

Get Listed.

\$10m placement @ \$0.20 per share

May 2019

DISCLAIMER

- *This Presentation has been prepared by and issued by NSX Limited ABN 11 000 902 063 (NSX or Company) to assist in informing interested parties about NSX and should not be considered as an offer or invitation to subscribe for or purchase any securities in NSX or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in NSX will be entered into on the basis of this Presentation.*
- *This Presentation is limited to persons who are sophisticated investors, accredited investors and/or professional investors. By attending and/or receiving this presentation you warrant to NSX that you are such a person. This Presentation may contain forward looking statements. Whilst the Company has no reason to believe that any such statements, forward looking statements and projections are either false, misleading or incorrect, it cannot and does not warrant or guarantee that through either the passage of time or actions beyond control of NSX they will not become so.*
- *You should not act and you must refrain from acting in reliance on any of this Presentation material. Nothing contained in this Presentation constitutes investment, legal, tax or other advice. This overview of NSX does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of NSX prospects.*
- *Before making an investment decision, you should conduct, with the assistance of your broker or other financial or profession adviser, your own investigation in light of your particular investment needs, objectives and financial circumstances and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this Presentation prior to making any investment decision. You must make yourself fully aware of all risks associated with this offering and that you do not rely upon warranties or representation by NSX and/or its officers.*
- *Neither NSX nor its advisers have verified the accuracy or completeness of the information, statements and opinions contained in this Presentation. Accordingly, to the maximum extent permitted by Australian and NSW law, NSX makes no representation and give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assume no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omissions, from any information, statement or opinion contained in this Presentation.*
- *Information included in this presentation is the property of, and confidential to, NSX. It must not be reproduced, relied on or referenced without the written permission of NSX.*

USE OF FUNDS

NSX LIMITED

3

Raising up to **\$10 million** for use in:

- Capital expenditure to enhance market connectivity, market operations and distribution
- Additional working capital to fund the growth, including plans to establish a Perth office
- Top up regulatory capital

NSX IS A TIER 1 EXCHANGE

THE ONLY OTHER LISTING EXCHANGE



* Chi X is a trading venue rather than a listings exchange

NSX

SNAPSHOT TODAY

5

70+

SECURITIES

\$2.2B

MARKET CAPITALISATION

21

BROKERS

\$35M

AVERAGE MARKET CAP



BROKER PROFILE

3 NEW BROKERS IN 12 MONTHS



MILESTONES

CONNECTIVITY & CREDIBILITY

7



THE TEAM

SKILLS & EXPERIENCE

8



Ann Bowering

Managing Director and CEO

Roles formerly held include CFO and Director Financial & Energy Exchange Limited, Head of Operations & Business Development Lucsan Capital (IRESS ASX:IRE), and Associate Director KPMG



John Williams

Head of Admissions

Roles formerly held include General Manager, Listings Operations, Manager, Market Access and Manager, Clearing & Settlement Operations ASX Limited.



Yemi Oluwi

Head of Technology

Roles formerly held include six years at ASX, two years with Ullink and six years with Deutsche Bank, having joined Deutsche Bank from Perpetual and UBS prior to that.



Andrew Musgrave

Head of Business Development

Roles formerly held include 9 years as Head of Business Development (Asia) for ASX, and 10 years as Business Development Manager for Bloomberg (Australia and Singapore).



Chan Arambewela

Head of New Markets & Products

Roles formerly held at ASX include Manager, New DLT Services - CHESSE Replacement, Head of mFund Service, Manager, Listings Product Development, Manager Post-Trade Services



Matthew Loughnan

Consultant

Roles formerly held include General Manager/Head of Retail, Alliances and Platforms, E*Trade Australia, Head of Global Brand & Marketing Macquarie Group Limited



Greg Fitzpatrick

Head of Market Operations

Roles formerly held include Team Leader, Market Operations – Financial & Energy Exchange; Analyst, Market Surveillance – Australian Securities & Investment Commission; Manager Trading Operations & Markets – Australian Securities Exchange



Ellen Morsley

Head of Compliance and Regulation

Roles formerly held include Group Compliance Manager at APA Group Limited, Managing Director at Citco Group Limited and various company secretary roles including Commonwealth Bank Group entities.



Zoran Grujic

Head of Finance

Roles held include Company Secretary and CFO of ASX listed Dropsuite Limited and 8common Limited, Financial Controller at Couriers Please Pty Ltd, Financial Controller at the Australian Institute of Management.



Ron Kaushik

Senior Manager Market Surveillance

Roles formerly held include Senior Officer, Trading Operations & Markets at Australian Securities Exchange and Senior Customer Resolutions Officer at AMP Limited.



Ingrid Wei

Analyst Market Surveillance

Prior to joining NSX, Ingrid studied at Macquarie university and the University of Sydney, completing Master degrees with majors in Finance and Professional Accounting.



