NSX Limited

ABN 33 089 447 058

Annual Report - 30 June 2024

Directors	Michael Aitken, AM
	Timothy Hart
	Kelly Humphreys
	Tod McGrouther
	Barnaby Egerton-Warburton
	Max Cunningham
Registered office and principal place	Level 3, Suite 3.04
of business	1 Bligh Street
	Sydney NSW Australia
Share register	Boardroom Pty Limited
	Level 8, 210 George Street
	Sydney NSW Australia
Auditor	PKF(NS) Audit & Assurance Limited Partnership
	Level 8, 1 O'Connell Street
	Sydney NSW 2000 Australia
Stock exchange listing	NSX Limited shares are listed on the Australian Securities Exchange (ASX code: NSX)
Website	https://www.nsx.com.au/
Corporate Governance Statement	The Corporate Governance Statement is available on the company's website at:
	https://www.nsx.com.au/about/governance/constitution-and-policies/

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of NSX Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were directors of NSX Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Director	Position
Michael Aitken, AM	Non-Executive Director
Timothy Hart	Non-Executive Director and Chair
Kelly Humphreys	Non-Executive Director
Tod McGrouther	Non-Executive Director
Barnaby Egerton-Warburton	Non-Executive Director
Max Cunningham	Managing Director and CEO (appointed 3 June 2024)
Tony Shen (Weiguo)	Non-Executive Director (resigned 23 November 2023)

Company secretary

Scott Evans has held the position of company secretary (B.Ec (hons) Graduate AICD, Fellow FINSIA, Fellow GIA, DFP) since the beginning of the reporting period, to the date of this report. He was appointed on 7 March 2006.

Principal activities

The principal activities of the Group during the financial year were the operation of the National Stock Exchange of Australia Limited.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the Group after providing for income tax and non-controlling interest amounted to $4,107,472 (30 June 2023: loss of $3,412,876).

	2024	2023	Change	Change
	$	$	$	%
Revenue from operations	1,472,390	1,923,603	(451,213)	(23%)
Expenses including non-recurring costs	(5,609,632)	(5,370,291)	(239,341)	4%
Net loss after tax	(4,107,472)	(3,412,876)	(694,596)	20%
Shares on issue at end of period *	535,373,623	401,016,627	134,356,996	34%

* Includes 1,500,000 partly paid shares and excludes share cancellation of 77,592,652 fully paid ordinary shares per the ASX announcement dated 23 July 2024.

OPERATING REVENUE

Revenue associated with the operations of the National Stock Exchange of Australia Limited ('NSXA') accounts for 99% of all income in FY24. The balance of revenue comprises interest earned on cash and investments held during the year.

The Group reported total revenue of $1,472,390, representing a decrease of $451,213 on the previous comparative period ('pcp').

The Group continues with its main business of listing of issuers, quotation of issuers and their securities as well as nominated advisers and broker participants as part of operating the NSXA market licence.

The operating revenue for each of the Group's business activities is reflected in the below table.

	2024	2023	Change	Change
	$	$	$	%
Application fees	260,519	352,020	(91,501)	(26%)
Secondary capital raising	198,319	159,880	38,439	24%
Annual fees	872,797	1,029,203	(156,406)	(15%)
Other revenue	140,755	382,500	(241,745)	(63%)
Total Revenue	**1,472,390**	**1,923,603**	**(451,213)**	

Key movements from the pcp are as follows:

Application fees - $260,519, down 26%

The drivers of this revenue line are the number of new listings approved in the period, the market capitalisation of those issuers and the scheduled fee charged. The decrease in application fees from the pcp reflects a lower average market capitalisation of new issuers and new listings to the official list during the year.

Secondary capital raising fees - $198,319, up 24%

The drivers of this revenue line are the number of new listings approved in preceding periods, the market capitalisation of those issuers, subsequent capital raised on the exchange, restricted securities that are released from escrow, and the scheduled fees charged. Subsequent quotation fees on the exchange increased by $0.11 million, reflecting an increased run off of escrowed securities in the current period. A total of $64.5 million in new capital was raised by companies listed on the exchange in the current year, compared to $32.9 million in the pcp.

Annual fees - $872,797, down 15%

Annual fees are the product of three key drivers, the number of listed securities, the market capitalisation of the listed entities and the scheduled fee charged. Annual fees were $0.16 million lower than the pcp reflecting the net impact of 50 listed securities in the current period compared to 55 in the pcp, with an average market capitalisation of $49.3 million, up from $48.4 million in the prior period. The total market capitalisation of the exchange as at 30 June 2024 was $2.465 billion (2023: $2.585 billion).

Other revenue - $140,755, down 63%

The decrease in the current year is driven by the one-off recovery of $238k of fees from Geolent Pte Ltd in the pcp.

EXPENSES

The Group incurred $4,979,553 (2023: $4,594,175) in expenses excluding impairment, share-based payment expense, depreciation and amortisation in expenses in the current financial year.

	2024	2023	Change	Change
	$	$	$	%
30 June expense category				
Administration	825,598	733,462	92,136	13%
Compliance expenses	37,644	45,486	(7,842)	(17%)
Consultancy expenses	298,700	418,655	(119,955)	(29%)
Employee benefits expense	1,631,120	1,641,487	(10,367)	(1%)
Finance costs	116,384	93,182	23,202	25%
IT costs	335,784	260,388	75,396	29%
Legal expenses	134,846	109,020	25,826	24%
Marketing expenses	174,846	35,506	139,340	392%
Market trading expense	1,040,581	881,701	158,880	18%
Occupancy expense	92,178	65,984	26,194	40%
Other expenses	291,872	309,304	(17,432)	(6%)
Total Expenses	**4,979,553**	**4,594,175**	**385,378**	

Key movements in expenses from the pcp are as follows:

Administration - $825,598, up 13%

This is driven primarily by an increase in ASIC fees compared to the pcp.

Consultancy - $298,700, down 29%

The decrease is driven by a one-off advisory project completed in the pcp.

Marketing expenses - $174,846, up 392%

This is driven by increased marketing consulting and promotional activities for the Group.

Market trading expense - $1,040,581, up 18%

This expense encompasses costs associated with trading and settlement activities of the exchanges, including trading systems, data centres, security, market access and regulatory fees as well as costs associated with ongoing software upgrades.
The increase in the current year is primarily drive by increased costs associated with the OMX Helsinki trading engine and market surveillance technology costs.

BALANCE SHEET

	2024	2023	Change	Change
	$	$	$	%
Cash	2,061,675	2,064,284	(2,609)	-
Financial assets	366,221	361,193	5,028	1%
Other assets	1,887,226	2,304,423	(417,197)	(18%)
Total assets	**4,315,122**	**4,729,900**	**(414,778)**	
Payables and other liabilities	3,815,772	1,163,088	2,652,684	228%
Provisions	255,902	239,031	16,871	7%
Lease liabilities	1,149,677	1,388,192	(238,515)	(17%)
Total liabilities	**5,221,351**	**2,790,311**	**2,431,040**	
Equity	**(906,229)**	**1,939,589**	**(2,845,818)**	**(147%)**

As at 30 June 2024, net current assets decreased by $3,062,665 from 30 June 2023, primarily attributable to the share cancellation funds payable, the convertible note payable and a decrease in prepayments. Excluding the impact of the share cancellation funds payable and the convertible note payable, which are both intended to convert to equity within 12 months, the decrease in net current assets from 30 June 2023 is $603,123. Overall net assets decreased by $2,845,818 from the pcp, driven by the convertible note established in February 2024, addition to the liability arising from the share cancellation announced in July 2024.

Payables and other liabilities of $3,815,772 is comprised of trade and other payables ($1,008,063), convertible note payable ($519,726), share cancellation funds payable ($1,939,816) and contract liabilities ($348,167). Contract liabilities represent the unamortised balance of annual listing fees that have been billed and collected from issuers and are recognised over 3 years.

WORKING CAPITAL

The Group maintains a cash balance of $2.43 million (30 June 2023: $2.43 million) at the end of the period. Of the working cash held, $0.36 million is held as part of the market compensation arrangements and rental bonds. Interest derived from the cash held on deposit is used for working capital. Details of various arrangements that have an impact on the Group's cash balances are outlined below.

	Consolidated	
	2024	2023
Reconciliation of cash	$	$
Cash on hand and at bank	2,061,675	2,064,284

Compensation Arrangements

As part of the National Stock Exchange of Australia Limited's Australian Financial Markets Licence, the Group operates investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. National Stock Exchange of Australia Limited has provided a cash deposit of $0.2 million as part of its Compensation Arrangements. This is over and above the money that is included in the Fidelity Fund operated by National Stock Exchange of Australia Limited, which currently has a balance of $0.6 million. Interest generated by the Fidelity Fund is re-invested into the fund.

Rental bonds and other bank guarantees
NSX Limited has in place a bank guarantee for the rental of premises in Sydney of $154,221 (30 June 2023: $149,193). These amounts are not available cash for use by the Group as working capital. Interest generated from the cash held in the deposit is re-invested into the bond to allow for growth in the bond requirements over time.

Net working capital

The following table details the impact of the bank guarantee arrangements on the Group's current cash balances available for use.

	Consolidated	
	2024	**2023**
	$	**$**
Total cash at end of the period	2,061,675	2,064,284
Deposits held for equity markets compensation arrangements	212,000	212,000
Other bank guarantees	154,221	149,193
	2,427,896	**2,425,477**

Consolidated summary

Key statistics	**2024**	**2023**	**Change %**
Earnings per share (cents)	(0.96)	(0.93)	3.34%
Net tangible asset backing (cents)	(0.17)	0.49	(134.69%)
Share price at the end of period (cents)	2.10	4.10	(48.78%)
Shares on issue at the end of the period (mil)	535.37	401.01	33.51%
Market capitalisation ($'mil)	11.24	17.70	(36.48%)
Cash at bank ($'000)	2,427.90	2,425.47	0.10%
Cash held for statutory purposes ($'000)	366.22	361.19	1.39%
Working capital ($'000)	2,061.67	2,064.28	(0.13%)

Earnings per share remained materially in line with the pcp, based on a weighted average number of shares of 428,344,021 (30 June 2023: 367,968,209).

Net tangible asset backing per share declined by 134.69% from the pcp, with a total drop in net tangible assets from $1,953,687 to ($907,064).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

Court application

On 23 July 2024, the company announced that it will make a court application under section 1325A of the Corporations Act ('Act') to effectively reverse, by cancellation and refund, shares issued to substantial shareholder ISX Financial EU plc ('ISX') that involved a contravention of the Act and the ASX Listing Rules. The shares were additional to ISX's pro rata entitlement, and were issued under the shortfall facility or by way of conversion of loan funding.

Specifically, the cancellation will be of 77,592,652 fully paid ordinary shares in the company registered in the name of ISX on 8 March 2024 and 31 May 2024. The cancellation would restore ISX's shareholding in the company to 30.35%. Refer note 17 for accounting treatment at 30 June 2024.

