



**National Stock Exchange
of Australia Limited**
ACN 000 902 063

NSX Limited
ACN 089 447 058
and Subsidiary Entities

1 Bligh Street,
Sydney NSW 2000
t +61 2 8378 6400
e info@nsx.com.au
nsx.com.au

MARKET ANNOUNCEMENT

Investor Presentation

Please find below a presentation to be given to potential investors as per the capital raise approved by shareholders on 30 April 2020.

The Company requests that the trading halt continues in place until the earlier of commencement of trading on Thursday 28 May 2020 or the release of the announcement concerning the capital raise.

Authorised by the Board

Scott Evans

Company Secretary

26 May 2020

Tradinghaltssydney@
asx.com.au

ASX Market
Announcements
Office
ASX Limited

20 Bridge Street



Investor Briefing

NSX Limited (NSXL)

Placement of Ordinary Shares

May 2020

Subsidiaries :



Disclaimer

Disclaimer

This document is intended solely for the information of the particular person to whom it was provided by KG Capital and should not be relied upon by any other person. Although we believe that the advice and information which this document contains is accurate and reliable, KG Capital have not independently verified information contained in this document which is derived from publicly available sources, directors and proposed directors and management. KG Capital assumes no responsibility for updating any advice, views, opinions, or recommendations contained in this document or for correcting any error or omission which may become apparent after the document has been issued. KG Capital do not give any warranty as to the accuracy, reliability or completeness of advice or information which is contained in this document. Except insofar as liability under any statute cannot be excluded, KG Capital and its directors, employees and consultants do not accept any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in this document or for any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of this document or any other person.

This document is being furnished to you solely for your information and may not be reproduced or redistributed to any other person. This is a private communication and was not intended for public circulation or publication or for the use of any third party, without the approval of KG Capital. This document has not been written for the specific needs of any particular person and it is not possible to take into account each investors individual circumstances and that investors should make their adviser aware of their particular needs before acting on any information or recommendation. Investors should refer to ASX releases made by the Company prior to making any investment decisions.

This document is being provided to you on the basis that, and by receiving this document you will be deemed to have represented and warranted that, if you (or any person for whom you are acquiring New Securities) are in:

- a) Australia, you (and any such person) are a professional investor or sophisticated investor for the purposes of the Corporations Act 2001 (Cth);
- b) Hong Kong, you (and any such person) are a “professional investor” as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;
- c) Singapore, you (and any such person):
 - i. are an "institutional investor" or an "accredited investor" (as such terms are defined in the Securities and Futures Act of Singapore ("SFA"));
 - ii. will acquire the New Securities in accordance with applicable provisions of the SFA; and
 - iii. acknowledge that the offer of the New Securities is subject to the restrictions (including selling restrictions) set out in the SFA; and
- d) if you are elsewhere outside Australia, you are an institutional or professional investor to whom an invitation or offer to acquire securities and any sale of such securities is permitted by the laws of the jurisdiction in which you are situated without the need for any lodgment, registration formality or filing.

This document does not constitute an offer of New Securities in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

United States of America

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. In particular, this document may only be distributed by the Company in the United States to institutional "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the US Securities Act of 1933.

Hong Kong & Singapore

Restrictions may apply. See full terms sheet for details.

Disclosure of interest

KG Capital, their employees, consultants and their associates within the meaning of Chapter 7 of the Corporations Act may receive commissions, underwriting and management fees from transactions involving securities referred to in this document (which its representatives may directly share) and may from time to time hold interests in the securities referred to in this document. KG Capital advise that they and persons associated with them may have interest in the above securities and that they may earn brokerage, commissions, fees and other benefits and advantages whether pecuniary or not and whether direct or indirect, in connection with the making of a recommendation or a dealing by a client in these securities, and which may reasonably be expected to be capable of having an influence in the making of any recommendation, and that some or all of our Proper Authority holders may be remunerated wholly or partly by way of commission. KG Capital and its employees may also be participating in this offer.

The NSXL Offer

3

Target Placement of 38.5m new ordinary shares

NSX Limited (ASX: NSX) “NSXL” via its wholly owned subsidiary National Stock Exchange of Australia Limited (NSXA) operates the Tier 1 Licensed stock exchange facility for the listing of equity securities, corporate debt and investment scheme units. The company is also involved in trading and settlement activities.