Jane Thorley

Manager Trading and Settlement

Prior to her 17 years as Trading and Settlement Manager with NSX, Jane spent 16 years with Citibank (formally) Salomon Smith Barney, in Dealing Room and Back Office Operations

AUSTRALIA IS AN OUTLIER

COMPETITION IN LISTED EQUITIES

Multi Listing Venue Markets	
✓	USA
✓	UK
✓	Japan
✓	Canada
✓	Germany
✓	China
✓	South Africa
✓	New Zealand
✓	Singapore
✓	Hong Kong
✓	Sweden
✓	Mexico
✓	India
?	... Australia



MARKET SIZE

10

OPPORTUNITY TODAY: SME MARKET

Australia is limited by a
“one size fits all”
solution

ASX is targeting
\$50m - \$500m
companies at IPO

67%
IPOs occur below \$50m

1,200+
companies listed in
Australia with a
market cap < \$50m

MARKET SIZE

11

OPPORTUNITY TODAY: FAMILY BUSINESS SUCCESSION

\$6 Trillion

ECONOMIC VALUE

80%

PLANNED SUCCESSION WITHIN 10 YRS

>2:3

FAILURE RATE



DRIVERS OF SHAREHOLDER VALUE

12

CLEAR PATHWAY TO SUCCESS

1. Build Liquidity

- ✓ IRESS has converted a “single point of contact”, to “hundreds of advisors” per broker
- ✓ Connect online brokers
- ✓ Expand broker base to include Top 20 by volume
- ✓ Educate the market

2. Attract Listings

- ✓ Faster, cheaper and easier to list
- ✓ “Fast Track Listing” process for ASX listed companies
- ✓ Access the same investors
- ✓ Grow the pie: Target new issuer groups

3. Tailor Market Model

- ✓ Educate the market of benefits of min spread 50
- ✓ Promote benefits of a disclosed broker ID
- ✓ Focus on ensuring the market is fully informed and allowing the market to function (fairly and orderly)
- ✓ New listing models with proven success in other markets

4. Build Strategic Alliances

- ✓ Pursue international alliance opportunity
- ✓ Build on existing synergistic opportunities for joint ventures
- ✓ Utilise competitive positioning for new asset classes
- ✓ Primary raising capital providers complimented by secondary trading