In the meantime, a holding lock has been applied to those shares which are to be cancelled.

Funding update

Since the share cancellation will reduce the Group's financial resources, the company has taken steps to arrange replacement financial resources and to create a mechanism for a replacement share issue to be approved by shareholders (if they choose to do so).

The company has issued a convertible note to ISX, which provides the company with $2.2m of loan funding (slightly exceeding the share refund amount and rectification costs). Most of the loan amount will come from the refund payable to ISX, with the balance to be advanced by ISX to the company shortly after the court order. The loan is dependent on the court order being made.

The Group's cash position will be unchanged by the above until the court order and then shortly afterwards will improve by about $260,000.

The loan is convertible to shares in the company at an issue price of 2.5 cents each if a proposed conversion is approved by company shareholders having followed the procedure required by the Act and the ASX Listing Rules. The noteholder can call for part or full repayment on 90 days' notice if both a conversion proposal is not approved by company shareholders and at that time the Group's net assets are lower than at the date of issue of the convertible note. If not converted or the subject of early repayment, the loan will be in place for 2 years.

Separately, another existing convertible note (previously announced, see note 14) providing funding of $500,000 by a subsidiary of ISX has been replaced by a convertible note between the company and ISX on substantially similar terms to the new $2.2m note (above).

In both cases, the interest rate on the loan is 10% per annum commencing at 4 months after the date of the 23 July 2024 announcement, and is payable upon conversion or repayment of the principal sum.

On 31 July 2024, the company announced that it would seek to divest its 41% shareholding in the ClearPay JV to ISX. A resolution in respect of this announcement will be put to shareholders at the company's Annual General Meeting ('AGM').

In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations,* the criteria required to be satisfied to be classified as an asset held for sale has been met after the reporting period end date but before the authorisation of the financial statements for issue and therefore, will not be classified as such within the 30 June 2024 financial report. The gain or loss expected to be recognised in respect of the sale has not been determined and the sale price (and related costs of disposal) will be calculated in accordance the requirements set out in the shareholders deed dated 20 February 2020. The ClearPay JV forms part of the single operating segment as disclosed in note 4, however holds a carrying value at 30 June 2024 of nil.

On 5 August 2024, the company announced the cancellation of 77,592,652 fully paid ordinary shares as noted in the 23 July 2024 announcement above.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental regulation and Corporate Governance

Environmental regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or State. The directors are not aware of any significant material environmental issues arising from the operations of the Group during the year.

Corporate Governance

The Group's Board of Directors is responsible for the corporate governance of the Group. The Board guides and monitors the business affairs of the Group on behalf of stakeholders and its activities are governed by the Constitution.

The company's Corporate Governance Statement is founded on the ASX Corporate Governance Council's principles and recommendations. The statement is reviewed annually and, if necessary, revised. It is lodged with ASX and published on the company website.

The responsibilities of the Board of Directors and those functions reserved to the Board, together with the responsibilities of the Managing Director are set out in our Board Charter. To assist with governance, the company has established relevant policies and procedures.

For copies of policies, procedures and charters, please visit the NSX website and navigate to Governance > Constitution and Policies.

Information on directors

Name:	**Michael Aitken, AM**
Title:	Non-Executive Director (Appointed 26 October 2020)
Qualifications:	PhD in security market design from the Australian Graduate School of Management at the University of New South Wales.
Experience and expertise:	Dr Aitken has had a long and distinguished career introducing postgraduate students to entrepreneurial endeavour through establishing start-up businesses. Much of this work was conducted under the auspices of Capital Markets Cooperative Research Centre – CMCRC where he was CEO and Chief Scientist. He is perhaps best known for his work establishing SMARTS, a real-time fraud detection system for financial markets which he sold to Nasdaq in 2008. Taking advantage of SMARTS he is also a respected expert witness in cases involving insider trading, market manipulation having worked on more than 50 cases in the United Kingdom, Singapore, New Zealand, Malaysia, the UAE and Australia.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	Nil

Name:	**Barnaby Egerton-Warburton**
Title:	Non-Executive Director (Appointed 12 April 2022)
Qualifications:	B.Economics (Murdoch)
Experience and expertise:	Mr Barnaby is a director of the NSX JV entity, ClearPay Pty Ltd. Barnaby has over 25 years of investment banking, international investment and market experience with position at JP Morgan (New York, Sydney, Hong Kong), BNP Equities (New York) and Prudential Securities (New York). He is a founder and partner of Modena. Barnaby has a broad range of experience across start-up funding, trade sales, buyouts, M&A and IPO's. Barnaby sits on multiple ASX listed boards.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	Nil

Name:	**Timothy Hart**
Title:	Non-Executive Director and Chair (Appointed 26 February 2020 and 26 March 2020 respectively)
Qualifications:	Postgraduate Diplomas from Said Business School, The University of Oxford (Strategy & Innovation and Organisational Leadership) and holds a number of degrees from University of Melbourne- Bachelor of Science, Master of Management and Master of Marketing and Master of Education.
Experience and expertise:	Highly experienced company director of both listed and non-listed companies His varied experience covers, general management, capital markets, banking, marketing, sales, supply chain/logistics, operations/manufacturing, commodities, hedging, capital project management, business information systems, finance, online identification, and fraud prevention governance, general management, finance, regtech, strategic marketing, sales, and logistics. Former Managing Director and CEO of Ridley Corporation Limited (ASX: RIC) and before joining Ridley, Timothy was CEO of Sugar Australia for eight years, after a long career in fast-moving consumer goods industry with SCA and in packaging with Carter Holt Harvey, ACI and Amcor. Mr Hart is a fellow of the Australian Institute of Company Directors and of the Institute of Managers and Leaders (Australia and New Zealand).
Other current directorships:	Southern Cross Payments Limited (formerly ASX: SP1)
Former directorships (last 3 years):	Nil
Interests in shares:	937,500 Fully paid ordinary shares

Name:	Kelly Humphreys
Title:	Non-Executive Director (Appointed 18 June 2020)
Qualifications:	Master of Management, Diploma in Financial Services and a graduate member of Australian Institute of Company Directors.
Experience and expertise:	Ms Humphreys is an experienced Non-Executive Director with existing Board and committee roles spanning industry sectors including financial service, and e-commerce. Kelly has extensive executive experience in financial services and a depth of technical expertise in operations, risk management and governance. She brings a strong commercial approach to achieving objectives in complex regulatory environments and working effectively to deliver growth and improved performance. Kelly is also a Non-Executive Director of Latrobe Private Health.
Other current directorships:	Raiz Invest Limited (ASX: RZI), TOYS 'R' US ANZ LIMITED (ASX: TOY)
Former directorships (last 3 years):	Victory Offices Limited (ASX: VOL)
Interests in shares:	500,000 Fully paid ordinary shares

Name:	Tod McGrouther
Title:	Acting Managing Director (Appointed 15 March 2022 until 3 June 2024), Non-Executive Director (Appointed 18 February 2020)
Qualifications:	Bachelor of Law (First Class Honours and University Medal) University of Sydney and Bachelor of Commerce (First Class Honours) and University Medal from University of New South Wales, Diploma of Finance Securities Institute of Australia.
Experience and expertise:	Mr McGrouther has worked in the Australian corporate advisory industry and equity capital markets since 1986 commencing as Associate Director of Bankers Trust Australia and advising a large number of corporate advisory assignments including the State Bank of Victoria, the South Australian Government, the Bank of New Zealand, the State Bank of New South Wales, the Commonwealth Bank and Qantas. Between 1994 and 1998 Tod was Director of the Corporate Finance Department of Prudential Bache Securities Limited. During this time, he completed a number of equity capital raising assignments specialising in the resources sector for the clients including Anaconda Nickel Limited, Australian Goldfields Limited, Sipa Resources Limited and Legend Mining Limited. He also completed a large number of industrial sector initial public offerings including the demutualising and listing of Namoi Cotton Limited.
Other current directorships:	Love Group Global Limited (ASX: LVE), European Cannabis Corporation Limited
Former directorships (last 3 years):	Urbanise Limited (ASX: UBN)
Interests in shares:	Nil

Name:	**Max Cunningham**
Title:	Managing Director (Appointed 3 June 2024)
Experience and expertise:	Max has been the CEO of FXC and prior to that was Group Executive – Listings at ASX from 2013 to 2022. He was also Head of Equity Capital Markets at Goldman Sachs from 2008 to 2012. Prior to that he had leadership roles with Goldman Sachs in New York and Macquarie Bank in London. FCX - CEO 2023 ASX - Group Executive Listings 2013-2022 Goldman Sachs - Head of Equity Capital Markets 2008-2012 Goldman Sachs - Executive Director, Equity Sales - New York 2004-2008 Macquarie Equities - Division Director, Equity Sales London 1997-2004 Macquarie Equities - Foundation Team Member - Macquarie Private Client 1994-1997
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	Nil
Interests in rights:	Performance rights to be approved by shareholders at the 2024 AGM as per CEO agreement announced to the ASX on 22 May 2024.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Meetings of directors

Directors' meetings	Director's meetings		Special meetings		Audit & risk committee	
	Eligible to attend	**Number attended**	**Eligible to attend**	**Number attended**	**Eligible to attend**	**Number attended**
Michael Aitken	12	12	1	1	*N/A*	*N/A*
Timothy Hart	12	12	1	1	4	4
Kelly Humphreys	12	12	1	1	4	4
Tod McGrouther	12	12	1	1	4	4
Barnaby Egerton-Warburton	12	10	1	1	*N/A*	*N/A*
Max Cunningham	1	1	0	0	*N/A*	*N/A*
Tony Shen (Weiguo)	5	0	1	0	*N/A*	*N/A*
Total meetings	**12**		**1**		**4**	

Meetings of the Remuneration and Nomination Committee

Due to the size of the organisation the functions of this committee are performed by the entire Board.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Legal proceedings
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

Under the Board Charter, the company Board retains ultimate responsibility for the remuneration of key management personnel ('KMP'). It is the policy of the Board that remuneration be intended to create and enhance shareholder wealth. This involves ensuring that individual remuneration is set by reference to a calculus of factors including: market remuneration levels, the nature of the role and duties performed, the skill set of the individual and the significance of their role within the corporate group. Currently, the policy is that remuneration is reviewed by the Board on a periodic basis to ensure continued support of the commercial and regulatory interests of the exchange and its shareholders.

The Board policy with respect to the consolidated entity KMP also applies to KMP of its subsidiary entities.

This policy ensures that Directors and KMP are paid without prejudice to the interests of a particular business of the company. This is because Directors and KMP are expected to be able to contribute to each cash generating unit in a positive manner thereby enhancing the performance of each of the cash generating units. The subsidiary National Stock Exchange of Australia Limited ('NSXA') is highly regulated by ASIC and as such NSXA must have in place policies and procedures to avoid conflicts of interest when dealing with compliance and admissions decisions. Conflicts could arise if KMP renumeration was based on successful listing applications or compliance decisions which negate the independence and fairness of such decisions.