For more information see www.nsx.com.au

NSXL proposes to undertake a Placement of a minimum of approximately 22.0m new fully paid ordinary shares and a target maximum of approximately 38.5m new fully paid ordinary shares (“Placement Shares”) to raise a minimum of A\$2.0m and up to approximately A\$3.5m. The directors reserve the right to accept oversubscriptions.

Details of The Offer

- Placement price \$0.091 per Ordinary Share
 - 17.3% discount to the last price of \$0.11 per Share
 - 18.3% discount to the 30-day April VWAP of \$0.111 per Share
- The pricing and allotment of the Placement Shares has been approved as per Resolution 2 at the General Meeting held on 30th April 2020
- Trading Halt Tuesday 26th May 2020 and Wednesday 27th May 2020
- Bids due 5pm Wednesday 27th May 2020
- Placement letter’s due back 5pm Thursday 28th May 2020
- Settlement expected Tuesday 2nd June 2020

Use of Funds

- The funds are expected to be allocated as follows:
 - Technology upgrades (incl TAS)
 - Working capital
 - Marketing
 - Potential additional investment in ClearPay JV to take stake to 50%



Capital Structure & Share Price Chart[#]

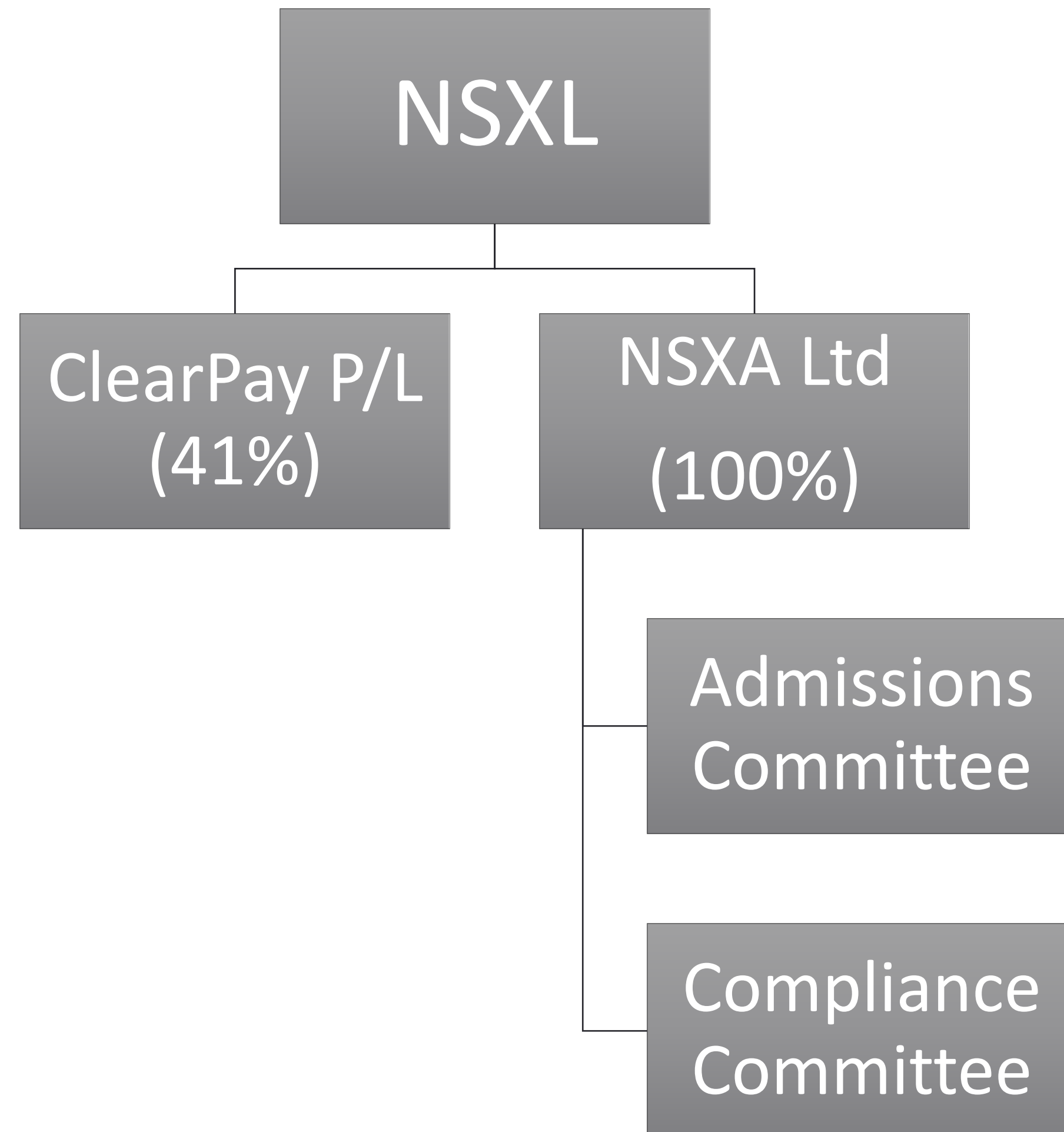
- Ordinary shares on issue (before) 224.1m
- Mkt capitalization - \$0.105/share A\$23.5m
- Options (various – see terms sheet) 24.2m



