NSX Limited
ACN 089 447 058
and Subsidiary Entities

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21 October 2020

ASX Market
Announcements
Office

ASX Limited

20 Bridge St,
SYDNEY NSW 2000

QUARTERLY ACTIVITIES REPORT AND

APPENDIX 4C CASHFLOW STATEMENT

CORRECTION

Sydney, NSW – NSX Limited (ASX:NSX), ("the Company") wishes to advise that Section 8 item 8.1 should have been represented as a positive number - 651. Therefore item 8.5 should be N/A as per the sub note instruction.

The revised Activities and Appendix 4C is attached to this notice for the record.

Authorised by the Company Secretary

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QUARTERLY ACTIVITIES REPORT AND

APPENDIX 4C CASHFLOW STATEMENT

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 2020 (1Q21).

The outlook for the Company has improved substantially, with core technology updates ready to go live, interest from issuers and participants on the rise, and revenues increasing.

A number of new initiatives for revenue generation and new products have been identified, which will be factored into the upcoming technology platforms.

Group Cash Flow Activities Report

- Cash at the end of the quarter was $5.0 million, following a net cash inflow of $0.45 million.
- During the quarter $1.4 million in cash receipts were received from customers mainly due 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 and corporate costs for the period are $0.33 million down $0.13 million on the last quarter and down $0.27 million on the pcp.
- Cash payments to staff, corporate and the board for the period were $0.49 million and are down $0.07 million on the last quarter due to the timing of payroll payments and down by $0.28 million on the pcp.

Quarterly Business Activities Report

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 period, NSXA received 4 new pre-listing submissions, 1 new listing application, 1 new nominated adviser application and 2 new participant applications.
- The forward pipeline for listings is now in the order of 30 applicants, with the volumes and interest appreciably starting to rise.
- The NSXA Trade Acceptance Service ("TAS") project has been integrated and is ready for service with all but three (3) of our sixteen (16) participants. NSXA is awaiting formal lodgement of ASX Clearing Rules by the ASX to support TAS and the (up to) 28 day ASIC non-disallowance period. The TAS is expected to go live during on 23 November 2020.
- NSXA, in conjunction with iSignthis Ltd, conducted further detailing of ClearPay DLT based DvP platform and liaising with Probanx Solution Ltd with respect to the software development. The Delivery versus Payment (DvP) platform is based upon digital ledger technology and incorporates the Digital Exchange Subregister System (DESS) as a core sub-system. DESS will record trade data from our NASDAQ trade match engine in parallel to CHESS, and in due course will allow NSXA to operate autonomously from CHESS.
- NSXA is liaising with ASIC as to the launch of the DESS, contemporaneously with TAS. Further details to follow on DESS as TAS launch date approaches.

NSX Limited Activities

- The Company held EGMs on 24 August 2020 and 3 September 2020. All resolutions put to shareholders to appoint additional directors did not pass. The Company has received a section 249D notice with a resolution to remove Mr Thomas Price as a director. The EGM for this meeting is scheduled for the 30 October 2020.
- COVID-19 restrictions continue to impact staff workflows particular for those based in Victoria with its stringent restriction criteria. However, the company has continued to operate throughout the period, with minimal disruption at its core NSW operations.
- Directors being related parties of the Company, were paid remuneration in the amount of $107k during the September quarter. No other related party payments were made.

Authorised by the Board

Appendix 4C

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

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Name of entity	
NSX Limited	
ABN	**Quarter ended ("current quarter")**
33 089 447 058	30 September 2020

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	1,402	1,402
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	(488)	(488)
	(f) administration and corporate costs	(326)	(326)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	6
1.5	Interest and other costs of finance paid	(38)	(38)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	101	101
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**651**	**651**

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	(1)	(1)

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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**	**(1)**	**(1)**

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)	(2)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(197)	(197)
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**	**(200)**	**(200)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,597	4,597
4.2	Net cash from / (used in) operating activities (item 1.9 above)	651	651
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)

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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)	(200)	(200)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**5,047**	**5,047**

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	2,058	2,610
5.2	Call deposits	789	787
5.3	Bank overdrafts	-	-
5.4	Other (Term deposits maturing before 31 December 2020)	1,000	-
5.5	Other (see below)	1,200	1,200
5.6	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**5,047**	**4,597**

Item 5: Other disclosures required by AASB 107: Cash available for use by the Group.

Reconciliation of funding arrangements to support business operations privilege

		Current quarter $A'000	Previous quarter $A'000
5.6	Total cash at end of quarter (item 4.6)	5,047	4,597
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)	(500)
	Total: cash on hand and at bank (items 5.1 and 5.2)	3,847	3,397

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

As part of the requirements for the National Stock Exchange of Australia (NSXA) to be registered as a General Settlement Participant for the purposes of ASX Settlement Pty Ltd Operating Rules (ASXOR 4.3.13) NSX has to lodge a Settlement Bond in the form of a Bank Guarantee with ASX Settlement. The amount of the settlement bond is $500,000 and is used to compensate ASX Settlement if and only if NSX, as a Settlement Participant, breaches any rule that causes ASX Settlement to suffer or incur any losses or damages as a result of that breach.

Therefore $500,000 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	107
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note to Item 6.1: The amount of $107k was payment of Director remuneration for the quarter ended 30 September 2020.

7.	**Financing facilities** *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.*	**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		

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	651
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,847
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,847
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	N/A

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.

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 2020.....

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.

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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.

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