NSX shareholders approved a performance rights plan at a General Meeting on 24 November 2022 for employees excluding the Board.

The Board is cognisant of general shareholder concern that long-term equity based rewards for staff should be linked to the achievement by the Company of a performance condition. Performance Rights granted under the Performance Rights Plan to eligible participants will be subject to performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting and the employee being advised that the vesting conditions have been met, Shares will be issued to the employee exercising the Performance Rights.

Remuneration practices

The Board's policy for determining the nature and amount of compensation of Directors and other key management for the Group is as follows:

- Approved by shareholders at the AGM of 9 November 2017, the remuneration pool for Non-Executive Directors is $400,000 per annum inclusive of any superannuation guarantee remittances. Non-executive Chair and non-executive Director fees are comprised of a fixed component being $80,000 and $40,000 respectively exclusive of superannuation.

- Executive Director fees for service are by mutual agreement with the Board.

- Directors are allowed to claim reimbursements for expenses incurred when acting on behalf of the Group.

- Directors are allowed to claim remuneration approved by the Board of Directors as a member of the Audit & Risk Committee, Remuneration & Nomination Committee, Compliance Committee or Listing & Admissions Committee. Currently, the Board has approved that remuneration for any committee work undertaken by Non-Executive Directors is included within their fixed stipend.

Use of remuneration consultants

The Group have not engaged remuneration consultants in the current or prior financial year.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
2024	$	$	$	$	$	$	**$**
Non-Executive Directors:							
Michael Aitken, AM	44,200	-	-	-	-	-	**44,200**
Timothy Hart	80,000	-	-	8,800	-	-	**88,800**
Kelly Humphreys	40,000	-	-	4,400	-	-	**44,400**
Barnaby Egerton-Warburton	40,000	-	-	4,400	-	-	**44,400**
Tod McGrouther***	7,333	-	-	-	-	-	**7,333**
Tony Shen (Weiguo)*	16,667	-	-	1,833	-	-	**18,500**
Executive Directors:							
Tod McGrouther***	80,667	-	-	-	-	-	**80,667**
Max Cunningham**	29,167	-	-	3,208	-	15,284	**47,659**
	338,034	**-**	**-**	**22,641**	**-**	**15,284**	**375,959**

* Tony Shen (Weiguo) resigned as Non-Executive Director on 23 November 2023.

** Max Cunningham was appointed as Executive Director commencing 3 June 2024. Equity-settled remuneration for Mr Cunningham reflects the expensing of 6,000,000 performance rights from commencement date until year end. Note that these performance rights are subject to shareholder approval and hence are not deemed to have been issued, nor granted.

*** Tod McGrouther ceased his role as Acting Managing Director (Executive Director) on 3 June 2024. Therefore, his remuneration has been apportioned between performing the role of an Executive Director and a Non-Executive Director.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
2023	$	$	$	$	$	$	**$**
Non-Executive Directors:							
Michael Aitken, AM	44,200	-	-	-	-	-	**44,200**
Timothy Hart	80,000	-	-	8,400	-	-	**88,400**
Kelly Humphreys	40,000	-	-	4,200	-	-	**44,200**
Barnaby Egerton-Warburton	40,000	-	-	4,200	-	-	**44,200**
Tony Shen (Weiguo)	40,000	-	-	4,200	-	-	**44,200**
Executive Directors:							
Tod McGrouther	88,400	-	-	-	-	-	**88,400**
	332,600	**-**	**-**	**21,000**	**-**	**-**	**353,600**

For all years presented, the proportion of remuneration linked to performance is 0% and the fixed proportion is 100%.

Service agreements

There are no employment or service agreements agreed to by the Board for Non-Executive Directors. Non-Executive Directors enter into an agreement related to their Director duties, with a stipend of $40,000 per annum, exclusive of superannuation.

Timothy Hart, who also serves as Chair, receives an additional stipend of $40,000 per annum.

Todd McGrouther, in addition to his role as a Non-Executive Director, served as Acting Managing Director of the company prior to Max Cunningham's appointment and received an additional stipend of $40,000 per annum.

The actual remuneration for each Director for the year ended 30 June 2024 is detailed in the table above, with related party transactions disclosed in note 27.

Managing Director and CEO - Max Cunningham

Details of the employment agreement are as follows:

Agreement commenced:	3 June 2024
Details:	$350,000 per annum, exclusive of superannuation and inclusive of tax. Mr. Cunningham is eligible for participation in the employee performance rights plan, subject to the discretion of the Board and shareholder approval at the AGM to be held in November 2024 (or EGM if held earlier). 6 months' notice on termination.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2024.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Performance rights

There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2024. Refer to details of remuneration above, noting Max Cunningham's performance rights are subject to shareholder approval and hence, have not been issued nor granted.

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Legal proceedings

There are no legal proceedings against the Group as at the date of this report.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Ordinary Shares	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Timothy Hart	937,500	-	-	-	937,500
Kelly Humphreys	500,000	-	-	-	500,000
Tony Shen (Weiguo)*	14,000,000	-	-	-	14,000,000
	15,437,500	**-**	**-**	**-**	**15,437,500**

* The balance at the end of the year for Tony Shen (Weiguo) is at the date of ceasing directorship on 23 November 2023.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of NSX Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
3 January 2023	3 January 2027	$0.07	7,500,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of NSX Limited issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Shares under performance rights

Unissued ordinary shares of NSX Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise Price	Number under rights
24 November 2021	24 November 2025	$0.00	833,334
08 April 2022	15 April 2026	$0.00	369,970
28 April 2023	1 April 2023	$0.00	558,514
24 July 2023	1 March 2026	$0.00	158,108
14 December 2023	24 November 2026	$0.00	270,270
			2,190,196

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of performance rights

The following ordinary shares of NSX Limited were issued during the year ended 30 June 2024 and up to the date of this report on the exercise of performance rights granted:

Date of exercise of performance rights granted	Exercise price	Number of shares issued
24 July 2023	$0.00	181,434
14 December 2023	$0.00	222,222
22 May 2024	$0.00	702,429
22 May 2024	$0.00	615,946
		1,722,031

Indemnity officers or auditors

The consolidated entity has paid a premium to indemnify the directors and officers of the consolidated entity against liability incurred in their capacity as directors and officers.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the board of directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Chartered Accountants in Australia and New Zealand and CPA Australia's APES 110: Code of Ethics for Professional Accountants

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2024:

	2024	2023
	$	$
Tax services - income tax	3,490	2,400

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Tim Hart

Director

Kelly Humphreys

Director

23 August 2024

PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839
755 Hunter Street, Newcastle West NSW 2302
Level 8, 1 O'Connell Street, Sydney NSW 2000

Newcastle T: +61 2 4962 2688 F: +61 2 4962 3245
Sydney T: +61 2 8346 6000 F: +61 2 8346 6099
info@pkf.com.au
www.pkf.com.au

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of NSX Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF

MMatthews

MARTIN MATTHEWS
PARTNER

23 AUGUST 2024
NEWCASTLE, NSW

Financial Statements

Financial Year Ended 30 June 2024

Contents

General information

The financial statements cover NSX Limited as a Group consisting of NSX Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is NSX Limited's functional and presentation currency.

NSX Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 3, 1 Bligh Street Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 August 2024. The directors have the power to amend and reissue the financial statements.

Corporate Governance Statement

The Corporate Governance Statement is available on the Company's website at:
https://www.nsx.com.au/about/governance/constitution-and-policies/.

	Note	Consolidated 2024	Restated Consolidated 2023
		$	$
Revenue	5	1,472,390	1,923,603
Interest revenue calculated using the effective interest method		29,770	33,812
Expenses			
Administration	3	(825,598)	(733,462)
Compliance expenses		(37,644)	(45,486)
Consultancy expenses		(298,700)	(418,655)
Depreciation and amortisation expense	6	(587,980)	(681,265)
Employee benefits expense		(1,631,120)	(1,641,487)
Finance costs	6	(116,384)	(93,182)
IT costs	3	(335,784)	(260,388)
Legal expenses		(134,846)	(109,020)
Marketing expenses		(174,846)	(35,506)
Market trading expense	3	(1,040,581)	(881,701)
Occupancy expense		(92,178)	(65,984)
Other expenses		(291,872)	(309,304)
Share-based payment expense	35	(42,099)	(94,851)
Loss before income tax expense		(4,107,472)	(3,412,876)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of NSX Limited	21	(4,107,472)	(3,412,876)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of NSX Limited		(4,107,472)	(3,412,876)
		Cents	**Cents**
Basic earnings per share	34	(0.96)	(0.93)
Diluted earnings per share	34	(0.96)	(0.93)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

		Consolidated	
	Note	2024	2023
		$	$
Assets			
Current assets			
Cash and cash equivalents	8	2,061,675	2,064,284
Trade and other receivables	9	134,416	121,997
Financial assets		366,221	361,193
Other current assets		602,230	801,691
Total current assets		3,164,542	3,349,165
Non-current assets			
Property, plant and equipment		68	6,641
Right-of-use assets	10	985,831	1,184,078
Intangibles	12	164,681	190,016
Total non-current assets		1,150,580	1,380,735
Total assets		**4,315,122**	**4,729,900**
Liabilities			
Current liabilities			
Trade and other payables	13	1,008,063	778,109
Convertible note payable	14	519,726	-
Lease liabilities	15	631,580	457,968
Employee benefits	16	238,106	210,018
Share cancellation funds payable	17	1,939,816	-
Contract liabilities	18	236,569	249,723
Total current liabilities		**4,573,860**	**1,695,818**
Non-current liabilities			
Lease liabilities	15	518,097	930,224
Employee benefits	16	17,796	29,013
Contract liabilities	18	111,598	135,256
Total non-current liabilities		647,491	1,094,493
Total liabilities		**5,221,351**	**2,790,311**
Net (liabilities)/assets		**(906,229)**	**1,939,589**
Equity			
Issued capital	19	65,846,978	64,580,872
Reserves	20	501,713	506,165
Accumulated losses	21	(67,254,920)	(63,147,448)
Total equity		**(906,229)**	**1,939,589**

The above statement of financial position should be read in conjunction with the accompanying notes

	Issued capital	Accumulated losses	Reserves	Total equity
Consolidated	**$**	**$**	**$**	**$**
Balance at 1 July 2022	59,877,458	(61,119,730)	1,482,398	240,126
Loss after income tax expense for the year	-	(3,412,876)	-	(3,412,876)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	**-**	**(3,412,876)**	**-**	**(3,412,876)**
Shares issued	5,333,636	-	-	5,333,636
Transaction costs on share issue	(630,222)	-	-	(630,222)
Share-based payments (note 35)	-	-	408,925	408,925
Transfer from reserve for options expired	-	1,385,158	(1,385,158)	-
Balance at 30 June 2023	**64,580,872**	**(63,147,448)**	**506,165**	**1,939,589**

