

General Meeting

NSX Limited

Managing Director's report

Thursday 30 April 2020

Directors and Officers of the Company



We have recently added depth and skills to the board, whilst ensuring we meet our Tier 1 market operator license conditions:

New Directors

- Timothy J Hart
Chairman, Director
- N J (John) Karantzis
Managing Director, Director
- Tod McGrouther
Director

Existing Directors & CoSec

- Thomas Price
Director
- Tony Shen Weigou
Director
- Scott Evans
Company Secretary

Completed First Stage of Investment



- NSX Limited in February 2020 placed \$4.2 million at \$0.145 per share for 12.96% of issued capital to Probanx Solutions Ltd, a wholly owned subsidiary of iSignthis Ltd (ISX).
- The formation of the Joint Venture (Clearpay Pty Ltd) with ISX to develop a multi-currency, real-time, same day DvP platform (“Clearpay”).
- Further capital to be raised during 2020 to fund strategy.

Management Team



Strengthened the management team with recent appointments:

- **Product and Strategy Manager** – Chan Arambewela
- **Head of Market Operations** – Leo Zhang (commences mid May)
- **Head of Compliance (Interim)** – John Krslovic
- **WA Business Development** – Barnaby Egerton-Warburton (BXW Capital)
- **Vic & Tas Business Development** – Chris Northwood (Activ8 Capital)

Complementing the existing team:

