

Investor Update

12th May 2021



NSXA: Tier 1 Retail & Wholesale Securities Exchange



* Chi X is a trading venue rather than a listings exchange but do quote ETPs and structured products

NSXA: A differentiated market

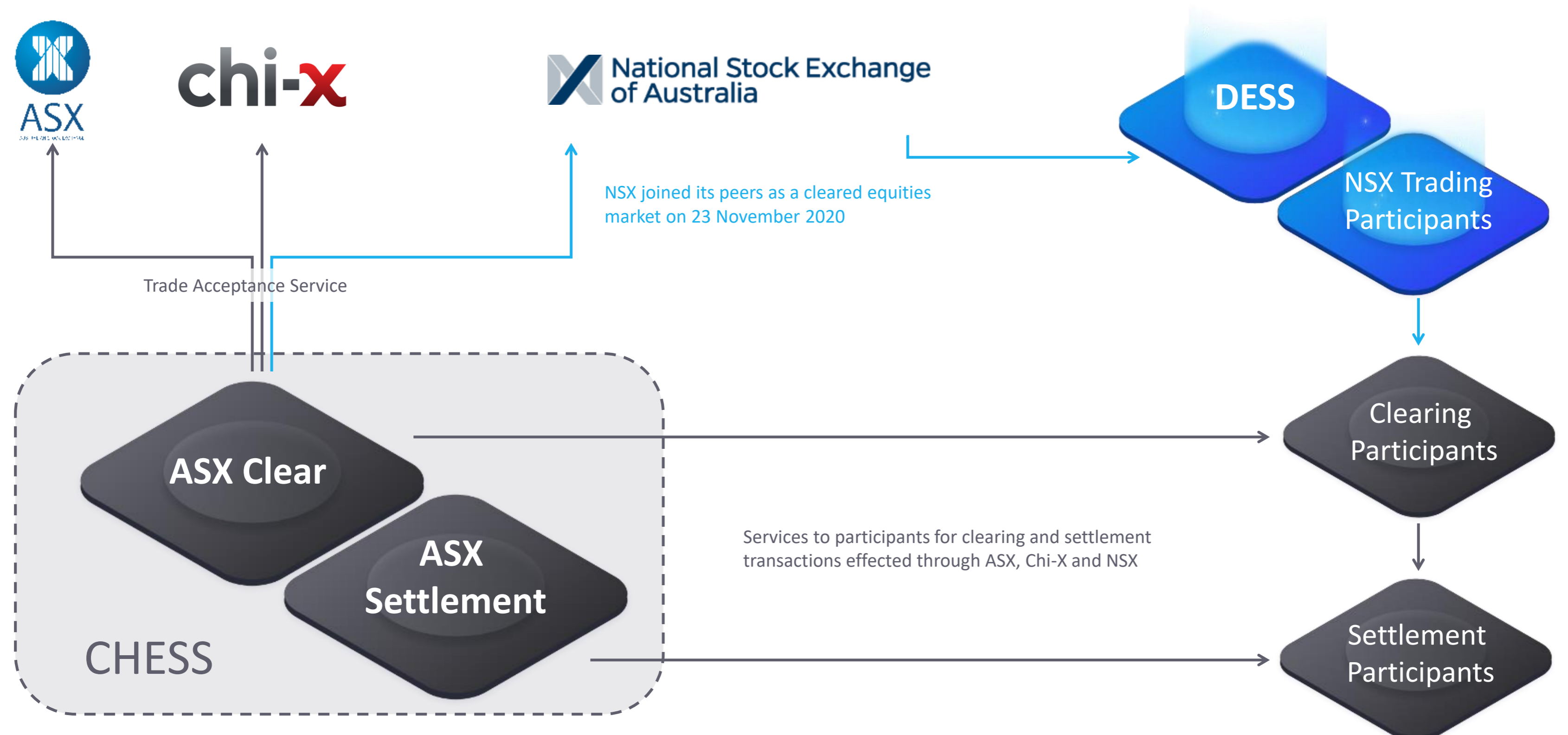
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**We are building a global, digital exchange,
with a focus on early stage and emerging venture companies.**