	Issued capital	Accumulated losses	Reserves	Total deficiency in equity
Consolidated	**$**	**$**	**$**	**$**
Balance at 1 July 2023	**64,580,872**	**(63,147,448)**	**506,165**	**1,939,589**
Loss after income tax expense for the year	-	(4,107,472)	-	(4,107,472)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	**-**	**(4,107,472)**	**-**	**(4,107,472)**
Contributions of equity, net of transaction costs (note 19)	1,219,555	-	-	1,219,555
Share-based payments (note 35)	-	-	42,099	42,099
Conversion of performance rights (note 19)	46,551	-	(46,551)	-
Balance at 30 June 2024	**65,846,978**	**(67,254,920)**	**501,713**	**(906,229)**

The above statement of changes in equity should be read in conjunction with the accompanying notes

		Consolidated	
	Note	2024	2023
		$	$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,398,790	2,067,830
Payments to suppliers and employees (inclusive of GST)		(4,398,946)	(5,149,195)
Interest received		25,265	33,202
Interest and other finance costs paid		(95,719)	(105,995)
Net cash used in operating activities	**32**	**(3,070,610)**	**(3,154,158)**
Cash flows from investing activities			
Net cash from investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares	19	2,813,210	5,284,621
Proceeds from issue of convertible debt securities		1,000,000	-
Cost of issue of shares		(148,942)	(267,133)
Repayment of lease liabilities		(591,239)	(594,796)
Net cash from financing activities		**3,073,029**	**4,422,692**
Net increase in cash and cash equivalents		2,419	1,268,534
Cash and cash equivalents at the beginning of the financial year		2,425,477	1,156,943
Cash and cash equivalents at the end of the financial year [1]		**2,427,896**	**2,425,477**

[1] Refer to note 32 for a reconciliation of cash per the statement of cash flows above and the cash per the statement of financial position.

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

As at 30 June 2024, Group was in a net liability position of $906,229 (30 June 2023: net asset position of $1,939,589). During the year, the Group incurred a loss of $4,107,472 (30 June 2023: $3,412,876) and incurred cash outflows from operating activities of $3,070,610 (30 June 2023: $3,154,158).

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The directors believe there are reasonable grounds to believe that the Group will be able to continue as a going concern after consideration of the following factors:

- On 23 July 2024, the company announced the issuance of a convertible note to the amount of $2.2 million (exceeding the share cancellation payable detailed in note 17), which will improve the cash position of the Group by $0.26 million.
- On the same date, the company announced the replacement of the existing $0.5 million convertible note (refer note 14), with substantially similar terms. Pending shareholder approval, this convertible note will be extinguished as part of the sale of the shares held by the company in the ClearPay JV, which will reduce the Group’s net liabilities.
- Subject to shareholder approval, the $2.2 million convertible note will be converted to fully paid ordinary shares in November 2024.
- The Board is confident in raising $3 million in equity by 31 December 2024.
- A pipeline of new listings is actively managed with numerous new listings expected throughout 2025.
- There is an ongoing review to maximise revenue growth whilst maintaining the Group's existing cost base.
- The Directors are confident of executing the joint venture agreement with Ajlan & Bros Holding Group ('Abilitii') in the Kingdom of Saudi Arabia ('KSA') to create a second securities and the first commodities exchange in FY25. This will provide the Group with material consultancy revenues through assistance with the application for the exchange licence. The Group is awaiting on the results of a government review before the JV agreement can be executed.

Management’s internal forecast (which assumes achievement of the above factors) indicates that the Group can continue as a going concern for at least the next 12 months.

Should some or all of the forecast assumptions not eventuate or take longer than foreseen, the Group may be unable to continue normal operations into the foreseeable future while it is not cashflow positive. The Group has a history of being able to raise capital and restructure operations when required and the Directors are therefore confident that should the need arise, they will be able to raise sufficient funds from alternative sources to continue normal operations into the foreseeable future.

Basis of preparation

Note 1. Material accounting policy information (continued)

The consolidated financial statements and notes comprise the results of NSX Limited (the 'company' and 'parent entity') and its controlled entities (the 'Group’). These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 28.

Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent entity and all of the subsidiaries. Subsidiaries are entities the parent entity controls. The parent entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non controlling interests”. The Group initially recognises non controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

A list of controlled entities is contained in note 29 to the financial statements. All controlled entities have a June financial year end.

Note 1. Material accounting policy information (continued)

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Listing fees are deferred and recognised over the period in which it is estimated that the listing service will be provided. Services provided in relation to initial or subsequent listings are not considered to be distinct from the ongoing listing service provided throughout the period which the entity has listed and as such are also recognised over the estimated future listing period. Details of the estimated period for which the services will be provided are included in note 2.

Revenue from the rendering of other services is recognised upon the delivery of the service to the customers.

Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

NSX Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Note 1. Material accounting policy information (continued)

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less such as term deposits, and bank overdrafts. Term deposits held on a short term basis in support of operating guarantee and letter of credit for the NSXA Compensation Arrangement has been classified as a current financial asset. This is due to a requirement that these deposits be available for immediate payment to a claimant, should they be called upon, and the obligations of section 885B(1)(g) of the Corporations Act, which requires the Company to provide timely access to Compensation Arrangements. Bank overdrafts are shown within short term borrowings in current liabilities on the Statement of Financial Position.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Profits earned from joint venture entities will increase the carrying amount of the investment whilst any losses decrease the carrying amount up to the extent the investment in joint venture reaches a carrying value of nil.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss ('ECL') basis for the following assets:

- financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets are more than 90 days past due.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Note 1. Material accounting policy information (continued)

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Note 1. Material accounting policy information (continued)

Share cancellation funds payable

The amount of share cancellation funds payable represents the Group's obligation at year-end to return funds to a shareholder in relation to fully paid ordinary shares. Due to its short-term nature, this obligation is measured at amortised cost and is not discounted.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Share-based payments

Equity-settled compensation benefits are provided to others in exchange for the rendering of services.

Equity-settled transactions are awards of shares, options, or rights over shares, that are provided to others in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 1. Material accounting policy information (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024.

The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue recognition

The Group estimates that the initial listing fees of new issuers should be deferred over a three year period (based on historical data).

Share-based payment transactions

The Group measures the cost of equity-settled transactions with others in exchange for the rendering of services by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Impairment of investment in Joint Venture

The Group assesses impairment of its investment in the joint venture at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Treatment of ClearPay Pty Ltd

In 2020, NSX and Southern Cross Payments Ltd entered into a Shareholders Agreement to form a joint venture vehicle ClearPay Pty Ltd (“ClearPay JV”).

Management have concluded that under AASB 11 Joint Arrangements NSX has joint control of ClearPay JV and it should be classified as a joint venture for the following reasons:

- The shareholder deed requires at least one NSX representative and one ISX representative at each Board meeting with a quorum of 2. As at 30 June 2024, there were 4 Board members in total, NSX has two board members and ISX has two board members therefore NSX holds 50% of the voting power; and

- NSX has the power to participate in the financial and operating policy decisions of ClearPay JV.

Note 3. Restatement of comparatives

Reclassification

The financial statements of the prior year have been restated to reflect a reclassification from administration and market trading expenses into IT costs. This is to more appropriately reflect the nature of the transactions as IT costs.

The impact to the comparative period consolidated statement of financial position is nil.

The impact to the comparative period consolidated statement of profit or loss and other comprehensive income is a reclassification from administration and market trading expenses into IT costs, with no impact to the total loss.

Note 4. Segment reporting

Primary reporting - Business segments

Major customers - The Group has a number of customers to which it provides both products and services. During the period the Group had no major customers that contributed more than 5.0% (2023: no major customers contributed more than 5.0%) of total revenue.

Note 4. Segment reporting (continued)

	Stock exchanges	Unallocated items	Total
Consolidated - 2024	$	$	$
Revenue			
External sales services	1,413,551	-	1,413,551
Interest revenue	12,563	17,208	29,771
Other revenue	58,838	-	58,838
Total revenue	**1,484,952**	**17,208**	**1,502,160**
Segment net loss before tax	**46,203**	**(4,153,675)**	**(4,107,472)**
Profit/(loss) before income tax expense	**46,203**	**(4,153,675)**	**(4,107,472)**
Income tax expense			-
Loss after income tax expense			(4,107,472)
Other items			
Depreciation and amortisation	55,518	529,548	585,066
Assets			
Segment assets	618,623	3,696,499	4,315,122
Total assets			**4,315,122**
Liabilities			
Segment liabilities	886,680	4,334,671	5,221,351
Total liabilities			**5,221,351**

Note 4. Segment reporting (continued)

	Stock exchanges	Unallocated items	Total
Consolidated - 2023	**$**	**$**	**$**
Revenue			
External sales services	1,633,267	-	1,633,267
Interest revenue	5,331	28,481	33,812
Other revenue	52,360	237,976	290,336
Total revenue	**1,690,958**	**266,457**	**1,957,415**
Segment net loss before tax	**109,803**	**(3,522,679)**	**(3,412,876)**
Profit/(loss) before income tax expense	**109,803**	**(3,522,679)**	**(3,412,876)**
Income tax expense			-
Loss after income tax expense			(3,412,876)
Other items			
Depreciation and amortisation	174,619	506,646	681,265
Assets			
Segment assets	2,786,447	1,943,453	4,729,900
Total assets			4,729,900
Liabilities			
Segment liabilities	865,315	1,924,996	2,790,311
Total liabilities			**2,790,311**

Note 4. Segment reporting (continued)

Accounting policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, intangibles, property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

Intersegment transfers

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the consolidated entity at an arm's length. These transfers are eliminated on consolidation.

Operating segments

Identification of reportable operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group operates in one operating segment, being Stock Exchanges.

There is no aggregation of operating segments into reportable segments, given that each segment represents a distinct business.

Geographic segments

The Group's business segments are located in Australia.

Note 5. Revenue

	Consolidated	
	2024	**2023**
	$	**$**
Application fees	260,519	352,020
Secondary capital raising	198,319	159,880
Annual fees	872,797	1,029,203
Other revenue	140,755	382,500
Revenue	**1,472,390**	**1,923,603**

Note 5. Revenue (continued)

Disaggregation of revenue from contracts with customers

The Group derives revenue from the provision of services both over time and at a point in time. The Group's major category of revenue is enabling issuers the ability to list on a stock exchange. This aligns with the Group's segment disclosures included in note 4.

	Consolidated	
	2024	**2023**
	$	**$**
Geographical regions		
Australia	1,472,390	1,923,603
Timing of revenue recognition		
Services transferred at a point in time	229,736	432,425
Services transferred over time	1,242,654	1,491,178
	1,472,390	**1,923,603**

Unsatisfied performance obligations

The following table shows unsatisfied performance obligations resulting from listing applications received.

	Consolidated	
	2024	**2023**
Aggregate amount of the transaction price allocated to listing applications that are partially or fully unsatisfied at 30 June	348,167	384,979

Management expects that 76% of the amount allocated to the unsatisfied contracts as of 30 June 2024 will be recognised as revenue during the next reporting period ($236,569). Of the remaining balance, 17% and 7% is expected to be recognised as revenue in the years ended 2025 and 2026 respectively.