Source: NABTrade

12 months share price chart as at 21st May 2020

Company Structure & Governance



Corporate Governance

The NSXA operates its licensed Tier 1 market independent of the NSXL. NSXA's core license requirements include market surveillance, compliance and admissions, with compliance and admission decisions recommended by independent committees to the board of the NSXA.

All other services such as payroll, accounting, technology, business development, strategy and general management are NSXL or ClearPay functions.

Directors and Officers of the NSXL & NSXA

We have recently added depth and skills to the board, whilst ensuring our subsidiary NSXA meets its Tier 1 market operator license conditions:

New Directors

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

Existing Directors & CoSec

- Thomas Price*
Director NSXL & NSXA
- Tony Shen Weigou
Director NSXL
- Scott Evans
Company Secretary, NSXL & NSXA

* Indicates directors of the NSXA.

Our 100% owned subsidiary, NSXA Ltd, is a Tier 1 Exchange

THE SECOND LARGEST LISTING EXCHANGE IN AUSTRALIA



ADVANTAGES OF NSXA

USER FRIENDLY & SOLUTION FOCUSED

- ✓ A listing on NSXA requires a minimum of 50 eligible shareholders, compared to 300 eligible shareholders on the ASX
- ✓ A NSXA listing provides access liquidity, without the exposure to volatility from algorithmic trading and short selling
- ✓ Lower fees - Companies typically save ~30% upon IPO and ~35% over the first 5 years
- ✓ NSXA provides a balanced regulatory approach with rules that are designed to meet the needs of growing companies balanced with investor protection
- ✓ Rather than prescriptive criteria, for example minimum size, companies must demonstrate their readiness and suitability for listing
- ✓ A listing on NSXA is faster, cheaper and easier than an ASX listing

Management Team

Strengthened the management team, with recent appointments:

NSXL

- **Product and Strategy Manager** – Chan Arambewela
- **WA Business Development** – Barnaby Egerton-Warburton (BXW Capital)
- **Vic & Tas Business Development** – Chris Northwood (Activ8 Capital)

NSXA

- **Head of Market Operations** – Leo Zhang
- **Head of Compliance (Interim)** – John Krslovic

Complementing the existing team:

- **Head of Admissions (NSXA)** – John Williams
- **Head of Technology (NSXL)** – Yemi Oluwi

Near Term Technology Upgrades Trade Acceptance Service (TAS)

TAS Project – Provides Automated Trading

10

The TAS (Trade Acceptance Service) project will allow market transactions executed through our subsidiary and the Tier 1 Market Operator, NSXA, to be eligible for registration and novation in accordance with the operating rules of ASX Clear.