We are differentiated from other Tier 1 Australian wholesale and retail securities exchanges by;

- Having the benefit of our **own listing rules**. For example;
 - **'direct entry'** provides an alternative to the increasing complex and expensive 'reverse takeover',
 - Lower spread of 50 persons and initial market capitalisation of \$500k, allows early stage companies, to access retail and wholesale capital markets,
 - Together, these allow the NSXA to target early stage and emerging companies.
- Not 'reselling' products of other exchanges. Our **products and issuers are our own**
- **Expanding our product suite**, to include the widest range possible under current regulation.
- Competing and offer alternative on **Clearing & Settlement services**, for Participants of all Australian markets.
- Full automation with settlement and clearing via the Trade Acceptance Service (TAS).
- Expanding our Participant broker network, **with online brokers** expected to commence during late July.
- Upgrading to **NASDAQ's latest trading engine**, with upgraded NETS facility.
- Planned progressive roll out of new API's to allow for pre and post trade feeds.

Trade Acceptance Service



NSX Introduced its own digital ledger technology (DLT) based CHES alternative – the Digital Exchange Subregister System (DESS). It mirrors and augments CHES for NSXA transactions.

Clearpay could compete with ASX Clear, ASX Settlement and CHES.

Australia as of 23rd November 2020 has harmonised post-trade market practice across all three Tier 1 Markets

Listing Pipeline

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Sector	Expected MarketCap (AUD, \$m)	Anticipated IPO Month
Healthcare	27	May 2021
Vehicle Leasing	14	May 2021
Energy	12	June 2021
Mining Services	30	July 2021
Healthcare	13	August 2021
Energy	68	September 2021
Alternative Healthcare (Cannabis Processing)	10	September 2021

Break Even Analysis

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- ✓ **Highly scalable business with low operating costs, "scarce" license, and differentiators to existing monopoly.**
- ✓ **Low Annual Cost Base to Operate : Current cost base circa \$3.7m, Forecast Budget \$4m.**
- ✓ **Existing Revenue run rate : circa \$2m per annum.**
- ✓ **Breakeven at say \$4m, or around 2 Listings per month run rate (>\$10m market cap or equivalent*).**

Key Expenditure in 2021 budget

- Appointment of further business development executive.
- Continue with upgrade of technology systems.
- Marketing of exchange.

**NSXA fees are based upon market capitalisation. Breakeven assumed at circa \$260m of market capitalisation aggregate of companies per annum being admitted.
Current overall market capitalisation is approximately \$2.7bn based on an average IPO raising of \$8m. The NSXA has 28 nominated advisors, 16 brokers and 60 securities listed.*

NSXA Products

Securities / Product Type	NSX	
	Admission Possible?	Comments
Shares		
• IPOs (Capital Raise)	✓	
• Compliance Listing (Transfer from Local or Recognised International Exchange)	✓	
• Direct Entry (No Capital Raise, No prospectus)	✓	Current competitive advantage for NSXA
Other Products		
• Debt (Bonds & Debentures)	✓	
• Listed Investment Companies (LICs) & Listed Property Trusts (LPTs) – <u>Closed-ended</u>	✓	
• Listed Investment Companies (LICs) & Listed Property Trusts (LPTs) – <u>Open-ended</u>	× NSXA Opportunity	Rules under development
• Exchange Traded Products (ETFs & ETPs)	× NSXA Opportunity	Rules under development
• Hedge Funds	× NSXA Opportunity	Rules under development
• Unlisted Managed Funds	× NSXA Opportunity	Rules under development
• Investment Warrants	× NSXA Opportunity	Under consideration by NSXA
• Fractionalised Trading	Future	ClearPay functionality will deliver this