Note 6. Expenses

	Consolidated	
	2024	**2023**
	$	**$**
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	6,641	17,480
Buildings right-of-use assets	556,004	530,189
Total depreciation	**562,645**	**547,669**
Amortisation		
Software	25,335	-
TAS project	-	133,596
Total amortisation	**25,335**	**133,596**
Total depreciation and amortisation	**587,980**	**681,265**
Finance costs		
Interest and finance charges paid/payable on borrowings	36,297	2,651
Interest and finance charges paid/payable on lease liabilities	80,087	90,531
Finance costs expensed	**116,384**	**93,182**
Superannuation expense		
Defined contribution superannuation expense	**139,823**	**135,477**
Share-based payments expense		
Share-based payments expense	**42,099**	**94,851**
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation	**1,491,298**	**1,506,010**

Note 7. Income tax expense

	Consolidated	
	2024	2023
	$	$
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(4,107,472)	(3,412,876)
Tax at the statutory tax rate of 25%	(1,026,868)	(853,219)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation of intangibles	6,334	33,399
Depreciation of property, plant and equipment	1,660	4,370
Depreciation of right-of-use assets	139,001	132,547
Share-based payments	10,525	23,713
Tax losses not recognised in the accounts	869,348	659,190
Income tax expense	-	-

	Consolidated	
	2024	2023
	$	$
Tax losses not recognised		
Unrecognised carried forward losses not brought into account, the benefits will only be realised if the conditions for deductibility set out in note 1 occur	**42,184,652**	**41,315,304**
Potential tax benefit @ 25%	**10,546,163**	**10,328,826**

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 8. Cash and cash equivalents

	Consolidated	
	2024	**2023**
	$	**$**
Current assets		
Cash at bank	**2,061,675**	**2,064,284**

Note 9. Trade and other receivables

	Consolidated	
	2024	**2023**
	$	**$**
Current assets		
Trade receivables	**65,152**	**64,885**
GST receivable	63,735	56,087
Accrued income	5,529	1,025
	69,264	**57,112**
	134,416	**121,997**

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Collateral held as security

The Group does not hold any collateral over any receivables balances.

Impairment of receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2024 has been determined to be nil (2023: nil).

Note 10. Right-of-use assets

	Consolidated	
	2024	**2023**
	$	**$**
Non-current assets		
Right-of-use	4,864,081	4,506,324
Less: Accumulated depreciation	(3,878,250)	(3,322,246)
	985,831	**1,184,078**

The Group's right-of-use assets include the lease of an office, a technology lease and a technology equipment lease. Details below:

Sydney office lease

The Group moved into its premises at Level 3, 1 Bligh Street Sydney in October 2016, with an initial 5 year term expiring August 2021. NSX entered into a variation of lease from 1 September 2023 with a 2 year term expiring on 31 August 2025.

Technology leases

The company has an agreement with NASDAQ to provide technology related services to enable the Group to operate a market for trading securities. The lease commenced on 31 July 2016 for a period of 10 years. The Group has upgraded its NASDAQ based infrastructure via the NETS upgrade project in conjunction with NASDAQ. This upgrade went live in October 2023.

Technology equipment lease

The company has entered into an agreement with HP Financial Services (Australia) Pty Ltd to provide equipment to enable the Group to upgrade their software for trading securities. The lease commenced on 1 March 2022 for a period of 5 years.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	$
Balance at 1 July 2022	**1,714,267**
Depreciation expense	(530,189)
Balance at 30 June 2023	**1,184,078**
Additions	357,757
Depreciation expense	(556,004)
Balance at 30 June 2024	985,831

Note 11. Investment accounted for using the equity method

On 20 February 2020, NSX Limited (the 'company') and iSignthis Ltd ('ISX') announced their entry into a shareholder's agreement to form a joint venture vehicle, ClearPay Pty Ltd ('ClearPay JV') to develop a multi-currency, real-time, same day DvP platform ('ClearPay'), to be integrated with ISX's ISXPay® and Paydenity™ platforms. The company invested $3.2 million for a 41% stake in the ClearPay JV, with ISX owning the remaining 59%. See note 30 for details of the investment in ClearPay Pty Ltd.

Under AASB 128, the company's investment in the ClearPay JV is tested annually for impairment. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

As at 30 June 2024, the recoverable amount was determined using a value-in-use calculation with a discounted cash flow model. However, due to the licensing delays have opted for a supportable conservative approach by adopting a nil revenue forecast for the next five years.

The investment remains fully impaired (2023: fully impaired) with no further losses recognised in the current year. Refer note 31 for details on the ASX announcement made after the reporting period end date relating to the company's intent to divest its 41% shareholding in the ClearPay JV.

Note 12. Intangibles

	Consolidated	
	2024	**2023**
	$	**$**
Non-current assets		
Software - at cost	190,016	190,016
Less: Accumulated amortisation	(25,335)	-
	164,681	**190,016**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	TAS	Software	Total
	$	$	$
Balance at 1 July 2022	**132,507**	**190,016**	**322,523**
Amortisation expense	(132,507)	-	(132,507)
Balance at 30 June 2023	**-**	**190,016**	**190,016**
Amortisation expense	-	(25,335)	(25,335)
Balance at 30 June 2024	**-**	**164,681**	**164,681**

Note 13. Trade and other payables

	Consolidated	
	2024	2023
	$	$
Current liabilities		
Trade payables	56,470	122,819
Accrued expenses	797,468	537,053
Sundry payables	154,125	118,237
	1,008,063	**778,109**

Refer to note 23 for further information on financial instruments.

Note 14. Convertible note payable

	Consolidated	
	2024	2023
	$	$
Current liabilities		
Convertible note payable	**519,726**	**-**

The Group received $1,000,000 in convertible note funding during the period, of which $500,000 (plus $2,664 of accrued interest) converted to fully paid ordinary shares on 8 March 2024. At 30 June 2024, $500,000 of principal, plus $19,726 of accrued interest remains outstanding. Interest accrues at 10% per annum on a pro-rata basis. Refer to note 31 for information on post-balance date changes to the loan.

Refer to note 23 for further information on financial instruments.

Note 15. Lease liabilities

	Consolidated	
	2024	2023
	$	$
Current liabilities		
Lease liabilities	631,580	457,968
Non-current liabilities		
Lease liabilities	518,097	930,224
	1,149,677	**1,388,192**

Refer to note 23 for further information on financial instruments.

Note 16. Employee benefits

	Consolidated	
	2024	**2023**
	$	**$**
Current liabilities		
Annual leave	151,074	148,394
Long service leave	87,032	61,624
	238,106	**210,018**
Non-current liabilities		
Long service leave	17,796	29,013
	255,902	**239,031**

Note 17. Share cancellation funds payable

	Consolidated	
	2024	**2023**
	$	**$**
Current liabilities		
Share cancellation funds payable	**1,939,816**	**-**

On 27 June 2024, the company invoked a pause in trading and suspension from quotation due to technical non-compliance related to its capital raising activities.

On 28 June 2024, the company clarified that the non-compliance stemmed from the recent entitlement offer and shortfall placements, including those to ISX Financial EU PLC ('ISX').

On 23 July 2024, the company announced the rectification would involve the cancellation of 77,592,652 fully paid ordinary shares issued to ISX at an issue price of $0.025 (a fair value of $1,939,816) on 8 March 2024 and 31 May 2024.

As the events and conditions that gave rise to the share cancellation existed prior to 30 June 2024, this is deemed an adjusting event and has been reflected in the financial statements at 30 June 2024.

Note 18. Contract liabilities

	Consolidated	
	2024	**2023**
	$	**$**
Current liabilities		
Contract liabilities	236,569	249,723
Non-current liabilities		
Contract liabilities	111,598	135,256
	348,167	**384,979**

Current liabilities

Management expects that 100% of this amount allocated to unsatisfied contracts as of 30 June 2024 will be recognised as revenue during the next reporting period.

Non-current liabilities

Management expects that 62% and 38% is expected to be recognised as revenue in the years ended 2025 and 2026 respectively.

Note 19. Issued capital

	Consolidated			
	2024	2023	2024	2023
	Shares	Shares	$	$
Ordinary shares - fully paid	535,373,623	401,016,627	65,846,978	64,580,872

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	**1 Jul 2022**	**282,613,079**		**59,877,458**
Issue of shares - conversion of performance rights	1 Jul 2022	181,434	$0.03	5,987
Issue of shares - placement	25 Aug 2022	58,888,891	$0.04	2,650,000
Issue of shares - entitlement offer	30 Sep 2022	19,147,460	$0.04	861,636
Issue of shares - conversion of performance rights	20 Dec 2022	83,334	$0.12	10,000
Issue of shares - placement	22 Dec 2022	39,400,000	$0.04	1,773,000
Issue of shares - conversion of performance rights	28 April 2023	702,429	$0.04	33,013
Transaction costs on share issues				(630,222)
Balance	**1 Jul 2023**	**401,016,627**		**64,580,872**
Issue of shares - conversion of performance rights	24 Jul 2023	181,434	$0.05	9,072
Issue of shares - conversion of performance rights	14 Dec 2023	222,222	$0.05	11,111
Issue of shares - entitlement offer	8 Mar 2024	51,044,260	$0.03	1,276,106
Convertible notes conversion to fully paid ordinary shares (note 14)	8 Mar 2024	20,106,546	$0.03	502,664
Issue of shares - conversion of performance rights	22 May 2024	1,318,375	$0.02	26,368
Issue of shares - shortfall placement	4 Jun 2024	61,484,159	$0.03	1,537,104
Share cancellation (note 17)	30 Jun 2024			(1,939,816)
Transaction costs on share issues				(156,503)
Balance	**30 June 2024**	**535,373,623**		**65,846,978**

Ordinary shares

Ordinary shares entitles the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the date of the 2023 Annual Report.

Note 20. Reserves

	Consolidated	
	2024	**2023**
	$	**$**
Options reserve	363,075	363,075
Performance rights reserve	138,638	143,090
	501,713	**506,165**

Options reserve

The reserve is used to recognise the value of equity benefits provided to KG Capital Partners Pty Ltd ('KG') or their nominee. KG acted as the lead broker in capital raises during the year ended 30 June 2023. The options have an expiry date of 3 January 2027 at an exercise price of $0.07 per option.

Performance rights reserve

The reserve is used to recognise the value of equity benefits provided to employees under the Employee Incentive Plan.

Note 20. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Options	Performance rights reserve	Total
	$	$	$
Balance at 1 July 2022	**1,385,159**	**97,239**	**1,482,398**
Issue of options as part of capital raising	363,076	-	363,076
Vesting of performance rights and expense	-	45,850	45,850
Transfer to retained earnings for expired options	(1,385,159)	-	(1,385,159)
Balance at 30 June 2023	**363,076**	**143,089**	**506,165**
Vesting of performance rights granted in prior years	-	11,196	11,196
Vesting of performance rights granted in current year	-	32,736	32,736
Transfer to issued capital on exercise	-	(46,551)	(46,551)
Reversal of share-based payment expense on forfeiture of performance rights	-	(1,833)	(1,833)
Balance at 30 June 2024	**363,076**	**138,637**	**501,713**

* Refer to note 35 for further information.

