



NSX Limited

(ACN 089 447 058)

Non-Renounceable Entitlement Offer of 1 New Share for every 2 Existing Shares

At an issue price of \$0.15 per New Share

Offer Booklet

This document is important and requires your immediate attention.

You should read this document and the accompanying Entitlement and Acceptance Form in their entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This Offer Booklet is not a prospectus under the *Corporations Act 2001* (Cth) and has not been lodged with ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered under this Offer Booklet.

Important information

This Offer Booklet is dated 28 September 2018. This Offer Booklet has been prepared by NSX Limited (**NSX**).

This Offer Booklet is not a prospectus

The Offer is made under section 708AA of the Corporations Act. This Offer Booklet is not a prospectus and it does not contain all of the information that an investor would find in a prospectus or which may be required to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this Offer Booklet. It has not been and will not be lodged with ASIC. Neither ASIC, ASX nor their respective officers take any responsibility for the content of this Offer Booklet or for the merits of the investment to which this Offer relates.

As an Eligible Shareholder of NSX, this Offer Booklet is important and requires your immediate attention.

You should read the entire Offer Booklet before deciding whether to invest in the New Shares. Please carefully read the instructions on the accompanying Entitlement and Acceptance Form regarding the acceptance of the Offer. If you have any questions regarding your Entitlement or the Offer, please contact your legal, investment or other professional adviser.

No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw the application once it has been accepted. Further, Entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

Professional advice

The information in this Offer Booklet is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. NSX is not licensed to provide financial product advice in respect of the New Shares. It is important that you read this Offer Booklet in its entirety before deciding whether to apply for New Shares. In particular, you should consider the risk factors that could affect the performance of NSX, some of which are outlined in Section 7. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to apply for New Shares. If you have any questions you should seek professional advice from your legal, investment or other professional adviser.

Foreign jurisdictions

This Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia, Hong Kong and New Zealand.

The distribution of this Offer in jurisdictions outside Australia, Hong Kong or New Zealand may be restricted by law and persons who come into possession of this Offer outside Australia, Hong Kong or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Offer does not constitute an offer or invitation in any place outside Australia or New Zealand where, or to any person to whom, it would be unlawful to make such an offer or invitation. No action has been taken to register or qualify the New Shares or to otherwise permit an offering of the New Shares outside Australia and New Zealand.

New Zealand

The Entitlements and the New Shares being offered under this Offer Booklet are not being offered or sold to the public in New Zealand other than to Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Offer Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Offer Booklet is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Hong Kong

Warning: The contents of this Offer Booklet have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise

caution in relation to the offer. If you are in doubt about any of the contents of the Offer Booklet, you should obtain professional advice.

United States

This document may not be released or distributed in the United States of America. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States.

No guarantee

Neither NSX nor any other party makes any representation or gives any guarantee or assurance:

- (a) as to the performance or success of NSX;
- (b) as to the rate of income or capital growth from NSX; or
- (c) that there will be no capital loss or particular taxation consequence of investing in NSX.

An investment in NSX does not represent a deposit or any other type of liability of the above parties. An investment in NSX is subject to investment risk. These risks are discussed in Section 7.

Investors should note that the past share price and investment performance of NSX provides no guidance as to its future share price and investment performance.

No representations other than in this Offer Booklet

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Offer Booklet. Any information or representation not contained in this Offer Booklet may not be relied on as having been authorised by NSX.

Future performance

Except as required by law, and only to the extent so required, neither NSX nor any other person warrants or guarantees the future performance of NSX or any return on any investment made pursuant to this Offer Booklet.

Privacy

By filling out the Entitlement and Acceptance Form to apply for New Shares, you are providing information to NSX (directly and/or via the Share Registry) that may constitute personal information for the purposes of the Privacy Act 1988 (Cth). NSX (and the Share Registry on its behalf) collects, holds and uses personal information provided on an Entitlement and Acceptance Form in order to assess your application and administer your holding of Shares.

If you do not provide the information requested in the Entitlement and Acceptance Form, NSX and the Share Registry may not be able to process or accept the form.

Access to your personal information may be provided to other companies within the NSX group and to NSX's agents and service providers on the basis that they deal with such information in accordance with this privacy disclosure statement. You have a right to request access to the personal information that NSX holds about you subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to NSX's share registrar:

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Defined terms and conditions

Certain terms and abbreviations used in this Offer Booklet are defined in the Glossary in Section 9.

References to **Australian dollars** or **\$** are references to the lawful currency of Australia. Any discrepancies between the totals and the sum of all the individual components in the tables contained in this Offer Booklet are due to rounding.

All times and dates are a reference to Sydney time.