- Head of Admissions – John Williams
- Head of Technology – Yemi Oluwi

Near Term Technology Upgrades and New IPO's

TAS Project – Makes trading fully automated

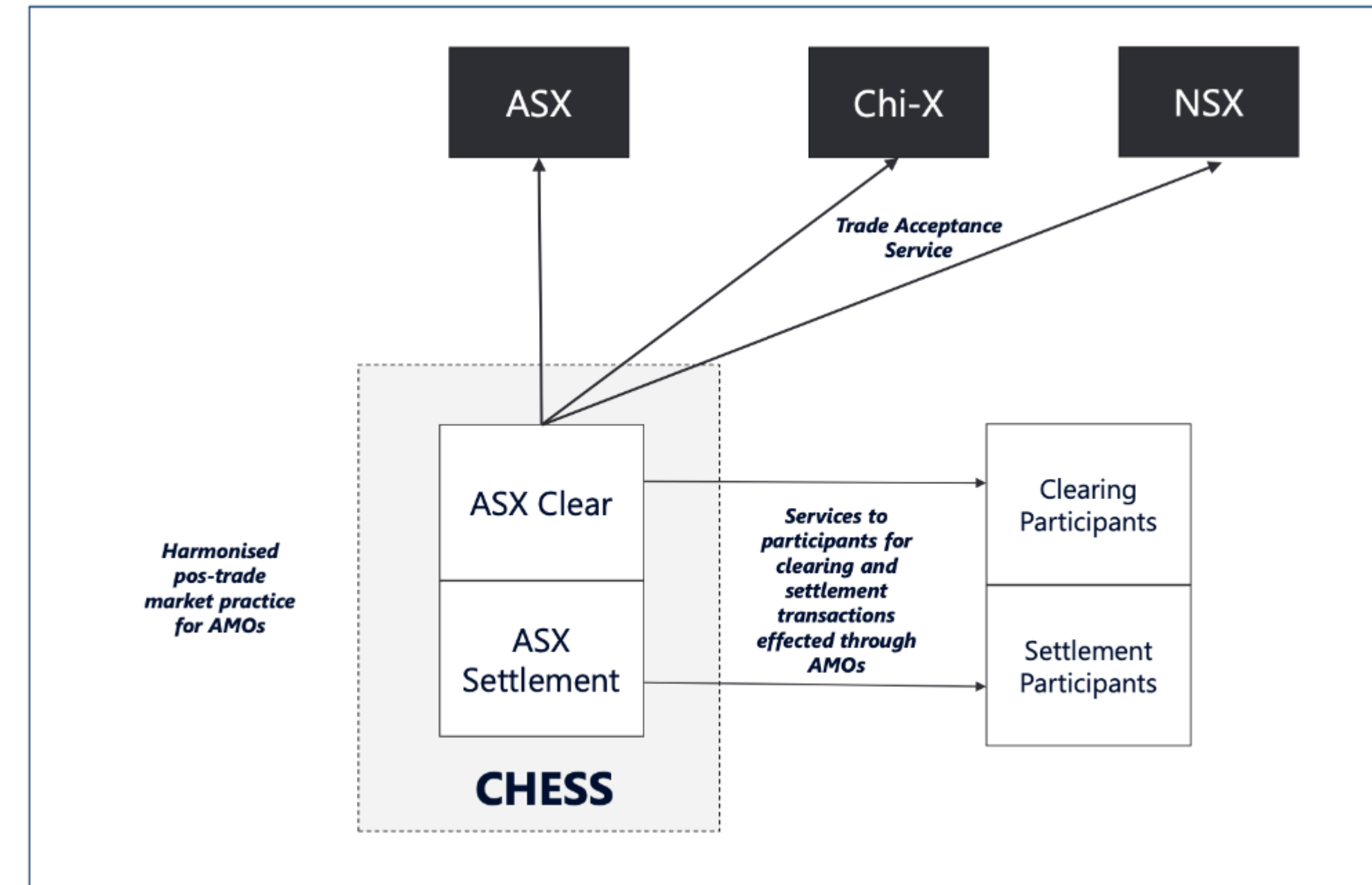


The TAS (Trade Acceptance Service) project will allow market transactions executed through NSX to be eligible for registration and novation in accordance with the operating rules of ASX Clear with effect from the time of trade execution (that is, immediately after matching of bids and offers on the trading platform).

This is the same basis on which trades executed on ASX's and Chi-X's markets are registered and novated by ASX Clear.

The TAS Project will be available for Participant testing in the next few weeks, with a launch date to be announced shortly.

TAS represents the first significant technology upgrade to the NSX in many years. It brings post-trade automation to the back office utilising existing ASX infrastructure, allowing the NSX to drive revenues, whilst in parallel the ClearPay JV develops our own solution for a broader range of products and services.



Overview of new harmonised post-trade market practice for AMOs

Business Development - Issuers



- Appointment of two business Development Consultants in WA, VIC/TAS, with other states to follow soon
- Attracting high quality, financially attractive and well promoted growth businesses to the NSX is the focus
- Our advantages:
 - Listing on the NSX is [faster, cheaper and easier](#) than an ASX listing
 - The NSX only requires a minimum of 50 eligible shareholders, compared to 300 eligible shareholders on ASX
 - Lower fees - [Companies typically save ~30% upon IPO and ~35% over the first 5 years](#)
 - NSX provides a balanced regulatory approach with rules that are designed to meet the needs of growing companies balanced with investor protection (ASIC and Corporations Act still apply)
 - Rather than prescriptive criteria (for example minimum size), companies simply need to demonstrate their readiness and suitability for listing on a public stock exchange
 - No minimum IPO raising amount
 - An IPO can be completed in 12 weeks (depending on how prepared you and your business is)
 - Once TAS is integrated, trading shares on NSX is basically the same as trading shares on ASX (including CHES).
 - Fast-track process for ASX listed entities.

Business Development - Participants

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Focus on integrating more online trading platforms and brokers