Options

Details	Date	Options
Issue of unlisted options	04 January 2023	7,500,000

The below success options were issued to KG Capital Partners Pty Ltd (“KG”) or their nominee as a component of compensation for providing introductory and lead manager services for a placement undertaken by the company. The success options were issued across different issues, of which the following remains outstanding at 30 June 2024:

- Success Options Issue 4 – 7,500,000 unlisted options issued on 3 January 2023. Each option entitles the holder to one fully paid ordinary share in the company upon exercise. The options are exercisable at a price of $0.0675 and have an expiry date of 3 January 2027. The unlisted success options have been valued using the Black Scholes Model, as adopted by management based on the valuation provided by an independent valuer. The calculated Black Scholes valuation is $0.048 per unlisted option (total of $363,075), initially recognised as capital raising costs.

There were no movements in the options reserve during the year ended 30 June 2024.

Note 20. Reserves (continued)

Performance rights

Details	Issue date	Performance rights
Balance	01/07/2023	3,541,281
Issue of performance rights to employees	24/07/2023	158,108
Performance rights exercised	24/07/2023	(181,434)
Issue of performance rights to employees	14/12/2023	270,270
Performance rights exercised	14/12/2023	(222,222)
Performance rights exercised	22/05/2024	(702,429)
Performance rights exercised	22/05/2024	(615,946)
Lapse of employee performance rights	22/05/2024	(57,432)
Grant of performance rights to Managing Director and CEO*		3,000,000
Grant of performance rights to Managing Director and CEO*		3,000,000
		8,190,196

* Grant of performance rights to Managing Director and CEO are subject to shareholder approval and therefore, an issue date has not been disclosed.

On 24 July 2023, 158,108 performance rights were issued to current employees of the Group under the Employee Incentive Plan. These will vest upon 1 year of continuous service with the Group from the issue date and satisfactory performance of their duties as determined by the Managing Director. The performance rights have an expiry date of 1 March 2026.

On the same date, 181,434 performance rights were converted to fully paid ordinary shares to the current employees of the Group under the Employee Incentive Plan.

On 14 December 2023, 270,270 performance rights were issued to the current Company Secretary of the Group under the Employee Incentive Plan. These will vest upon 1 year of continuous service with the Group from the issue date. The performance rights have an expiry date of 24 November 2026.

On the same date, 222,222 performance rights were approved by the Board to be converted to shares for the current Company Secretary of the Group under the Employee Incentive Plan.

On 22 May 2024, 702,429 performance rights were converted to fully paid ordinary shares to the current employees of the Group under the Employee Incentive Plan.

On the same date, 615,946 performance rights were converted to fully paid ordinary shares to the current employees of the Group under the Employee Incentive Plan.

On the same date, 57,432 performance rights lapsed, which were issued to an employee of the Group under the Employee Incentive Plan.

Note 20. Reserves (continued)

On 3 June 2024 (the 'commencement date'), 6,000,000 performance rights were disclosed as part of remuneration to the Managing Director and CEO of the Group under the Employee Incentive Plan, with the following vesting conditions:

- 3,000,000 (being the equivalent of $75,000 of performance rights granted at 2.5 cents each). The individual must remain continuously employed or engaged by a member the Group from the commencement date until the date that is 6 months after the commencement date.

- 3,000,000 (being the equivalent of $75,000 of performance rights granted at 2.5 cents each). The individual must remain continuously employed or engaged by a member the Group from the commencement date until the date that is 12 months after the commencement date.

Under AASB 2 'Share-based payment', these are accounted for via estimating the grant date fair value at the end of the reporting period, to recognise the fair value of the services received between the commencement date and grant date. Once the date of grant has been established (upon shareholder approval), management will revise the estimate to reflect the grant date fair value.

The remaining performance rights disclosed within the ASX announcement dated 22 May 2024 are subject to Board discretion and approval and therefore, have not been reflected in the current year financial statements.

Note 21. Accumulated losses

	Consolidated	
	2024	2023
	$	$
Accumulated losses at the beginning of the financial year	**(63,147,448)**	**(61,119,730)**
Loss after income tax expense for the year	(4,107,472)	(3,412,876)
Transfer to other reserves	-	1,385,158
Accumulated losses at the end of the financial year	**(67,254,920)**	**(63,147,448)**

Note 22. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 23. Financial instruments

Financial risk management objectives

The Group's finance function provides services to the business, co-ordinates access to banking facilities, and monitors and manages the financial risks relating to the operations of the Group in accordance with the decisions of the directors.

Note 23. Financial instruments (continued)

In the reporting period, the Group was not exposed to material financial risks of changes in foreign currency exchange rates. Accordingly, the Group did not employ derivative financial instruments to hedge currency risk exposures.

	Consolidated	
	2024	**2023**
	$	**$**
Financial assets		
Cash and cash equivalents	2,061,675	2,064,284
Trade and other receivables	134,416	121,997
Financial assets - term deposits	366,221	361,193
	2,562,312	**2,547,474**
Financial liabilities		
Trade and other payables	1,008,063	778,109
Lease liabilities	1,149,677	1,388,192
Convertible note payable	519,726	-
Share cancellation funds payable	1,939,816	-
	4,617,282	**2,166,301**

Credit standby arrangement and loan facilities

The Group has commercial credit card facilities with a limit of $20,000 in any one calendar month. At 30 June 2024, $8,548 of this facility was used (2023: $10,864). Interest rates are variable.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash held on term deposit. A sensitivity analysis was performed and the assessment determined that a movement in interest rates is not considered to be material to the Group's profit and loss.

Note 23. Financial instruments (continued)

Price risk

	Average price increase			Average price decrease		
Consolidated - 2024	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Cash and cash equivalents - interest bearing accounts	0.5%	8,774	8,774	(0.5%)	(8,774)	(8,774)
Financial assets - term deposits	0.5%	1,831	1,831	(0.5%)	(1,831)	(1,831)
		10,605	**10,605**		**(10,605)**	**(10,605)**

	Average price increase			Average price decrease		
Consolidated - 2023	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Cash and cash equivalents - interest bearing accounts	0.5%	8,865	8,865	(0.5%)	(8,865)	(8,865)
Financial assets - term deposits	0.5%	1,806	1,806	(0.5%)	(806)	(806)
		10,671	**10,671**		**(9,671)**	**(9,671)**

Note 23. Financial instruments (continued)

Interest rate sensitivity analysis

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted average effective interest rate 2024	Weighted average effective interest rate 2023	Floating interest rate 2024	Floating interest rate 2023	Maturing within 1 year 2024	Maturing within 1 year 2023	Total 2024	Total 2023
	%	%						
Financial assets:								
Cash and cash equivalents - non-interest bearing accounts	-	-	306,814	291,219	-	-	306,814	291,219
Cash and cash equivalents - interest bearing accounts	1.03%	1.00%	1,754,860	1,772,917	-	-	1,754,860	1,772,917
Term deposits	3.62%	1.80%	-	-	366,221	361,193	366,221	361,193
Total financial assets			**2,061,674**	**2,064,136**	**366,221**	**361,193**	**2,427,895**	**2,425,329**

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group does not have significant credit risk exposure to any single counterparty at the reporting date.

The credit risk on liquid cash funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated entity.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade

Note 23. Financial instruments (continued)

receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Liquidity risk

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated 2024	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,008,063	-	-	-	1,008,063
Share cancellation funds payable	-	1,939,816	-	-	-	1,939,816
Interest-bearing - variable						
Lease liability	5.97%	679,300	514,635	17,771	-	1,211,706
Interest-bearing - fixed rate						
Convertible notes payable	10.00%	519,726	-	-	-	519,726
Total non-derivatives		**4,146,905**	**514,635**	**17,771**	**-**	**4,679,311**

Note 23. Financial instruments (continued)

Consolidated 2023	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade payables	-	778,109	-	-	-	778,109
Interest-bearing - variable						
Lease liability	5.97%	669,439	1,167,278	44,427	-	1,881,144
Total non-derivatives		**1,447,548**	**1,167,278**	**44,427**	**-**	**2,659,253**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Net fair value

The net fair value of financial assets and financial liabilities approximates their carrying values as disclosed in the Statement of Financial Position and notes to the financial statements.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the board of directors, which periodically reviews the consolidate entities short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities where possible.

Note 24. Key management personnel disclosures

Directors

The following persons were directors of NSX Limited during the financial year:

Michael Aitken, AM	Non-Executive Director
Timothy Hart	Non-Executive Director and Chair
Kelly Humphreys	Non-Executive Director
Tod McGrouther	Non-Executive Director and acting Managing Director
Barnaby Egerton-Warburton	Non-Executive Director
Max Cunningham	Managing Director and CEO (appointed 3 June 2024)
Tony Shen (Weiguo)	Non-Executive Director (resigned 23 November 2023)

	Consolidated	
	2024	**2023**
	$	**$**
Short-term employee benefits	338,034	332,600
Post-employment benefits	22,641	21,000
Share-based payments	15,284	-
	375,959	**353,600**

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PKF(NS) Audit & Assurance Limited Partnership, the auditor of the company:

	Consolidated	
	2024	**2023**
	$	**$**
Audit services - PKF(NS) Audit & Assurance Limited Partnership		
Audit or review of the financial statements	77,906	78,085
Other services - PKF(NS) Audit & Assurance Limited Partnership		
Tax services	3,490	2,400
	81,396	**80,485**

Note 26. Contingent liabilities

	Consolidated	
	2024	**2023**
	$	**$**
Estimates of the maximum amounts of contingent liabilities that may become payable:		
Compensation Arrangements	**800,000**	**800,000**

Compensation Arrangements

Part 7.5 of the Corporations Act 2001 requires licensed markets through which participants provide services for retail clients to have compensation arrangements. The compensation arrangements are limited to the coverage of losses arising from defalcation of client assets held by participants registered with the Exchanges as the holders of Australian Market Licences (AML) as detailed in the Corporations Act 2001.

National Stock Exchange of Australia Limited Compensation Arrangements

The minimum cover that NSX is required to have as part of the compensation arrangements is $800,000. The arrangements to meet the minimum cover are in two parts: (a) the NSX Fidelity Fund as detailed in this report note 33, and (b) a Letter of Credit for the amount of $212,000. The combined sources have $806,293 in funds which exceeds the minimum cover.

During the period there were no claims on the compensation arrangements.

Note 27. Related party transactions

Parent entity

NSX Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 29.

Joint ventures

Interests in joint ventures are set out in note 30.