1. Important dates

Event	Date
Rights issue announced	28 September 2018
Lodgement Date – Appendix 3B and cleansing notice lodged with ASX	28 September 2018
Despatch of notice to Shareholders containing the information required by Appendix 3B	3 October 2018
<i>Ex Date</i> – The date on which Existing Shares commence trading without the Entitlement to participate in the Offer	4 October 2018
Record Date – The date for determining Entitlements of Eligible Shareholders to participate in the Offer (7:00pm Sydney time)	5 October 2018
Despatch of Offer Document completed and announced	10 October 2018
Offer opens	10 October 2018
Last day to extend the offer closing date	16 October 2018
Offer closes (5:00pm Sydney time)	19 October 2018
Notification to ASX of under subscription	24 October 2018
Shortfall Notification Date	25 October 2018
Issue Date – Issue of New Shares under the Offer completed and announced	26 October 2018
Expected commencement of normal trading in New Shares on ASX	29 October 2018

The above dates and times are indicative only and subject to change.

NSX reserves the right to vary any of the above dates and times, including closing the Offer early or extending it subject to the Corporations Act, ASX Listing Rules and other applicable laws. In particular, NSX reserves the right to extend the Closing Date of the Offer, to accept late applications either generally or in particular cases or to withdraw the Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

Key Offer statistics

Issue Price per New Share	\$0.15
Total number of New Shares available under the Offer	85,045,541 ¹
Maximum total Shares on issue following the Offer	255,136,622 ²
Maximum gross proceeds of the Offer (before expenses of the Offer)	\$12,756,831

¹ The total number of New Shares that may be issued under the Entitlement Offer may be higher due to rounding up of Entitlements.

² The maximum total number of Shares that will be on issue following the Entitlement Offer may be higher due to rounding up of Entitlements.
3459-5362-3051, v. 1

Corporate directory

Issuer

NSX Limited
 Level 3, 1 Bligh Street
 Sydney NSW 2000
 Telephone: + 61 2 8378 6400
 Facsimile: + 61 2 8378 6456
 Website: www.nsx.com.au

Directors

Mr Michael Cox (Chairman)
 Ms Ann Bowering
 Mr Thomas Price
 Mr Tony Shen

Company Secretary

Mr Scott Evans

Share Registry

Boardroom Pty Limited
 GPO Box 3993
 SYDNEY NSW 2001
 Telephone: 1300 737 760
 Website: www.boardroomlimited.com.au

Solicitors to the Offer

Watson Mangioni Lawyers Pty Limited
 Level 23, 85 Castlereagh Street
 Sydney NSW 2000
 Telephone: +61 2 9262 6666
 Facsimile: +61 2 9262 2626
 Website: www.wmlaw.com.au

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2. Chairman's letter

28 September 2018

Dear Shareholder

On behalf of NSX, we are pleased to offer you the opportunity to participate in the Offer.

As announced on 28 September 2018, NSX is undertaking a capital raising comprising a Placement and a non-renounceable Entitlement Offer. The Placement comprises a placement of 22,185,793 Shares to professional investors at an issue price of \$0.15 per Share, raising \$3,327,869 in total (before expenses) and is due to be completed on 4 October 2018.

To allow existing Eligible Shareholders the opportunity to participate in the capital raising, NSX is also undertaking a non-renounceable Entitlement Offer of 1 New Share for every 2 Existing Shares held. The issue price of each New Share under the Entitlement Offer is \$0.15, being the same as the issue price under the Placement and representing a discount of approximately 33.3% to the price at which Shares last traded on the ASX prior to the date of announcement of the Placement and the Entitlement Offer (on 13 September 2018).

If fully subscribed, the Entitlement Offer will result in the issue of 85,045,541 New Shares (subject to rounding) raising \$12.8 million before expenses of the Entitlement Offer.

The net proceeds from the Placement and the Entitlement Offer will be used by NSX to further enhance market connectivity, accelerate business development, continue operational enhancements, satisfy regulatory capital and working capital requirements.

The Entitlement Offer provides Eligible Shareholders with an opportunity to benefit from the future growth of NSX.

Eligible Shareholders may apply for all or part of their Entitlement under the Entitlement Offer (provided that such allocation does not breach the Listing Rules or any applicable law). Entitlements are non-renounceable, which means that Eligible Shareholders may not sell or transfer their Entitlements.

The Board of Directors support the raising and recommend to Shareholders that they fully participate in the Entitlement Offer.

The Offer closes at 5:00pm (Sydney time) on 19 October 2018. To participate, you need to ensure that you have lodged your Entitlement and Acceptance Form with your Application Monies so that they are received before this time.

