



1Q22 QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

21 October 2021

Quarter Highlights

NSX Limited:

- NSX Limited signed an MOU with Ajlan & Bros Holding Group (“Abilitii”) to explore the establishment of a second securities exchange in the Kingdom of Saudi Arabia.
- Completed the final tranche of a successful \$2.5m capital raise at \$0.14 per share of \$1m in August which raised a total of \$3.5m for both tranches.

National Stock Exchange:

- Regulatory engagement to expand product range continues.

ASX Market
Announcements Office

ASX Limited
20 Bridge St,
SYDNEY NSW 2000

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 September 2021 (1Q22).

Group Cash Flow Activities Report

- Cash at the end of the quarter was \$4.6 million, following a net cash inflow of \$1.2 million as part of continuing operations.
- During the quarter \$1.4 million in cash receipts were received from customers mainly due to the payment of annual fees. The cash receipts in the September quarter were up \$1.2 million on the June quarter and in line with the previous corresponding period (pcp).
- Cash payments for administration costs for the period are \$0.4 million down \$0.2 million on the previous quarter.
- Cash payments to staff, corporate and the board for the period were \$0.5 million in line with the previous quarter.
- In August 2021 NSX completed the remaining issue of shares under the second tranche of the previously completed capital raising in June 2021 to related parties of 7,450,000 shares at an issue price of 14 cents raising \$0.97 million (net of costs).

Quarterly Business Activities Report

NSX Limited Activities

- On 13 October the Company released an investor presentation which was part of a webinar with other CEOs to the investment community.
- On 13 September, the Company announced that it had been selected, with others, to move to the next stage of the Carbon Exchange tender process. The Company will continue to engage in this process as documents become available.
- On 13 August 2021, the Company completed the final tranche of the previously announced capital raise which provided an addition \$1m in working capital.
- Directors being related parties of the Company, for the purposes of this report, were paid remuneration in the amount of \$124k during the September quarter. No other related party payments were made.

ClearPay Joint Venture Activities

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

KSA Commodities & Securities Exchange MOU Activities

- As announced on 29 September 2021, NSX Limited entered into a joint venture with Ajlan & Bros Holding Group (“Abilitii”) in the Kingdom of Saudi Arabia to explore opportunities to create a second securities exchange.
- The second exchange will seek to obtain a markets licence to trade a variety of financial products with a focus on mining issuers and metals (commodities).
- The Company has continued work on the business plan and if this is successful would move to a joint venture arrangement.

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.
- Has 3 new nominated adviser participants approved and up to 4 new issuers to be potentially approved before end of next quarter.
- The NSXA continues to position itself as the venture and emerging companies exchange, creating a clear differentiation from other Australian markets. The NSXA:
 - Has previously advised that it updated admissions guidance on Direct Entry, Compliance and Capital Raising listings¹, and has since concluded a fast track entry of an entity from the ASX to an NSX listing prior quarter, with further fast track, compliance, direct entry and IPO’s enquiries having been received this quarter; and
 - Has commenced regulatory engagement to extend its product suite to include Exchange Traded Products (ETP’s)
 - Draft ETP and ETF Rules completed
 - Rules aim to incorporate ASIC CP 343: *Crypto-assets as underlying assets for ETPs and other investment products* – ASIC position not finalised
 - NSXA to consult ASIC, industry and informally lodge Rules (Oct-Nov 2021)
 - Rules positioned for possible DvP settlement through ClearPay
 - Has concluded a consultation on Special Purpose Acquisition Companies (SPAC’s), including feedback from Capital Advisers, Legal Firms, Brokers, SAFAA and Shareholder Association.

Authorised by the Board of Directors

¹ Refer to the NSX website at: 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 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,445	1,445
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(23)	(23)
(d) leased assets	-	-
(e) staff costs	(469)	(469)
(f) administration and corporate costs	(394)	(394)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(38)	(38)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	522	522
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	(29)	(29)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(29)	(29)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,043	1,043
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	(72)	(72)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(240)	(240)
3.7	Transaction costs related to loans and borrowings	(1)	(1)
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	730	730

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,421	3,421
4.2	Net cash from / (used in) operating activities (item 1.9 above)	522	522
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(29)	(29)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	730	730
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,644	4,644

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	3,153	1,930
5.2	Call deposits	791	791
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Other (see below)	700	700
5.6	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,644	3,421

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)	4,644	3,421
5.7 Cash Deposits held for Equity Markets Compensation Arrangements.	(700)	(700)
5.8 Total: cash on hand and at bank (items 5.1, 5.2, 5.3 and 5.4)	3,944	2,721

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 \$590,000 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.

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

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	124
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note to Item 6.1: The amount of \$124k was payment of Director remuneration for the quarter ended 30 September 2021.

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	522
8.2	Cash and cash equivalents at quarter end (item 5.8)	3,944
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,944
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<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 5.8 instead of item 4.6 as item 5.8 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:21 October 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.