Key management personnel

Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

Significant influence

The following entities are deemed to have significant influence over the company due to a shareholding that exceeds 20% during or as at the end of the financial year:

- FinTech HQ Pty Ltd held 22.53% of the voting power in the company from 12 July 2023 to 7 March 2023.

- ISX Financial EU PLC held:

    - 23.134% voting power in the company from 1 July 2023 to 7 March 2023,

    - 33.651% voting power in the company from 8 March 2024 to 30 May 2024, and

    - 40.74% voting power in the company from 31 May 2024 to 30 June 2024.

Per note 17, the share cancellation subsequent to year end of 77,592,652 fully paid ordinary shares pertaining to the changes above dated 8 March 2024 and 31 May 2024, bring ISX Financial EU PLC's voting power to 30.35%.

Transactions with related parties

Tim Hart is a director of Authenticate Pty Ltd. Authenticate Pty Ltd provides IT infrastructure as a service to the Group for the support of the Clearing and Settlement messaging to the CHESS services. During the year ended 30 June 2024, services valued at $216,307 (30 June 2023: $198,954) were provided by Authenticate Pty Ltd. The services are provided on an arms' length basis and on commercial terms.

During the period, ISX Financial EU PLC provided convertible note funding to the company with the following details:

    - Amount: $500,000

    - Commencement date: 27 February 2024

    - Interest: 18% per annum on a pro-rata basis

Accrued interest at the date of conversion, being 8 March 2024 was $2,634.

The loan was provided on an arms' length basis and on commercial terms.

Refer note 17 for details of share cancellation.

Note 27. Related party transactions (continued)

During the period, a subsidiary of ISX Financial EU PLC (note 30) provided convertible note funding to the company with the following details:

- Amount: $500,000
- Commencement date: 8 February 2024
- Interest: 10% per annum on a pro-rata basis

The loan is provided on an arms' length basis and on commercial terms.

Refer note 14 for details and below for amount payable at 30 June 2024.

Balances and transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Per note 17, the share cancellation funds payable of $1,939,816 is owing to ISX Financial EU PLC at year end.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2024	**2023**
	$	**$**
Current borrowings:		
Convertible note payable from subsidiary of ISX Financial EU PLC (note 14)	**519,726**	**-**

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 28. Parent entity information

	Parent	
	2024	**2023**
	$	**$**
Loss after income tax	(3,171,667)	(2,098,537)
Total comprehensive income	**(3,171,667)**	**(2,098,537)**

Note 28. Parent entity information (continued)

Statement of financial position

	Parent	Parent
	2024	**2023**
	$	**$**
Total current assets	2,546,602	2,406,778
Total non-current assets	923,052	1,097,758
Total assets	3,469,654	3,504,536
Total current liabilities	2,964,476	701,094
Total non-current liabilities	475,555	863,806
Total liabilities	3,440,031	1,564,900
Issued capital	65,846,978	64,580,872
Reserves	501,713	506,165
Accumulated losses	(66,319,068)	(63,147,401)
Total equity	**29,623**	**1,939,636**

The parent entity has no contingencies or any capital commitments for property, plant and equipment. The parent entity has agreements with subsidiary entities for the provision of services to maintain the operations of the Stock Exchange. The parent entity has not entered into a deed of cross guarantee.

Note 29. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2024 %**	**2023 %**
NSX Private Market Pty Limited	Australia	100.00%	100.00%
BSX Systems Pty Limited	Australia	100.00%	100.00%
National Stock Exchange of Australia Limited	Australia	100.00%	100.00%
NSX Services Limited	Australia	100.00%	100.00%
NSX International Ltd	Cyprus	100.00%	100.00%
Subsidiaries of National Stock Exchange of Australia Limited:			
NSX Clearing Nominees Pty Limited	Australia	100.00%	100.00%

Note 30. Interests in joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the consolidated entity are set out below:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2024**	**2023**
		%	**%**
ClearPay Pty Ltd	Australia	41.00%	41.00%

Note 30. Interests in joint ventures (continued)

In 2020, NSX Limited and Southern Payments Limited ('ISX') entered into a Shareholders Agreement to form a joint venture vehicle, ClearPay Pty Ltd ('ClearPay JV').

ClearPay JV shareholders as at 30 June 2024 are:

- NSX Limited owns 35 shares in ClearPay Pty Ltd;
- ISX owns 50 shares in ClearPay Pty Ltd.

The purpose of the joint venture is to develop a multi-currency, real-time, same day DvP platform called ClearPay. The system will be utilised alongside with the National Stock Exchange of Australia Limited's ("NSXA") current post-trade arrangements where appropriate. However, the NSXA, the company's wholly owned subsidiary market operator, intends to ultimately process all transactions via the new platform.

Management have concluded that under AASB 11 Joint Arrangements, the company has joint control of ClearPay JV and it should be classified as a joint venture for the following reasons:

- The shareholder deed requires at least one NSX Limited representative and one ISX representative at each Board meeting with a quorum of 2. As at 30 June 2024, there were 4 Board members in total, NSX Limited has two board members and ISX has two board members. Therefore, NSX Limited holds 50% of the voting power; and
- NSX Limited has the power to participate in the financial and operating policy decisions of the ClearPay JV.

Management notes that if the company's ownership percentage in the ClearPay JV were to significantly change or other circumstances regarding the investment should change, a reassessment of control and classification as a joint venture would need to be completed.

Note 30. Interests in joint ventures (continued)

Summarised financial information

	2024	2023
	$	$
Summarised statement of financial position		
Cash and cash equivalents	443,841	956,449
Current assets	511,351	-
Non-current assets	843,750	843,750
Total assets	**1,798,942**	**1,800,199**
Current liabilities	(153)	(248)
Total liabilities	**(153)**	**(248)**
Net assets	**1,799,095**	**1,800,447**
Summarised statement of profit or loss and other comprehensive income		
Interest revenue	11,351	82
Other expenses	(12,702)	(8,098)
Loss before income tax	(1,351)	(8,016)
Other comprehensive income	**-**	**-**
Total comprehensive income	**(1,351)**	**(8,016)**

Note 31. Events after the reporting period

Court application

On 23 July 2024, the company announced that it will make a court application under section 1325A of the Corporations Act ('Act') to effectively reverse, by cancellation and refund, shares issued to substantial shareholder ISX Financial EU plc ('ISX') that involved a contravention of the Act and the ASX Listing Rules. The shares were additional to ISX's pro rata entitlement, and were issued under the shortfall facility or by way of conversion of loan funding.

Specifically, the cancellation will be of 77,592,652 fully paid ordinary shares in the company registered in the name of ISX on 8 March 2024 and 31 May 2024. The cancellation would restore ISX's shareholding in the company to 30.35%. Refer note 17 for accounting treatment at 30 June 2024.

In the meantime, a holding lock has been applied to those shares which are to be cancelled.

Note 31. Events after the reporting period (continued)

Funding update

Since the share cancellation will reduce the Group's financial resources, the company has taken steps to arrange replacement financial resources and to create a mechanism for a replacement share issue to be approved by shareholders (if they choose to do so).

The company has issued a convertible note to ISX, which provides the company with $2.2m of loan funding (slightly exceeding the share refund amount and rectification costs). Most of the loan amount will come from the refund payable to ISX, with the balance to be advanced by ISX to the company shortly after the court order. The loan is dependent on the court order being made.

The Group's cash position will be unchanged by the above until the court order and then shortly afterwards will improve by about $260,000.

The loan is convertible to shares in the company at an issue price of 2.5 cents each if a proposed conversion is approved by company shareholders having followed the procedure required by the Act and the ASX Listing Rules. The noteholder can call for part or full repayment on 90 days' notice if both a conversion proposal is not approved by company shareholders and at that time the Group's net assets are lower than at the date of issue of the convertible note. If not converted or the subject of early repayment, the loan will be in place for 2 years.

Separately, another existing convertible note (previously announced, see note 14) providing funding of $500,000 by a subsidiary of ISX has been replaced by a convertible note between the company and ISX on substantially similar terms to the new $2.2m note (above).

In both cases, the interest rate on the loan is 10% per annum commencing at 4 months after the date of the 23 July 2024 announcement, and is payable upon conversion or repayment of the principal sum.

On 31 July 2024, the company announced that it would seek to divest its 41% shareholding in the ClearPay JV to ISX. A resolution in respect of this announcement will be put to shareholders at the company's Annual General Meeting ('AGM').

In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations,* the criteria required to be satisfied to be classified as an asset held for sale has been met after the reporting period end date but before the authorisation of the financial statements for issue and therefore, will not be classified as such within the 30 June 2024 financial report. The gain or loss expected to be recognised in respect of the sale has not been determined and the sale price (and related costs of disposal) will be calculated in accordance the requirements set out in the shareholders deed dated 20 February 2020. The ClearPay JV forms part of the single operating segment as disclosed in note 4, however holds a carrying value at 30 June 2024 of nil.

On 5 August 2024, the company announced the cancellation of 77,592,652 fully paid ordinary shares as noted in the 23 July 2024 announcement above.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 32. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2024	**2023**
	$	**$**
Loss after income tax expense for the year	(4,107,472)	(3,412,876)
Adjustments for:		
Depreciation and amortisation	587,980	681,265
Share-based payments	42,099	94,851
Interest and other finance costs	22,390	362,766
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(12,419)	28,092
Decrease/(increase) in other current assets	199,461	(459,571)
Increase/(decrease) in trade and other payables	217,292	(437,338)
Increase in provisions	16,871	36,570
Decrease in in contract liabilities	(36,812)	(47,917)
Net cash used in operating activities	**(3,070,610)**	**(3,154,158)**

Reconciliation of cash

	2024	2023
	$	**$**
Cash at end of the financial year as shown in the cash flow statement is reconciled to items in the Statement of Financial Position as follows:		
Cash and cash equivalents	2,061,675	2,064,284
Term deposits	366,221	361,193
	2,427,896	**2,425,477**

Non-cash financing and investing activities

There were no material non-cash financing and investing activities in the current financial year.

Note 33. Financial Market Fidelity Fund

As at 30 June 2024 the National Stock Exchange of Australia Limited Fidelity Fund had a balance of $619,253 (30 June 2023: $599,062). The National Stock Exchange of Australia Limited is the manager of the fidelity fund and the assets of the fidelity fund can only be used for the purposes prescribed in the Corporations Act 2001. The Board of National Stock Exchange of Australia Limited has waived the contribution fees for Participants.

Note 34. Earnings per share

	2024	2023
	$	**$**
Loss after income tax attributable to the owners of NSX Limited	**(4,107,472)**	**(3,412,876)**
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	428,344,021	367,968,209
Weighted average number of ordinary shares used in calculating diluted earnings per share	428,344,021	367,968,209
	Cents	**Cents**
Basic earnings per share	(0.96)	(0.93)
Diluted earnings per share	(0.96)	(0.93)

Note 35. Share-based payments

During the year ended 30 June 2024, 6,428,378 performance rights were granted to employees with nil exercise price under the Employee Incentive Plan. The performance rights have been valued using the Black Scholes methodology with reference to the market price and an expense of $42,099 has been recognised for these rights during the year ended 30 June 2024 as part of share-based payments expense.