The Board urges you to read this Offer Booklet carefully before making a decision in respect to your Entitlement. You should consult your stockbroker, accountant or other professional adviser for advice in relation to the Offer.

We commend this Offer to you and thank you for your continued support of NSX.

Yours sincerely

Mr Michael Cox
Chairman
NSX Limited

3. Frequently asked questions

Question	Answer	Where to find more information
Who is the issuer?	NSX Limited.	Section 4.1
What is the Offer?	A pro rata non-renounceable Entitlement Offer to raise up to \$12,756,831 (before expenses of the Entitlement Offer). Eligible Shareholders may apply for all or part of their Entitlement under the Entitlement Offer.	Section 4.2
What are the terms of the Entitlement Offer?	1 New Share for each 2 Existing Shares at an issue price of \$0.15 per New Share. As the issue is non-renounceable, Eligible Shareholders do not have the right to sell their Entitlements. Eligible Shareholders have the opportunity to subscribe for all, part or none of their Entitlement to New Shares.	Section 4.2 and 4.3
Who can invest?	Eligible Shareholders of NSX as at 7:00 pm (Sydney time) on the Record Date (5 October 2018).	Section 4.4
Is the Entitlement Offer underwritten?	No. The Entitlement Offer is not underwritten.	Section 4.5
What are the rights of New Shares?	New Shares rank equally in all respects with Existing Shares from their date of issue.	Section 4.6
How will the proceeds be applied?	The purpose of the Entitlement Offer is to raise up to \$12,756,831 (before expenses of the Entitlement Offer). The funds raised from the Placement and the Entitlement Offer will be used to further enhance market connectivity, accelerate business development, continue operational enhancements, satisfy regulatory capital and for working capital requirements.	Section 6.2
What are the potential significant risks?	Eligible Shareholders of NSX are exposed to a number of risks in acquiring and holding Shares. Key risks specific to NSX include: <ul style="list-style-type: none"> • working capital risk, • compliance risk, • reliance on technology and systems, • regulatory risk, • concentration of revenue, • credit risk and market risk, • claims by participants or their clients; and • key service providers risk. 	Section 7
Is the Entitlement Offer underwritten?	No. The Entitlement Offer is not underwritten.	Section 4.5
What are the expenses payable by NSX?	The total expenses of the Offer are expected to be approximately \$0.3 million (exclusive of GST).	Section 8.1
What are my alternatives?	You may either: <ul style="list-style-type: none"> • take up all or part of your Entitlement; or • do nothing and allow the rights to acquire all of the New Shares representing your Entitlement to lapse. You should note that if you do not take up all of your Entitlement, your percentage shareholding in NSX will be diluted.	Section 5
How can further information be obtained?	If you require advice as to whether to accept your Entitlement, you should seek professional advice from your legal, investment or other professional adviser.	Section 4.12

4. Details of the Offer

4.1 Description of the issuer

NSX is the issuer of New Shares under this Offer Booklet.

4.2 Description of the Offer

The Offer consists of a total of 85,045,541 New Shares to be offered by NSX by way of a pro rata non-renounceable Entitlement Offer to raise up to \$12,756,831 (before expenses of the Offer).³ This takes the form of a 1 for 2 Entitlement Offer.

The Offer is explained in more detail in this Section 4.

4.3 Entitlement Offer

If you are an Eligible Shareholder, you are being offered an Entitlement to acquire 1 New Share for every 2 Existing Shares held as at the Record Date.

The Issue Price per New Share is \$0.15.

The Entitlements are non-renounceable, meaning you do not have the right to sell your Entitlement. Eligible Shareholders have the opportunity to subscribe for all, part or none of their Entitlement to New Shares, provided that the issue of such New Shares will not result in a breach of the ASX Listing Rules or any applicable law. New Shares will be issued on a fully paid basis and will rank equally with Existing Shares on issue.

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form. If the result is not a whole number your Entitlement will be rounded up to the nearest whole number. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each holding.

4.4 Eligible Shareholders

Eligible Shareholders are those Shareholders who:

- (a) are registered as a holder of Shares as at the Record Date, being 7:00pm (Sydney time) on 5 October 2018;
- (b) as at the Record Date, have a registered address in Australia, Hong Kong or New Zealand;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of such person in the United States); and
- (d) are eligible under all applicable securities laws to receive an offer under the Offer without any requirement for a prospectus or offer document to be lodged or registered.