Board & Governance

- NSX Limited (NSXL) is the 100% owner of the National Stock Exchange of Australia (NSXA), and 41% owner of ClearPay Pty Ltd.
- NSXL has five new directors to a total of seven including four independent Directors in Mr Tod McGrouther, Ms Kelly Humphreys, Dr Michael Aitken AM, and Professor Graeme Samuel AC.
- NSXL Board also includes shareholder associates Mr Tim Hart (Chair), Mr Nickolas Karantzis (MD) and Mr Tony Shen.
- The NSXA board is independent of its 100% shareholder, the NSXL. Appointment of new Directors, including three independents to the NSXA Board, being Mr Tod McGrouther, Ms Kelly Humphreys, Dr Michael Aitken AM and also Mr Tim Hart.
- We have established a separate Audit & Risk Committee (previously this was incorporated into the NSX Limited Board), chaired by independent Director Ms Kelly Humphreys.
- We have also Strengthened the independent Admissions Committee by adding a third member, Mr Ali Khan.
- And, strengthened the independent Compliance Committee by adding a third member, Mr Robert Bishop.



ClearPay Operating Model

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Governance

- Chaired by Professor Graeme Samuel AC.
- Dedicated CEO to be appointed during 2021.
- Governance framework and C&SF Rules to be developed to include;
 - Provision of services to NSXA Participants initially.
 - Extension of services to other Australian Market Operators.

Fees for services provided to Issuers & Participants including

- DESS.
- Clearing and Settlement.
- Customer Due Diligence services.
- Investor Profiles and declarations, including database of sophisticated & wholesale investors.
- Currency Exchange in cooperation with ADI/offshore banks for offshore Participants.

ASX's Monopoly is in Clearing, Settlement & Sub-registry

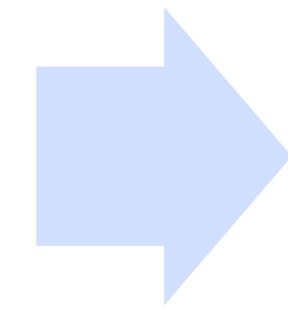
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- ✓ **ASXClear and ASX Settlement is a conglomerate monopoly clearing and settlement facility in Australia (for Tier 1 Equity Markets).**
 - Agreement between ASXClear & NSXA allows for access to ASXClear.
 - ASX Ltd' s subsidiaries are ranked amongst the most expensive C&SF in the world.
 - Opportunity to compete on features, extension to new services and price.
- ✓ **NSX 41% owned Subsidiary "ClearPay" established to foster competition.**
- ✓ **ASX Ltd's monopoly is NSXL's opportunity for ClearPay and NSXA.**

ClearPay DvP – planned services

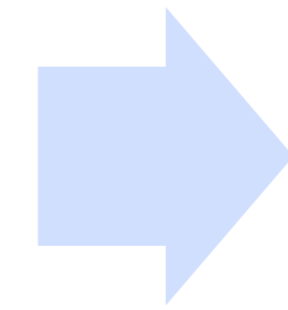
Securities Issue & Trading

- Token Creation
- Trade & Transfer of Tokens
- Transaction Monitoring
 - KYC Process
 - AML Checks
 - White/Grey/Black Lists
 - On Chain Registries



Clearing & Settlement

- Post Trade Processing
- Delivery of Payment and security via the chain
 - Automated DVP



Holder Services

- Dividends
- Voting
- Contact Updates
 - Regulatory Reporting
- On Chain shareholder sub-registries

Holder Services by NSX Partners

Medium Term Strategy for ClearPay

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- ✓ **Apply for a CSF license during 2021 to service NSXA**
- ✓ **Introduce competition into Clearing, Settlement & Sub-registry Services**
 - Extend license to allow servicing of Participants in other Australian markets.
 - T+0 Settlement (retail), T+1 Settlement (Wholesale).
 - Multicurrency support (EUROS, GBP, AUD).
 - Offshore broker support.
 - Services can target participants of NSX, ASX & CHI-X markets, as well as OTC.
 - Provide open access to sub-registry services.
- ✓ **Encourage Government to adopt a policy similar to EU's Target2**
 - Settlement Systems (eg CHES and DESS) independent of Clearing.
 - Seek interoperability requirements between C&SF licensees, such that DESS can operate with Austraclear and ClearPay with CHES.



Thank You

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Authorised by the Board of Directors