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

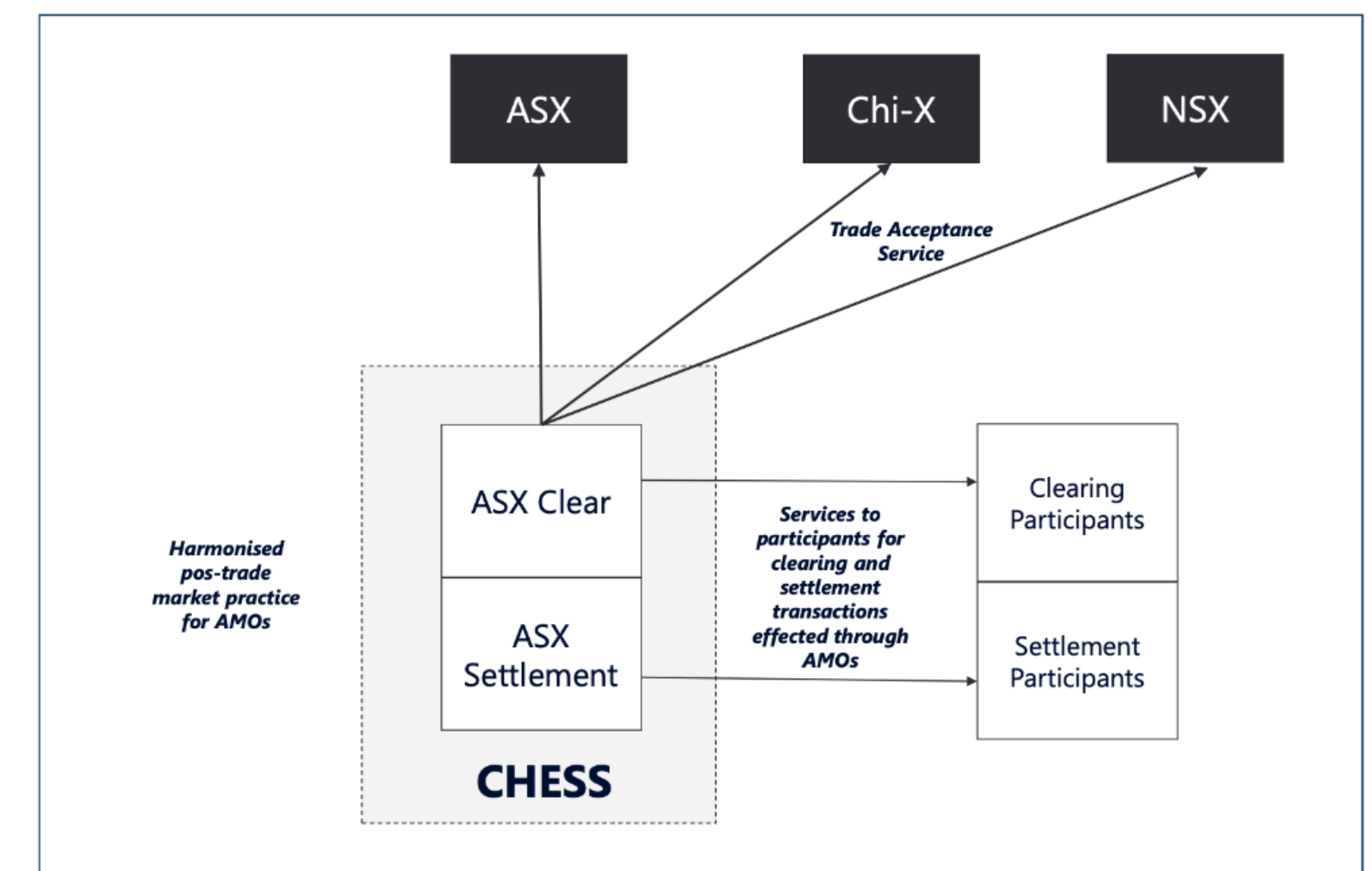
NSXA is working with Participants on their readiness for a [target trading go-live to allow TAS enabled execution in August 2020](#).

Brokers and online trading platforms (once integrated), will be able to provide a trading and post-trade experience with NSX, that will be effectively the same as currently experienced with ASX

- Technical integration requirements will be minimal for those already connected to CHES.