Nominees and custodians which hold Shares on behalf of other persons will have received or will shortly receive, a letter from NSX. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Offer is only being made to Eligible Shareholders and that when they are holding Shares on behalf of persons in a jurisdiction outside Australia, Hong Kong and New Zealand they may participate on behalf of that person if that person is otherwise eligible under applicable securities laws to receive an offer, and be issued New Shares, under the Offer without any requirement for a prospectus or offer document to be lodged or registered. Nominees and custodians should refer to "Foreign Jurisdictions" contained in the "Important Information" Section of this Offer Booklet. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

4.5 Offer not underwritten

The Entitlement Offer is not underwritten.

The Directors reserve the right to place the shortfall not taken up under the Entitlement Offer at their discretion within 3 months after the close of the Entitlement Offer. Under exception 3 of ASX Listing Rule 7.2, any New

³ The total number of New Shares that will be issued under the Entitlement Offer may be higher due to rounding up of Entitlements.
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Shares so issued by NSX within 3 months after close of the Entitlement Offer will not require Shareholder approval under ASX Listing Rule 7.1 and will not reduce the 15% per annum capacity allowed by ASX Listing Rule 7.1 for NSX to issue securities without Shareholders approval.

4.6 Ranking of New Shares

The New Shares will be fully paid and rank equally in all respects with Existing Shares from their date of issue.

4.7 Allotment and ASX quotation

NSX expects to allot all New Shares on 26 October 2018. Subject to approval being granted, quotation of the New Shares is expected to commence on a normal basis on 29 October 2018.

Holding statements will be despatched in accordance with the Listing Rules. It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving confirmation of their holding in the form of a holding statement will do so at their own risk. NSX disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by NSX or the Share Registry or otherwise.

4.8 Application Monies

Until the time of allotment of New Shares, NSX will hold all Application Monies in relation to those New Shares in a purpose specific bank account. Interest earned on any Application Monies (whether or not allotment takes place) will remain the property of NSX.

An application has been made to ASX for quotation of the New Shares to be issued under the Offer. If quotation of the New Shares is not granted by ASX within 3 months of the date of this Offer, any allotment of New Shares in response to an application made under this Offer will be void, and all Application Monies received will be returned without interest.

4.9 No minimum subscription

There is no minimum subscription for the Offer.

4.10 Ineligible Shareholders

All Shareholders who are not Eligible Shareholders are ineligible Shareholders (**Ineligible Shareholders**). Ineligible Shareholders will not be entitled to participate in the Offer.

NSX is of the view that it is unreasonable to make the Offer to the Ineligible Shareholders having regard to:

- the number of Ineligible Shareholders;
- the number and value of New Shares that would be offered to Ineligible Shareholders; and
- the cost of complying with overseas legal requirements.

This Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. NSX is not required to make offers under this Offer to Ineligible Shareholders. Where this Offer has been despatched to Shareholders with a registered address outside Australia, Hong Kong or New Zealand, this Offer is provided for information purposes only.

Shareholders with a registered address in Australia, Hong Kong or New Zealand who are holding Shares on behalf of persons who are resident overseas are responsible for ensuring that applying for New Shares under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by NSX to constitute a representation that there has been no breach of such regulations.

4.11 Taxation

The taxation consequences of investing in the New Shares will depend on your particular circumstances. It is your responsibility, as a potential investor, to make your own enquiries concerning the taxation consequences of an investment in NSX. See Section 8.4 for a general discussion of taxation issues. If you are in doubt as to the consequences of an investment, you should consult with your taxation or other professional adviser before investing.

4.12 Enquiries

If you require advice as to whether to accept your Entitlement, you should seek professional advice from your legal, investment or other professional adviser.

5. Action required by Eligible Shareholders

5.1 Your Entitlement

Your Entitlement is shown on the accompanying Entitlement and Acceptance Form. Before taking any action in relation to the Offer, you should read this Offer Booklet in its entirety and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser.

You may:

- take up all or part of your Entitlement; or
- do nothing and allow the rights to acquire all of the New Shares representing your Entitlement to lapse.

5.2 What happens if I accept my full Entitlement?

If you take up your full Entitlement under the Entitlement Offer, you will not have your shareholding in NSX diluted by the Offer. For further details on how to accept all or part of your Entitlement, see section 5.4.

5.3 What happens if I do not accept my full Entitlement?

If you do not take up your full Entitlement, your proportional shareholding in NSX may be diluted.

As the Entitlements are non-renounceable, if you decide not to take up all or part of your Entitlement, it will lapse on the Closing Date to the extent not taken up.

5.4 How do I accept all, or part, of my Entitlement?

You may accept your Entitlement following the despatch of this Offer Booklet (expected to be 3 October 2018). NSX will accept applications until the Closing Date (5:00pm on 19 October 2018), unless extended.

