



NSX Limited
ACN 089 447 058
and Subsidiary Entities

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3Q21 QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

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 31 March 2021 (3Q21).

29 April 2021

ASX Market
Announcements Office

ASX Limited
20 Bridge St,
SYDNEY NSW 2000

Group Cash Flow Activities Report

- Cash at the end of the quarter was \$2.7 million, following a net cash outflow of \$1 million as part of continuing operations.
- During the quarter \$0.2 million in cash receipts were received from customers. The cash receipts in the March quarter were in line with the 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 \$0.3 million down \$0.4 million on the previous quarter and down \$0.5 million on the pcp. This decrease is due to the timing of payments.
- Cash payments to staff, corporate and the board for the period were \$0.5 million with no change on the previous quarter or the pcp.
- In February 2021, due to the introduction of the Trade Acceptance Service (TAS) in November 2020, NSXA resigned its General Settlement Participant status with ASX and ASX returned the performance Bond of \$500,000 which can be used for working capital purposes.

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 \$92k during the March quarter. No other related party payments were made.
- The Company appointed Professor Graeme Samuel AC to the Board of NSX Limited on 27 April 2021¹ and will appoint Professor Samuel to the Board of NSXA once ASIC’s no-objection has been received.

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. During the quarter period from January 2021 to March 2021, NSXA admitted 1 new participant – Ord Minnett.
- NSXA resigned its General Settlement Participant status with ASX after the introduction of the Trade Acceptance (TAS) service. All clearing and settlement is now conducted via TAS.
- NSXA has updated its Admissions Guidance to provide more detail to prospective applicants. NSXA is in the process of revising its practice notes which provide clarity to listed issuers concerning the interpretation and operation of the rules. A program of educational webinar sessions for Nominated Advisers has been held.
- The ClearPay Delivery VS Payment platform (under construction by ISX (formerly Probanx)) is based upon digital ledger technology and incorporates the Digital Exchange Subregister System (DESS) as a core sub-system. ClearPay and the NSXA are preparing regulatory submissions for ClearPay’s licensing requirements.
- Continues to engage with prospective issuers for fast-track, compliance, direct entry and IPO’s.

¹ Refer to NSX’s announcements to ASX on 27 April 2021.

Products

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 listings²; and
- Has commenced regulatory engagement to extend its product suite to include Exchange Traded Products (ETP's)

Authorised by the Board of Directors

² Refer to the NSX website at: <https://www.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")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	170	1,734
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(4)	(15)
(d) leased assets	-	-
(e) staff costs	(487)	(1,463)
(f) administration and corporate costs	(302)	(1,332)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	13
1.5 Interest and other costs of finance paid	(33)	(129)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	146
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(652)	(1,046)
2. Cash flows from investing activities		
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	(32)	(126)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	(32)	(126)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	(2)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(285)	(739)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	(285)	(741)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,653	4,597
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(652)	(1,046)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(32)	(126)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(285)	(741)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,684	2,684

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	693	1,162
5.2	Call deposits	791	789
5.3	Bank overdrafts	-	-
5.4	Other (Term deposits maturing before 30 June 2021)	500	502
5.5	Other (see below)	700	1,200
5.6	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,684	3,653

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)	2,684	3,653
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)
5.9 Total: cash on hand and at bank (items 5.1, 5.2, 5.3 and 5.4)	1,984	2,453

Item 5.4 – Term Deposit

This term deposit is used for working capital purposes. The balance of the term deposit came from the cessation of the General Settlement Participant Requirements that were required of NSX by the ASX

while NSX was registered as a General Settlement Participant. For further information please see item 5.8 below.

Item 5.7 - 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.

Item 5.8 - General Settlement Participant Requirements

Due to the migration of all settlement and the introduction of clearing using the ASX Trade Acceptance Service (TAS) for NSX listed securities, NSX no longer required the General Settlement Participant arrangements. NSX lodged a resignation of participant status with ASX, which was accepted and ASX returned the Performance Bond of \$500,000 to NSX in February 2021.

The proceeds of the released funds were deposited into a term deposit as disclosed in item 5.4. The balance for item 5.8 is now zero. For further information see the commentary for item 5.4 above.

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	92
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note to Item 6.1: The amount of \$92k was payment of Director remuneration for the quarter ended 31 March 2021.

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<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	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(652)
8.2 Cash and cash equivalents at quarter end (item 5.9)	1,984
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,984
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.04
<p><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></p> <p><i>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) and Settlement Bond (\$500k).</i></p>	
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	
<p><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></p>	

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:29 April 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.