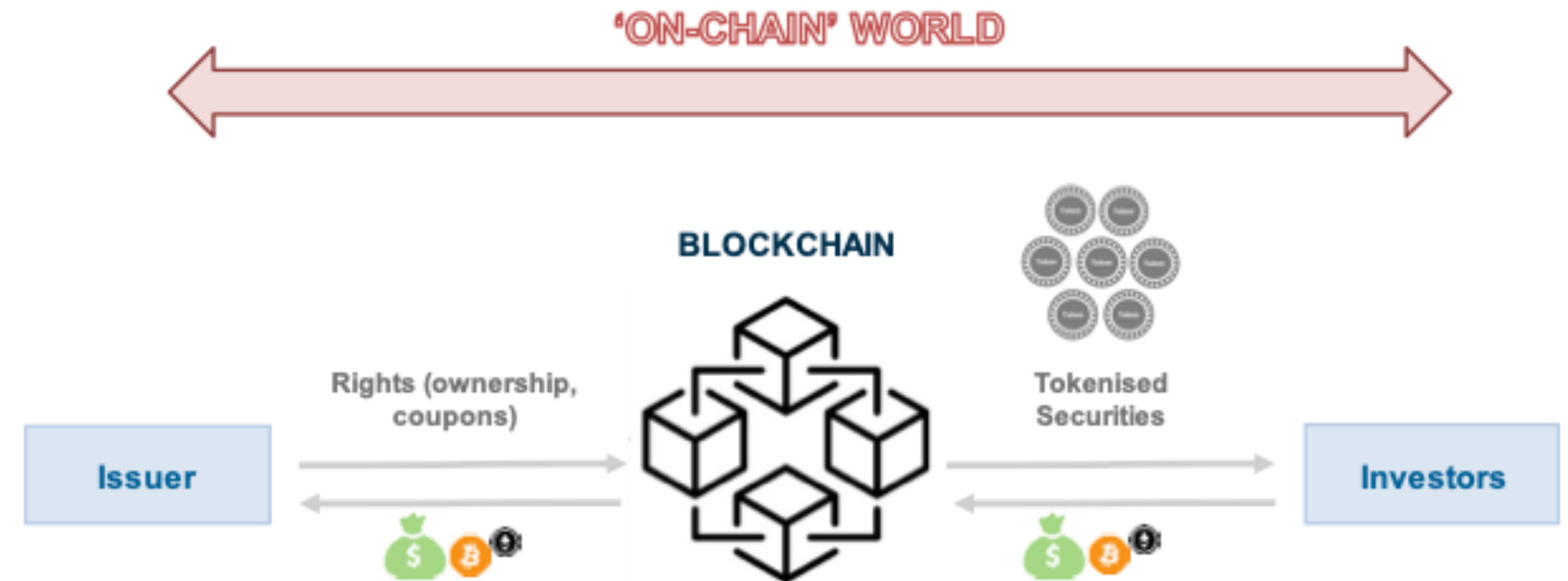
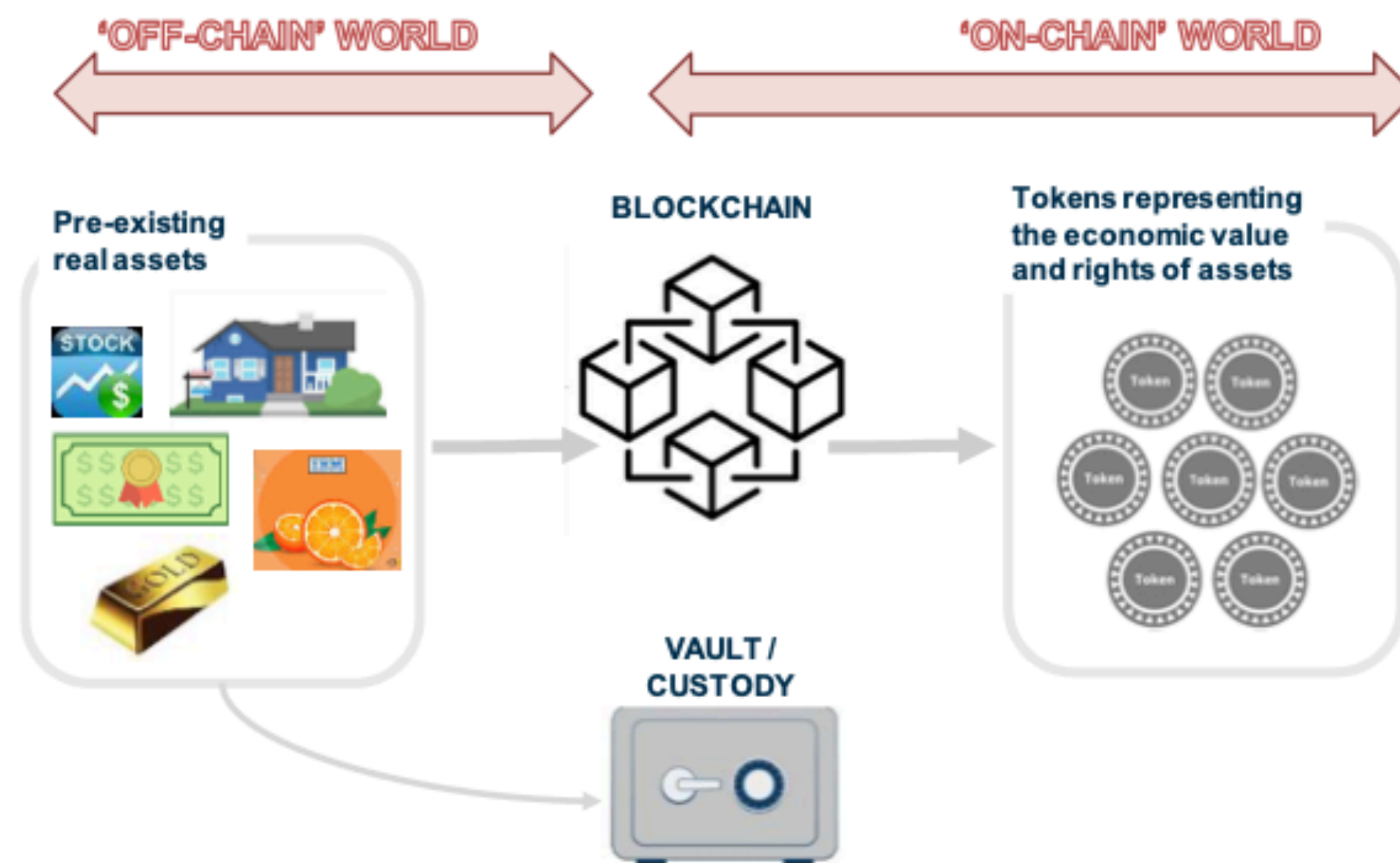