If you decide to take up all or part of your Entitlement, or apply for additional New Shares, please complete and return the Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY® by following the instructions set out on the Entitlement and Acceptance Form. NSX will treat you as applying for as many New Shares as your payment will pay for in full.

If you are paying by cheque, the relevant Entitlement and Acceptance Form must be accompanied by cheque or bank draft in Australian dollars drawn on an Australian branch of an Australian bank for the Issue Price of the New Shares for which application is made. All cheques must be made payable to "NSX Limited – Entitlement Offer Account" and crossed "Not Negotiable". Do not forward cash. Receipts for Application Monies will not be issued.

Completed Entitlement and Acceptance Forms and accompanying cheques must be returned to the following address and received no later than 5:00 pm (Sydney time) on 19 October 2018 (unless extended).

Mailing Address:

NSX Limited
C/- Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

Hand Delivery:

NSX Limited
C/- Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

(Please do not use this address for mailing purposes)

A reply paid envelope is enclosed for your convenience. If mailed in Australia, no postage stamp is required.

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by BPAY®:

- you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations set out in Section 5.7 and the declarations on that Entitlement and Acceptance Form; and
- if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application Monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded as soon as practicable following the Closing Date. No interest will be paid on any Application Monies received or refunded.

You should read this Offer Booklet in its entirety before deciding to take up your Entitlement.

5.5 Acceptance of applications under the Offer

Completing and lodging an Entitlement and Acceptance Form for the Offer or using the BPAY® facility referred to in the Entitlement and Acceptance Form for the Offer is an offer by you to NSX to subscribe for the number of New Shares specified in the Entitlement and Acceptance Form, or the number of New Shares equal to the amount paid using the BPAY® facility divided by the Issue Price, at the Issue Price on the terms and conditions set out in this Offer and the Entitlement and Acceptance Form.

An application for New Shares may be accepted in respect of the full amount applied for, or any amount less than that amount, without further notice to the relevant Eligible Shareholder. Acceptance of an application will give rise to a binding contract with acceptance to take place after the quotation of the New Shares on ASX.

5.6 No duty, brokerage or commission

No stamp duty, brokerage or commission is payable by applicants.

5.7 Effect of participating in the Offer

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, or otherwise applying to participate in the Offer, you will be deemed to have represented to NSX that you are an Eligible Shareholder and:

- (a) declare that:
 - (i) all details and statements made in the personalised Entitlement and Acceptance Form are complete and accurate;
 - (ii) you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Offer;
 - (iii) you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (b) acknowledge that:
 - (i) once NSX receives the Entitlement and Acceptance Form with the requisite Application Monies or payment by BPAY®, you may not withdraw it except as allowed by law;
 - (ii) you have read and understood this Offer Booklet and the personalised Entitlement and Acceptance Form in their entirety;
 - (iii) the information contained in this Offer Booklet is not investment advice or a recommendation that the New Shares are suitable for you, given your investment objectives, financial situation or particular needs;

- (iv) you have read the statement of risks in the “Risk Factors” section that is included in Section 7 of this Offer Booklet;
- (v) investments in NSX are subject to risks;
- (c) agree to:
 - (i) apply for, and be issued with up to, the number of New Shares that you apply for at the Issue Price of \$0.15 per New Share; and
 - (ii) be bound by the terms of this Offer Booklet and the provisions of NSX's Constitution;
- (d) authorise NSX to register you as the holder of New Shares and authorise NSX and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instruction of NSX's Share Registry by using the contact details set out in the personalised Entitlement and Acceptance Form;
- (e) authorise NSX to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (f) represent and warrant that the law of any place (other than Australia, Hong Kong and New Zealand) does not prohibit you from being given this Offer Booklet or making an application for New Shares;
- (g) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia, Hong Kong or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Offer to any such person; and
- (h) will be treated as having represented and warranted:
 - (i) that you are not in the United States and are not applying for New Shares on behalf of, or for the account or benefit of, a person in the United States;
 - (ii) that you and each person on whose account you are acting are not engaged in the business of distributing securities;
 - (iii) that you and each person on whose account you are acting have not and will not send any materials relating to the Offer, including this Offer Booklet and the Entitlement and Acceptance Form, to any person that is in the United States or that is acting for the account or benefit of a person in the United States; and
 - (iv) on your own behalf and on behalf of each person on whose account you are acting that (i) neither the Entitlements nor the New Shares offered in the Offer have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, or in any other jurisdiction outside Australia, Hong Kong or New Zealand, (ii) the Entitlements may not be taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of a person in the United States), and (iii) the New Shares to be offered and sold in the Offer may only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S under the U.S. Securities Act.