Refer note 20 for details of performance rights issued during the year.

Note 35. Share-based payments (continued)

Set out below are summaries of performance rights movements during the year:

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
16/07/2021	01/07/2025	$0.00	181,434	-	(181,434)	-	-
24/11/2021	24/11/2025	$0.00	833,334	-	-	-	833,334
08/04/2022	15/04/2026	$0.00	1,072,399	-	(702,429)	-	369,970
25/11/2022	25/07/2023	$0.00	222,222	-	(222,222)	-	-
28/04/2023	27/03/2026	$0.00	1,231,892	-	(615,946)	(57,432)	558,514
24/07/2023	01/03/2026	$0.00	-	158,108	-	-	158,108
23/11/2023	24/11/2026	$0.00	-	270,270	-	-	270,270
03/06/2024	03/12/2024	$0.00	-	3,000,000	-	-	3,000,000
03/06/2024	03/06/2025	$0.00	-	3,000,000	-	-	3,000,000
			3,541,281	**6,428,378**	**(1,722,031)**	**(57,432)**	**8,190,196**

* Performance rights granted on 3 June 2024 relate to Managing Director and CEO performance rights with a commencement date of 3 June 2024, with the grant date yet to be determined. Refer to note 20 for details.

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
16/07/2021	01/07/2025	$0.00	362,868	-	(181,434)	-	181,434
24/11/2021	24/11/2025	$0.00	916,668	-	(83,334)	-	833,334
08/04/2022	15/04/2026	$0.00	1,774,828	-	(702,429)	-	1,072,399
25/11/2022	25/07/2023	$0.00	-	222,222	-	-	222,222
28/04/2023	27/03/2026	$0.00	-	1,231,892	-	-	1,231,892
			3,054,364	**1,454,114**	**(967,197)**	**-**	**3,541,281**

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 0.95 years (2023: 3.5 years). The weighted average remaining contractual life of performance rights outstanding at the end of the financial year, excluding the 6,000,000 of performance rights granted on 3 June 2025 is 1.70 years.

Note 35. Share-based payments (continued)

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
24/07/2023	01/03/2026	$0.06	$0.00	101.40%	-	1.15%	$0.056
23/11/2023	24/11/2026	$0.03	$0.00	101.40%	-	1.65%	$0.028
03/06/2024	03/12/2024	$0.02	$0.00	79.23%	-	3.97%	$0.023
03/06/2024	03/06/2025	$0.02	$0.00	79.23%	-	3.97%	$0.023

Note 36. Reliance on technology and systems

The ability of the National Stock Exchange of Australia Limited to conduct its operations is heavily reliant upon the capacity and reliability of the trading systems which are licensed to the consolidated entity by NASDAQ Group and the ASX Clearing and Settlement systems, which are licensed to the Group by the Australian Securities Exchange Limited.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
NSX Limited	Body corporate	Australia	100.00%	Australia
National Stock Exchange of Australia Limited	Body corporate	Australia	100.00%	Australia*
NSX Services Limited	Body corporate	Australia	100.00%	Australia*
NSX Private Market Pty Limited	Body corporate	Australia	100.00%	Australia*
BSX Systems Pty Limited	Body corporate	Australia	100.00%	Australia*
NSX Clearing Nominees Limited	Body corporate	Australia	100.00%	Australia*
NSX International Limited	Body corporate	Cyprus	100.00%	Cyprus
ClearPay Pty Ltd	Body corporate	Australia	41.00%	Australia

NSX Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Tim Hart

Director

Kelly Humphreys

Director

23 August 2024

PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839
755 Hunter Street, Newcastle West NSW 2302
Level 8, 1 O'Connell Street, Sydney NSW 2000

Newcastle T: +61 2 4962 2688 F: +61 2 4962 3245
Sydney T: +61 2 8346 6000 F: +61 2 8346 6099
info@pkf.com.au
www.pkf.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSX LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of NSX Limited (the "Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, the consolidated entity disclosure requirement and the directors' declaration of the Group and the consolidated entity comprising the Company and the entities it controlled at the year end or from time to time during the financial year.

In our opinion, the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial report, which describes includes the Director's assessment of the Group's ability to continue as a going concern. The Group entity is currently in a net liability position of $0.9m after recognising a loss in the current year of $4.1m and cash outflows from operating activities of $3.1m. Our opinion is not modified in respect of this matter.

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. In addition to the matter described in the Material Uncertainty Related to Going Concern section above, we have determined the matters described below to be key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matters (cont'd)

1. Recoverability of carrying amount of investment in joint venture – ClearPay Pty Ltd

Why significant	How our audit addressed the key audit matter
NSX Limited holds 41% of the shares in ClearPay Pty Ltd with the other 59% being held by iSignthis Ltd. The ClearPay business plan is to develop and operate a Distributed Ledger Technology ('DLT') based multicurrency, real-time, Deliver versus Payment ('DvP') platform. The expected launch date of 2021 has been delayed to 2024 due to the pandemic and licensing issues. Management performs an annual impairment assessment for indicators of impairment, which includes identifying objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment that may result in a loss event. Where a loss event has been identified that impacts the estimated cash future cash flows of the investment in joint venture, the recoverable amount of the joint venture is assessed and compared to the carrying account value. The recoverable amount of the investment in the joint venture is measured at value-in-use which is based on future discounted cash flows on a cash generating unit basis. In the prior financial period, Management fully impaired the investment in joint venture relating to ClearPay Pty Ltd with an impairment expense of $2.6m recorded in the year ended 30 June 2022. This area is significant to our audit because of the significance of the investment in joint venture and the management's judgement involved in determining the value-in-use prepared based on future discounted cash flows or fair value less costs of disposal under income approach. For investments in joint ventures and associates, the judgement focuses on revenue growth rates, terminal growth rates and timing of revenue recognition. All these factors are with estimation uncertainties and may impact the results of the impairment assessments. In respect of the 30 June 2024 financial year, management have determined that it is appropriate for the investment in the joint venture to remain fully impaired. Given the nature of the judgement required in the accounting treatment, we consider this be a Key Audit Matter.	We obtained an understanding on the Group's policies and procedures to consider the carrying values of investments in joint ventures, and performed the following procedures in relation to management's assessment: • considered the status of the ClearPay joint venture including relevant financial information; • evaluated the internal sources and external sources of information to identify impairment indicators, if any; • evaluated management's assessment of the joint venture's carrying value, inclusive of understanding of any reversal of a prior impairment expense was applicable; • assessed the adequacy of the disclosures related to the ClearPay investments in the context of the applicable financial reporting framework; and Based on the audit procedures performed, we found the key judgements and assumptions used in the impairment identification and assessments to be supported by the available evidence.

2. Revenue recognition

Why significant	How our audit addressed the key audit matter
As set out in note 5, the consolidated entity generates the majority of its revenue from trading & listing fees from customers listed on the National Securities Exchange of Australia. The revenue from listing applications are received in advance where an adjustment is made over the listing period by the consolidated entity so that the amounts received are appropriately recorded as a contract liability for the unsatisfied contracts, as set out in note 18. Amounts recorded in respect of revenue received in advance are material, as is revenue as a whole, and as such revenue recognition is considered to be a Key Audit Matter.	Our audit procedures included but were not limited to: • We reviewed key estimates and judgements involved in the Group's revenue recognition policy. • We vouched a sample of initial listing fees to bank receipt and customer invoice. • We reviewed the deferred income calculations. • We recalculated the initial listing fee amounts released and deferred in the year to 30 June 2024. • We performed tests on the accuracy of revenue.

Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and the consolidated entity disclosure statement.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work, we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the Directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue and auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the period ended 30 June 2024.

In our opinion, the Remuneration Report of NSX Limited for the period ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF

PKF

MMatthews

MARTIN MATTHEWS
PARTNER

23 AUGUST 2024
NEWCASTLE, NSW

The shareholder information set out below was applicable as at 6 August 2024.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Ordinary shares - partly paid		Options over ordinary shares		Rights over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total partly paid shares issued	Number of holders	% of total options issued	Number of holders	% of total rights issued
1 to 1,000	43	-	-	-	-	-	-	-
1,001 to 5,000	140	0.10%	-	-	-	-	-	-
5,001 to 10,000	137	0.24%	-	-	-	-	-	-
10,001 to 100,000	334	2.75%	1	6.67%	-	-	1	3.70%
100,001 and over	176	96.9%	2	93.3%	1	100%	5	96.3%
	830		**3**		**1**		**6**	
Holding less than a marketable parcel	518		-		-		-	

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
ISX FINANCIAL EU LTD	138,915,218	30.35
FINTECH HQ PTY LTD	92,013,281	20.10
UNITED CAPITALS LIMITED	21,949,145	4.79
WELLPOINT INC LIMITED	19,848,888	4.34
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,459,185	3.60
MR WEIGUO SHEN	14,000,000	3.06
UBS NOMINEES PTY LTD	13,997,950	3.06
EXCHANGE TECHNOLOGY INVESTMENTS PTY LTD	10,410,000	2.27
CROSS-STRAIT COMMON DEVELOPMENT FUND CO LIMITED	10,212,000	2.23
AUSTRALIAN MINING GROUP LTD	7,432,500	1.62
MR DAVID ANDREW DEACON	4,900,000	1.07
MS YIXIAO ZHOU	4,700,000	1.03
MR ANTONY WILLIAM PAUL SAGE 'EGAS SUPERANNUATION FUND A/C'	4,000,000	0.87
BANNABY INVESTMENTS PTY LIMITED 'BANNABY SUPER FUND A/C'	4,000,000	0.87
WOOLWICH HOLDINGS PTY LTD 'THE J DEACON SUPER FUND A/C'	3,780,556	0.83
C Y T INVESTMENT PTY LTD	3,216,987	0.70
CALAMA HOLDINGS PTY LTD 'MAMBAT SUPER FUND A/C'	3,100,000	0.68
LACHMAC PTY LTD	2,678,572	0.59
SYMINGTON PTY LTD	2,528,000	0.55
MR JOSEPH-NATHAN D'URBERVILLE	2,463,000	0.54
	380,605,282	**83.15**

Unquoted equity securities

A total of 1,500,000 partly paid shares are on issue paid to 1 cent. They have one outstanding call of 99 cents each. The date of the final call is at the security holder's discretion.

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
ISX FINANCIAL EU LTD	138,915,218	30.35
FINTECH HQ PTY LTD	92,013,281	20.10

Performance rights

As at the date of this report there are 2,190,196 employee performance rights on issue. Performance rights have no voting or dividend rights until the performance rights are converted to fully paid ordinary shares. Performance rights are subject to performance criteria and are issued to employees.

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Partly paid shares

Each partly paid share is entitled to one vote on a pro-rata basis dependent on the amount that is already paid when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands. The call on the partly paid shares is at the discretion of the holder.

There are no other classes of equity securities.