Clearpay JV

ClearPay JV

Objective : To develop a cloud based DvP Platform suitable for the NSX utilising cloud environment, secured to PCI DSS, ISO27001 and ASCI CP314 standards, as well as in compliance with other relevant and appropriate quality standards.

The DvP Platform shall allow for assets to be digitised real world assets such as securities (book entry), futures, CFD's, fungible digital assets and non-fungible digital assets, with NSX as the central authority.



Figures Source: OECD

ClearPay DvP

Securities Issue & Trading

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

Clearing and 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

ClearPay Update



Core Team Established

ClearPay's contractor, Probanx Solutions has mobilized 6 Staff, including

- Lead Developer
- Lead Devops
- Project Manager
- 4 senior developers

Next 45-90 Days Targets

- Detail functional specifications
- Engage with stakeholders, including share registry and participants
- Set Up secure environments to meet or exceed ASIC CP314 requirements

Next 90-120 Days Targets

- Implement Market Integrity Rules with trading platform
- Go Live TAS (formal announcement re timing to be made)
- TAS and ClearPay interoperation modules developed

What's Ahead?

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Near term - Technology upgrades to make trading on NSX as easy as trading on ASX:

- NSX is already connected to CHESS, just like the ASX (complete)
- TAS makes trading shares on NSX automated for brokers, PA investors and institutions (Jun/Jul)
- New IPO's of financially attractive, well managed and well promoted businesses (ongoing)

Medium term - Set ourselves apart from the competition by:

- Offering different product classes to those offered by the ASX, including STO's, fungible digital assets, non fungible digital assets, fractionalised digitised assets.
- Faster settlement process, multiple currency acceptance, API feeds to modern trading platforms
- Attracting global issuers to list on the NSX
- Broaden our distribution platforms
- Enhanced services for Participants

Together, these will drive liquidity in securities listed on the NSX, in turn driving revenues.

**Incremental technology delivery and building revenues is our short to mid term focus.
Building a modern, globally competitive digital market is our long term focus.**

Thank you

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