6. Purpose and effect of the Placement and the Entitlement Offer

6.1 Overview

Under the Placement, NSX will issue 22,185,793 Shares raising gross proceeds of approximately \$3.3 million.

If the Offer is fully subscribed:

- the New Shares issued pursuant to the Offer will constitute approximately 33.3% of the total number of issued Shares immediately after the allotment of the New Shares; and
- the total number of Shares on issue after the allotment will be 255,136,622.⁴

The Offer will provide NSX with net proceeds of up to approximately \$12.8 million after issue expenses of approximately \$300,000. Please refer to Section 6.4 for further information regarding the effect of the Offer on the capital structure.

6.2 Use of funds

The proceeds raised from the Placement and the Entitlement Offer will be used to further enhance market connectivity, accelerate business development, continue operational enhancements, satisfy regulatory capital and working capital requirements.

6.3 Pro forma balance sheet

Set out below is a pro forma balance sheet of NSX on successful completion of the Placement and the Offer. It is based upon NSX's balance sheet as at 30 June 2018 contained in the Annual Report for NSX for the financial-year ended 30 June 2018 as lodged with ASX on 28 September 2018. This Annual Report also provides information on the current operations of the Company.

The balance sheet has been prepared in accordance with the Corporations Act, the Corporations Regulations 2001, Accounting Standards and other mandatory financial reporting requirements in Australia.

The pro forma balance sheet reflects the impact of the Placement and the Offer and all transaction costs as if they had occurred on 30 June 2018.

	30-06-2018 \$'000	Placement	Proforma Offer 50% Subscribed	Proforma Offer Fully Subscribed
Cash	952	952	998	1,045
Cash on Term Deposit	1,469	4,797	9,979	16,161
Other Assets	902	902	902	902
Total Assets	3,324	6,651	11,880	18,108
Payables	2,174	2,174	1,174	1,174
Other Liabilities	187	187	187	187
Total Liabilities	2,361	2,361	1,361	1,361
Shareholder equity	962	4,290	10,519	16,747

⁴ The total number of New Shares that will be issued under the Entitlement Offer may be higher due to rounding up of Entitlements.
3459-5362-3051, v. 1

6.4 Impact on capital structure

The table below shows the capital structure of NSX on completion of the Offer (assuming the Offer is fully subscribed):

	Number of Shares	Percentage of post-Offer Shares
Shares issued as at date of this Offer Booklet	147,905,288	
Shares issued under Placement	22,185,793	
Shares post Placement ⁵	170,091,081	66.6%
New Shares from Rights Issue ⁶	85,045,541	33.3%
Total immediately after Offer ⁷	255,136,622	100.0%

⁵ In addition NSX has on issue 1,500,000 unquoted partly paid ordinary shares (which are paid as to \$0.01 each and unpaid as to \$0.99 each), plus 1,500,000 ordinary shares which have been approved but are not yet issued, under the terms of the Managing Director's employment contract.

⁶ The total number of New Shares that will be issued under the Entitlement Offer may be higher due to rounding up of Entitlements.

⁷ The total number of Shares that will be on issue following the Entitlement Offer may be higher due to rounding up of Entitlements.
3459-5362-3051, v. 1

7. Risk factors

7.1 Overview

There are a number of factors, both specific to NSX and of a general nature, which may affect the future performance of NSX and the outcome of an investment in NSX. There can be no guarantees that NSX will achieve its stated objectives, that forecasts will be met or that forward looking statements will be realised.

This Section 7 describes certain, but not all, risks associated with an investment in NSX. Prior to making an investment decision, prospective investors should carefully consider the following risk factors, as well as the other information contained in this Offer or of which they are otherwise aware. Directors emphasise that the risk factors set out in this Section are not the only risk factors that could affect the operations of NSX, its financial position and the value of Shares.

Nothing in this Offer Booklet is financial product advice and this document has been prepared without taking into account your investment objectives or personal circumstances. You should also consider consulting your financial or legal adviser so as to ensure you understand fully the terms of the Offer and the inherent risks associated with NSX and the listed investment company industry before applying for New Shares.

7.2 Risks associated with your holding of Shares

The risks associated with a holding of Shares include the following:

(a) Working Capital Risk

As the NSX is not profitable and notwithstanding the equity raising, the absence of sourcing additional funding will adversely affect NSX's ability to operate in the future.

(b) Compliance Risk

If National Stock Exchange of Australia Limited fails to comply with the general obligations of its Australian Markets licence or the specific conditions of its licence, this could result in the suspension or cancellation of its licence which enables it to operate its business. This, in turn, would have a material adverse impact on NSX's financial performance.