Overview of new harmonised post-trade market practice for Approved Market Operators (AMO's)



Source: NSX Limited

DLT Based Technology through ClearPay JV



ClearPay JV



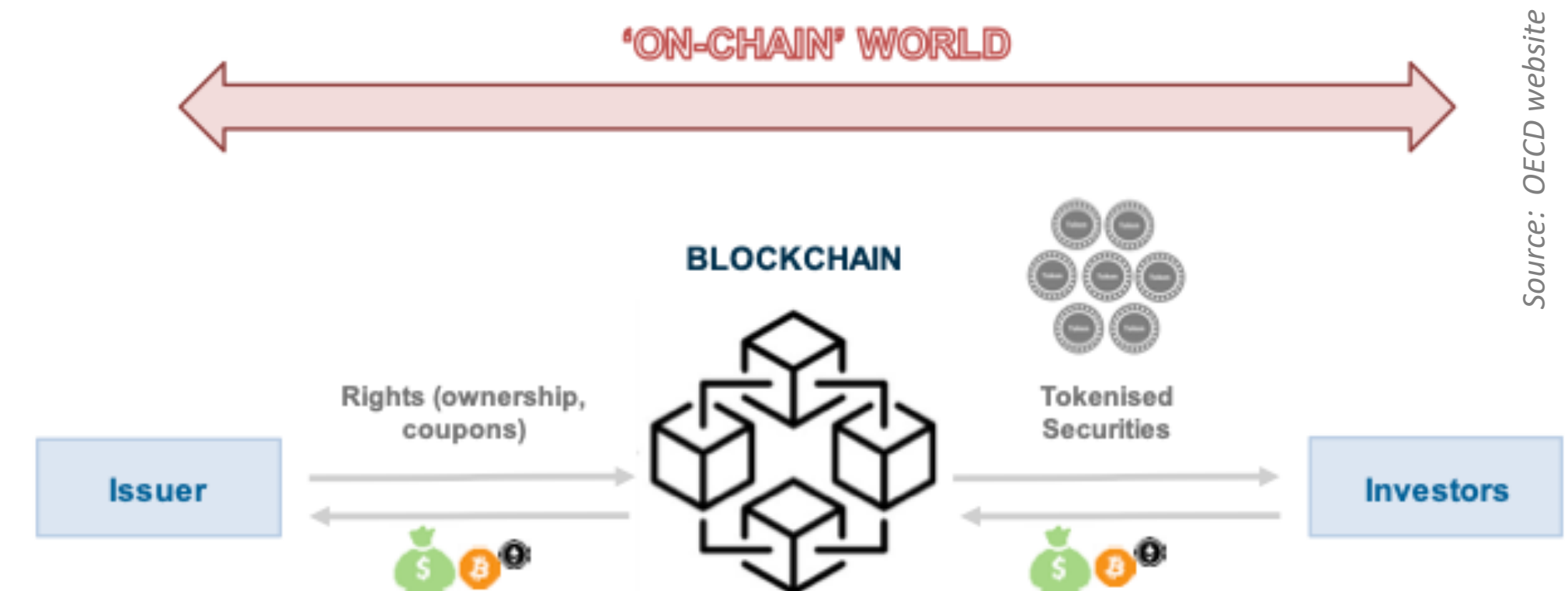
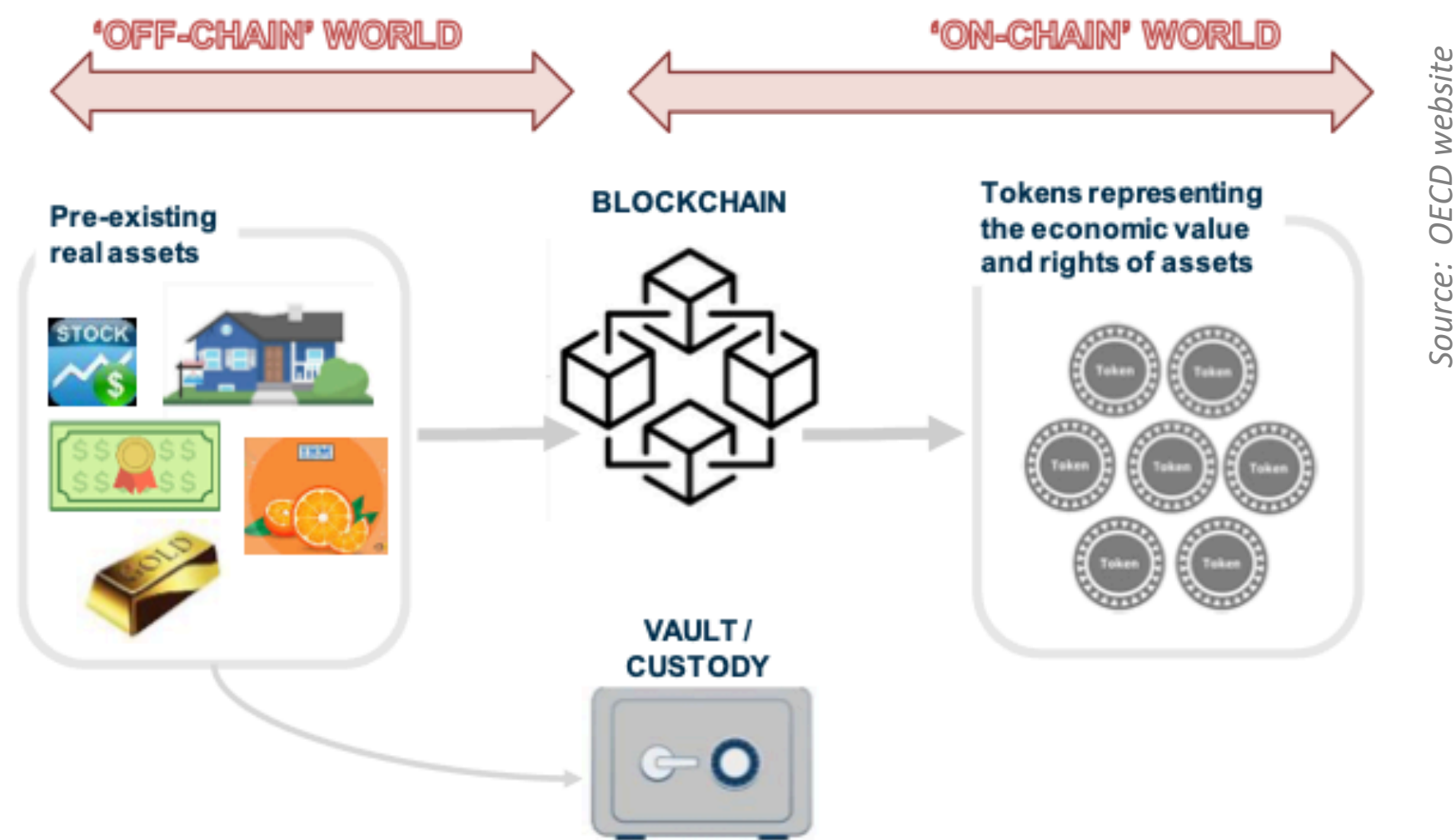
12

