NSXA) Activities**

- 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. NSXA admitted 3 new issuers during the quarter from April 2021 to June 2021.
- In conjunction with ClearPay, submitted a RFEOI to operate the Carbon Exchange of Australia.
- Continues to engage with prospective issuers for fast-track, compliance, direct entry and IPO's.
- The NSXA continues to position itself as the venture and emerging companies exchange, creating a clear differentiation from other Australian markets. The NSXA:
  - Has updated admissions guidance on Direct Entry, Compliance and Capital Raising listings<sup>1</sup>; and
  - Has commenced regulatory engagement to extend its product suite to include Exchange Traded Products (ETP's)
- Has new admissions scheduled before end of next quarter being One broker participant; and 1-3 new issuers.

### **First Online Broker Launch on NSXA**

From Monday 26 July the trading platform Marketech ([marketech.com.au](http://marketech.com.au)) will be the first online retail broking platform in Australia to offer direct market access to retail investors for companies listed on NSXA.

The partnership represents a significant step in improving liquidity for emerging Australian companies listed on the tier 1 licensed exchange, allowing active traders to have real time visibility of the NSX market via the Marketech platform.

This partnership brings the NSXA investment universe to online retail investors, with an affordable, high tech trading solution, connected to the CHESS settlement process, something that was previously only available through advice brokers.

The NSXA has made a number of very significant technology upgrades in the last 12 months, with the connection to the Trade Acceptance Service (TAS) last November allowing fully automated trading and novated settlement on the NSX for the first time.

The addition of the Marketech online trading platform will improve liquidity and is another step towards the NSXA's goal to become Australia's leading emerging and venture company exchange.

A joint press release will be made available from Monday 26 July 2021.

### **About Marketech ([www.marketech.com.au](http://www.marketech.com.au))**

Marketech has been building online market and trading platforms in Australia for 20 years, with a focus on empowering traders through access to market leading data and tools. Marketech gives serious and active investors many of the premium features professional institutions rely on, through an easy-to-use interface combined with ultra low cost brokerage.

Marketech trading and settlement is facilitated by OpenMarkets Australia Limited ABN 38 090 472 012, an Australian Financial Services Licensee (ASFL 246705) and Market Participant of ASX, ChiX and NSX. OpenMarkets is also an ASX Clear and Settlement Participant.

**Authorised by the Board of Directors**

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<sup>1</sup> Refer to the NSX website at: [nsx.com.au/listing/how-to-list](http://nsx.com.au/listing/how-to-list) on various paths to admission. Also, NSX has updated its Admissions Guidance document which is available for download from that page.

## 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 2021

<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	209	1,943
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(17)	(32)
(d) leased assets	-	-
(e) staff costs	(465)	(1,928)
(f) administration and corporate costs	(663)	(1,995)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	14
1.5 Interest and other costs of finance paid	(72)	(201)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	146
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,007)</b>	<b>(2,053)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(308)	(434)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
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</b>	<b>Net cash from / (used in) investing activities</b>	<b>(308)</b>	<b>(434)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,500	2,500
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	(154)	(156)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(294)	(1,033)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,052</b>	<b>1,311</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,684	4,597
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,007)	(2,053)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(308)	(434)

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)	2,052	1,311
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>3,421</b>	<b>3,421</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	1,930	693
5.2	Call deposits	791	791
5.3	Bank overdrafts	-	-
5.4	Other (Term deposits maturing before 30 June 2021)	-	500
5.5	Other (see below)	700	700
<b>5.6</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,421</b>	<b>2,684</b>

**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
5.7 Total cash at end of quarter (item 4.6)	3,421	2,684
5.8 Cash Deposits held for Equity Markets Compensation Arrangements.	(700)	(700)
<b>5.9 Total: cash on hand and at bank (items 5.1, 5.2, 5.3 and 5.4)</b>	<b>2,721</b>	<b>1,984</b>

**Item 5.8 - Exchange Compensation Arrangement**

As part of the National Stock Exchange of Australia Limited's Australian Financial Markets License, NSX operates investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. The minimum cover required by the License 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.

6. <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	118
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

*Note to Item 6.1: The amount of \$118k was payment of Director remuneration for the quarter ended 30 June 2020.*

7. <b>Financing facilities</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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other	-	-
7.4 <b>Total financing facilities</b>	-	-
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.		
N/A		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,007)
8.2 Cash and cash equivalents at quarter end (item 5.9)	2,721
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,721
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	2.70
<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. Note: item 8.2 refers to item 5.9 instead of item 4.6 as item 5.9 excludes cash deposits that are held for the Compensation Arrangements (\$700k).</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

*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.*

## 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 2021.....

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.