(c) Reliance on Technology & Systems

The ability of NSXA to conduct its operations is heavily reliant upon the capacity and reliability of the trading system which are licensed to the company by NASDAQ and the ASX Settlement CHESS settlement systems which are contracted to the Company by ASX Settlement Pty Ltd.

A significant and sustained failure of those systems would have a materially detrimental effect on NSX's short-term results, which in turn could undermine the longer term confidence in the NSX.

(d) Regulatory Risk

NSX is exposed to changes in the regulatory conditions under which it operates. Such regulatory changes can include, for example, changes in corporations law, taxation law, and policies, accounting standards, environmental laws and regulations, employment laws and regulations, and laws and regulations relating to occupational health and safety. The pace of regulatory change in the financial industry with market integrity rules changes, the need to address a multitude of consultation documents all pose regulatory risks to which the NSX must adapt to.

(e) Concentration of Revenue

Revenue is predominately derived from listing fees for equities listings, broker memberships and adviser membership. Small numbers of customers means that NSX may not have a sufficiently divergent revenue base and could be adversely affected if significant numbers of customers withdraw. Corporate activity such as mergers and acquisitions and capital raisings from which NSX may derive additional revenue are largely out of its control.

(f) Credit Risk and Market Risk

In broad terms these risks are associated with default or error in trading by market participants or default by listed Companies in paying fees. NSX mitigates these risks utilising a registration regime, monitoring trading and settlement on its markets, providing compensation regimes for claims, and monitoring participant and listed company's compliance with operating rules.

(g) Claims by participants or their clients

While the NSX makes all reasonable efforts to operate the markets and its trading and settlement business in an appropriate manner, there is always potential risk that NSX will be subject to claims (spurious or valid) by Participants or their clients for participant or client loss. NSX mitigates these risks utilising a registration regime for participant applicants, maintaining relevant policies and procedures in the event of claims, monitoring trading and settlement on its markets, providing compensation regimes for claims, and monitoring participant compliance with operating rules.

(h) Key service providers

NSX is dependent in all of its businesses on key service providers such as brokers, advisers, systems suppliers and developers. NSX would be at risk if these suppliers were no longer able to provide these systems or upgrade them.

7.3 General risk factors(a) *Share market conditions*

The market price of NSX shares may rise or fall between the date that the Offer opens and the date that the shares are issued to you under the Offer. This means that the Issue Price that you pay for the New Shares under the Offer may be either higher or lower than the Share price at the time you apply for the New Shares under the Offer or at the time the New Shares are issued to you pursuant to the Offer. There can be no guarantee that the price of the New Shares will increase.

The price at which the New Shares trade on ASX may be affected by the financial performance of NSX and by external factors over which NSX have no control. NSX does not warrant the future performance of New Shares or any return on investments in those securities.

(b) *Economic conditions*

The performance of NSX is influenced by a variety of general economic and business conditions including the level of inflation, international share markets, interest rates and exchange rates, government fiscal, monetary and regulatory policies and factors peculiar to the investment industry. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on NSX's performance.

(c) *Dilution risks*

You should note that if you do not take up all of the Shares offered to you under the Entitlement Offer, then your percentage shareholding in NSX will be diluted. By not participating to the full extent in the Entitlement Offer you will not be exposed to future increases or decreases in NSX's share price in respect of those New Shares which would have been issued to you had you taken up all of your Entitlement.

8. Additional information

8.1 Expenses of the Offer

Expenses connected with the Offer are being borne by NSX. The approximate expenses of the Offer including legal fees, registry fees, printing fees and other general costs are estimated to be \$0.3 million (exclusive of GST).

8.2 Disclosure

This Offer Booklet contains an Offer to subscribe for continuously quoted securities (as defined in the Corporations Act) of NSX and the Offer has been made in accordance with Section 708AA of the Corporations Act.

In broad terms, section 708AA relates to rights issues by certain listed companies that do not require the provision of a prospectus or other disclosure document to investors under Part 6D.2 of the Corporations Act. Accordingly, the level of disclosure in this Offer Booklet is significantly less than that required in a prospectus. This document does not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in NSX. It does not contain all the information which would be required to be disclosed in a prospectus. Eligible Shareholders should therefore rely upon their own knowledge of NSX, refer to disclosures already made by it to ASX, and refer to their professional adviser before deciding to accept the Offer.

Neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC.

This Offer Booklet does not contain financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. NSX is not licensed to provide financial product advice in respect of the New Shares. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Offer Booklet, you have any questions about the Offer, you should contact your stockbroker, accountant or other independent professional adviser.

8.3 Continuous disclosure and documents available for inspection

NSX is a disclosing entity within the meaning of the Corporations Act and is, and has for the past twelve months been, subject to regular reporting and disclosure obligations.

