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1Q23 QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

Quarter Highlights

NSX Limited:

- Executed a term sheet for the proposed mining exchange in Saudi Arabia
- Completed a placement and Entitlement Offer which raised \$3.4 million exclusive of costs.

National Stock Exchange:

- Listed 3 new issuers during the quarter.
- Seeking new applicants to list via various marketing and promotion activities continues.

20 October 2022

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 2022 (1Q23).

Group Cash Flow Activities Report

- Cash at the end of the quarter was \$4.8 million, following a net cash outflow of \$0.6 million as part of continuing operations.
- During the quarter \$1.5 million in cash receipts were received from customers. The cash receipts in the September quarter were up \$1.4 million on the previous quarter, and up \$0.1 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 quarter are \$0.5 million up \$0.2 million on June quarter.
- Cash payments to staff, corporate and the board for the period were \$0.4 million in line with the previous quarter.

Quarterly Business Activities Report

NSX Limited Activities

- Directors being related parties of the Company, for the purposes of this report, were paid remuneration in the amount of \$62k during the June quarter. No other related party payments were made.
- On 13 October 2022 the Company executed a term sheet with Ajlan & Bros Mining Co., Ltd which is a precursor to move to a Joint Venture arrangement to create a mining and minerals exchange in Saudi Arabia.
- In September 2022 the Company raised \$3.4 excluding costs from a placement and entitlement offer

Quarterly Business Activities Report (cont.)

KSA Mining and Minerals Exchange Activities

On 13 October 2022 the Company announced that Ajlan & Bros Mining Co., Ltd. and NSX Limited, had signed a Term Sheet for a Joint Venture Agreement for the purpose of establishing the Kingdom of Saudi Arabia Metal and Mining Exchange.

In summary the following key points are of note, clarifying yesterday's release as to key timing :

- The parties will co-invest into an incorporated vehicle, and will apply to CMA for a Securities Exchange License under new regulations introduced in September 2022. ABM will subscribe for 80% and NSX for 20% of the capital of the Exchange, which is expected to have an issued share capital of SAR 100 million (approx. USD 26.6 million or AU\$ 40.9 million). The subscription will be due following successful license grant by CMA for the exchange which is expected within 6 months, and any other necessary KSA Government approvals. These approvals will likely include the General Authority for Competition ("GAC"), Ministry of Investment Saudi Arabia ("MISA") and the Ministry of Commerce ("MOC") and could take up to several months after issue of license.
- NSX will be entitled to appoint one board member, to ABM's four board members, and with three members to be appointed by the CMA.
- On behalf of the new exchange, ABM will issue a USD\$2.5m purchase order to NSX, for NSX to provide documentary support and assistance regarding market rules, policies, procedures, operations and the technology roadmap.
- A definitive longform Joint Venture Agreement is targeted for execution in the first week of November 2022.

The Parties have set as a target for commencement of the Mining Exchange's operations the first quarter of 2024, subject to regulatory approvals.

ClearPay Joint Venture Activities

- DvP platform software development continues; and
- DESS Digital Ledger Technology system continues to operate 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.
- Three new Issuers commenced trading during the period.
- The NSXA continues to position itself as the venture and emerging companies exchange, creating a clear differentiation from other Australian markets and marketing to issuer advisers and relevant capital raising groups.

Authorised by the Board of Directors

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 2022

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	1,540	1,540
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(6)	(6)
(d) leased assets	-	-
(e) staff costs	(397)	(397)
(f) administration and corporate costs	(499)	(499)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(5)	(5)
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	635	635

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	(125)	(125)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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)	-	-
2.6 Net cash from / (used in) investing activities	(125)	(125)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	3,501	3,501
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	(150)	(150)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(235)	(235)
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	3,115	3, 115

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,157	1,157
4.2 Net cash from / (used in) operating activities (item 1.9 above)	635	635

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(125)	(125)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,115	3,115
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,782	4,782

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	3,921	297
5.2	Call deposits	648	648
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Other (see below)	212	212
5.6	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,782	1,157

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)	4,782	1,157
5.8	Cash Deposits held for Equity Markets Compensation Arrangements.	(212)	(212)
5.9	Total: cash on hand and at bank (items 5.1, 5.2, 5.3 and 5.4)	4,570	945

Item 5.8 - Exchange Compensation Arrangements

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 \$212,000. 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 \$212,000 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 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	62
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note to Item 6.1: The amount of \$62k was payment of Director remuneration for the quarter ended 30 September 2022.

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)	635
8.2 Cash and cash equivalents at quarter end (item 5.9)	4,570
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	4,570
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.</i>	
<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 (\$212k).</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:20 October 2022.....

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.