ClearPay JV is 41% owned by the NSXL, with 59% ownership by iSignthis Ltd.

NSXL has an option as part of this funding round to purchase 9% from iSignthis Ltd for \$1.3m, which it intends to exercise if capital raised exceeds \$3.5m.

Its objective is to develop a cloud based DvP Platform suitable for the NSXA 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 NSXA as the central authority.



Business Development of the NSXA subsidiary

- Appointed 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 NSXA is the focus
- Our advantages:
 - Listing on NSXA is [faster, cheaper and easier](#) than an ASX listing
 - NSXA 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](#)
 - NSXA 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 fast-tracked in less than 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 CHESS).
 - ASX listed to NSXA listed fast-track process for ASX listed entities.

Business Development – NSXA Trading

Retail brokers will be key focus post TAS, including integrating more online trading platforms and brokers to complement existing participants below:



What's Ahead?

What's Ahead?

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

- NSXA is already connected to CHESS, just like the ASX (complete)
- TAS makes trading shares on NSXA automated for brokers, PA investors and institutions (circa August 2020)
- 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 NSXA
- Broaden our distribution platforms
- Enhanced services for Participants

Together, these will drive liquidity in securities listed on the NSXA, 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

Authorised by Managing Director NSXL, Chairman NSXL and Chairman NSXA