NSX believes that it has fully complied with the general and specific requirements as set forth by the ASIC and ASX in relation to continuous disclosure, which includes the provisions of Chapter 2M of the Corporations Act as they apply to NSX and section 674 of the Corporations Act.

Copies of documents lodged with ASIC in relation to NSX may be obtained from, or inspected at, an office of the ASIC.

8.4 Taxation

Set out below is a summary of the Australian tax implications of the Offer for Eligible Shareholders who are residents of Australia for tax purposes and who hold their Shares as capital assets.

The summary below also does not take account of any individual circumstances of any particular Eligible Shareholder. **Eligible Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.**

The summary below does not necessarily apply to Eligible Shareholders who hold their Shares as assets used in carrying on a business or who may carry on the business of security trading, banking or investment. The summary below does not necessarily apply to Eligible Shareholders whose Shares are held as revenue assets or trading stock. The summary below is based on the law in effect as at the date of this Offer Booklet.

(a) *Issue of Entitlements*

Subject to the qualifications noted above, the issue of the Entitlements will not itself result in any amount being included in the assessable income of an Eligible Shareholder.

(b) *Exercise of Entitlements*

Eligible Shareholders who exercise their Entitlements and subscribe for New Shares will acquire those shares with a cost base for capital gains tax (**CGT**) purposes equal to the Issue Price payable by them for those shares plus any non-deductible incidental costs they incur in acquiring those shares, but will not make any capital gain or loss, or assessable income, from exercising the Entitlements or subscribing for the New Shares.

(c) *New Shares*

Eligible Shareholders who exercise their Entitlements will acquire New Shares. Any future dividends made in respect of those New Shares will be subject to the same taxation treatment as dividends made on Shares held in the same circumstances.

On any future disposal of New Shares, Eligible Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares. The cost base of those shares is described above.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Shareholder exercised the Entitlement to subscribe for them. Accordingly, in order to benefit from the CGT discount in respect of a disposal, the New Shares must have been held for at least 12 months from the date the Entitlements are exercised.

(d) *Other Australian taxes*

No Australian Goods and Services Tax (GST) or stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares.

8.5 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by NSX or any of their related bodies corporate in connection with the Offer. Except as required by law, and only to the extent so required, none of NSX or any other person, warrants or guarantees the future performance of NSX or any return on any investment made pursuant to this Offer Booklet.

8.6 Withdrawal of Offer

NSX reserves the right to withdraw all or part of the Offer and this Offer Booklet at any time, subject to applicable laws, in which case NSX will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to NSX will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to NSX.

8.7 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

8.8 Governing law

This Offer Booklet, the Offer and the contracts formed on acceptance of the Offer pursuant to the personalised Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

9. Glossary

Application	a valid application by way of an Entitlement and Acceptance Form made to subscribe for a specified number of New Shares under the Offer
Application Monies	the monies received from applicants for New Shares in accordance with this Offer Booklet
ASIC	the Australian Securities and Investments Commission
ASX	the ASX Limited (ABN 98 008 624 691)
ASX Listing Rules	the listing rules of ASX
Board	the board of directors of NSX
Business Day	a day on which ASX is open for trading
Closing Date	5:00pm (Sydney time) on 19 October 2018
Constitution	the constitution of NSX as amended from time to time
Corporations Act	the <i>Corporations Act</i> 2001 (Cth)
Directors	the directors of NSX
Eligible Shareholder	a person who is eligible to participate in the Offer and satisfies the requirements set out in Section 4.4.
Entitlement	the number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 1 New Share for every 2 Existing Shares held at the Record Date
Entitlement Offer	the pro rata non-renounceable entitlement offer of 1 New Share for every 2 Existing Shares held at the Record Date at the Issue Price
Entitlement and Acceptance Form	the personalised form attached to or accompanying this Offer Booklet
Existing Shares	Shares on issue immediately before the Record Date
GST	goods and services tax
Indicative Timetable	the indicative timetable on page ii of this Offer Document
Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder
Issue Price	the issue price of \$0.15 per New Share
New Shares	the Shares offered under this Offer Booklet
NSX	NSX Limited (ACN 089 447 058)
Offer	the Entitlement Offer
Offer Booklet	this document and any supplementary or replacement Offer Booklet in relation to this document
Placement	The issue to professional investors on 4 October of 22,185,793 Shares at the Issue Price.
Record Date	the date for determining Entitlements under the Entitlement Offer, being 7:00pm (Sydney time) on 5 October 2018

Section	a section of the Offer
Shareholder	a registered holder of Shares
Share Registry	Boardroom Pty Limited
Share	a fully paid ordinary share in NSX