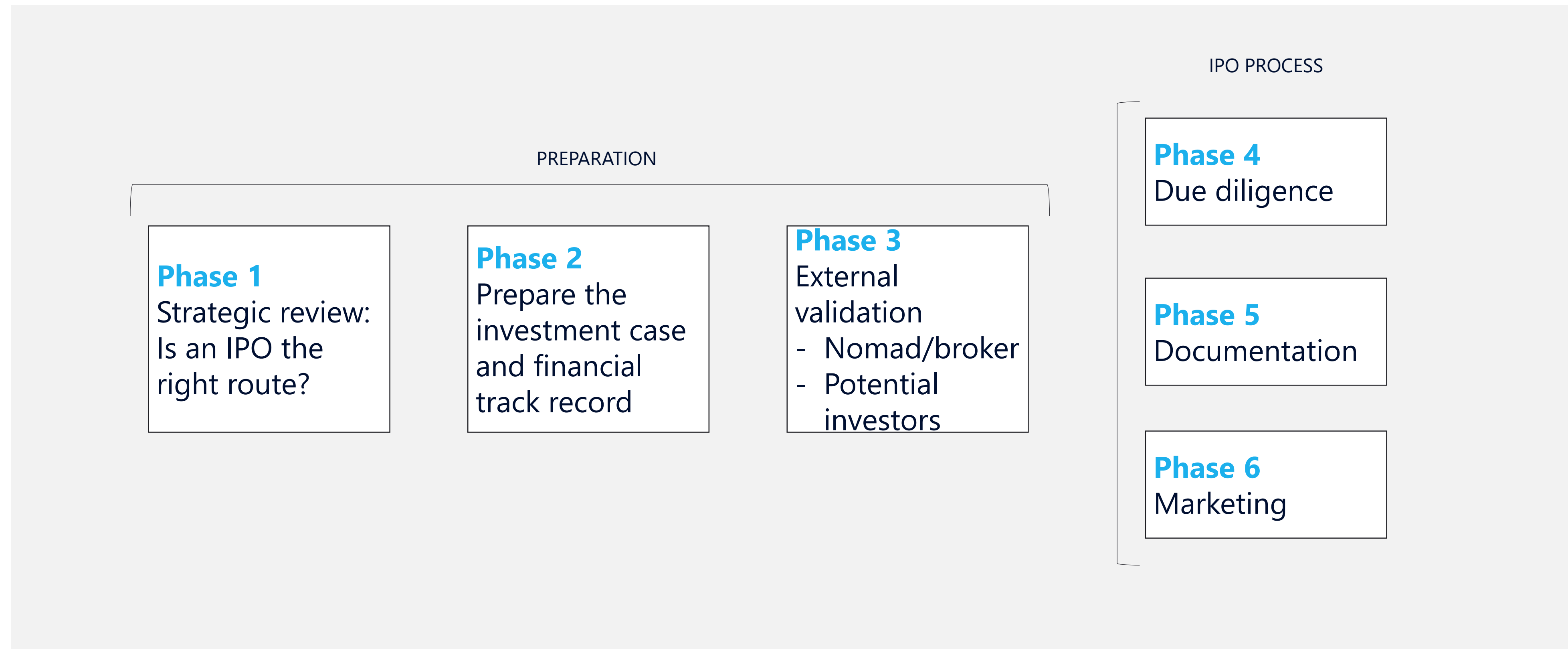
Listing

N S X

LISTING PROCESS

OVERVIEW

14



INDCATIVE IPO TIMETABLE

1 2 W E E K S



STRUCTURING

DUE DILIGENCE

MARKETING

COMPLETION

WEEKS 1 - 3

- Appointment of advisors (Nomad/Broker, Lawyer, Auditor)
- Consider transaction structure and identify key issues
- Suitability submission to NSX
- Scoping of due diligence (financial, legal and commercial)

WEEKS 4 – 10

- Formal due diligence (financial, legal and commercial)
- CHESS code reservation, share registrar appointed
- Liaising with NSX, draft documentation
- Preparation of application document, prospectus and marketing material
- Preparation of research

WEEKS 11 – 12

- Marketing of the offer commences
- Documentation finalised and submitted to NSX and ASIC as appropriate
- Securities created in CHESS
- Funds received and admission to NSX

FAST TRACK

SHIFT YOUR LISTING FROM ASX TO NSX

16

The requirements to be Fast Tracked are as follows:

- ✓ The company must be listed on one of NSX's Recognised Stock Exchanges
- ✓ Provide 3 years of audited Annual Reports
- ✓ Provide 12 months of released market disclosures
- ✓ Provide a copy of the Issuer's Constitution for publication
- ✓ Appoint a Nominated Adviser (either internal or external)
- ✓ Execute declarations and deed poll
- ✓ Provide the letter of application

FAST TRACK: ASX to NSX

17

6 WEEKS – NO PROSPECTUS REQUIRED *



WEEKS 1

- Board resolves to shift the listing from ASX to NSX
- ASX notified of the decision to delist
- EGM called to approve shifting the listing (if required by ASX)

WEEKS 2 – 6

- Historical market announcements and any supplementary material submitted to NSX
- Company and director deeds executed with NSX
- Share registry informed of change of listing venue
- NSX and ASX liaise to effect the change of venue

WEEKS 5 – 6

- NSX Listing Committee meet to approve listing
- Approval by shareholders
- Close trading on ASX one day, open for trading on NSX the next

* A prospectus is not required if no new capital is raised at the time of migration and the company has released up to date financials and periodic reporting.

WHAT IS THE SAME AS ASX?

18

ONE MARKET, TWO LISTING PLATFORMS

- ✓ Investors and advisors access the market through the same order interface, where ASX and NSX shares appear side by side (IRESS)
- ✓ The same sections of the Corps Act apply to determine disclosures to the market, ensuring there is an equivalent quality of information available to investors (capital raising, continuous and periodic disclosures)
- ✓ Shares listed on NSX are registered in CHESSE using a code share system with ASX, via the same share registries and the same HIN/SRN framework
- ✓ Corporate Actions available to companies listed on ASX (such as placements and right issues) are also available on NSX

HOW IS NSX DIFFERENT TO ASX?

19

USER FRIENDLY & SOLUTION FOCUSED

- ✓ A listing in NSX only requires a minimum of 50 eligible shareholders, compared to 300 eligible shareholders on ASX
- ✓ A NSX listing provides access liquidity, without the exposure to volatility from algo trading and short selling
- ✓ NSX provides a balanced regulatory approach with rules that are designed to meet the needs of growing companies balanced with investor protection
- ✓ Rather than prescriptive criteria, for example minimum size, companies must demonstrate their readiness and suitability for listing
- ✓ A listing on NSX is faster, cheaper and easier than an ASX listing

ADMISSION CRITERIA

KEY ELEMENTS

- ✓ 50+ shareholders, 25% free float
- ✓ 2 year track record (audited)
- ✓ Experienced board & management
- ✓ Public company structure
- ✓ Suitable for listing
- ✓ Market capitalisation of \$3m+

COMPETITIVE PRICING

21

DELIVERING VALUE TO EMERGING COMPANIES

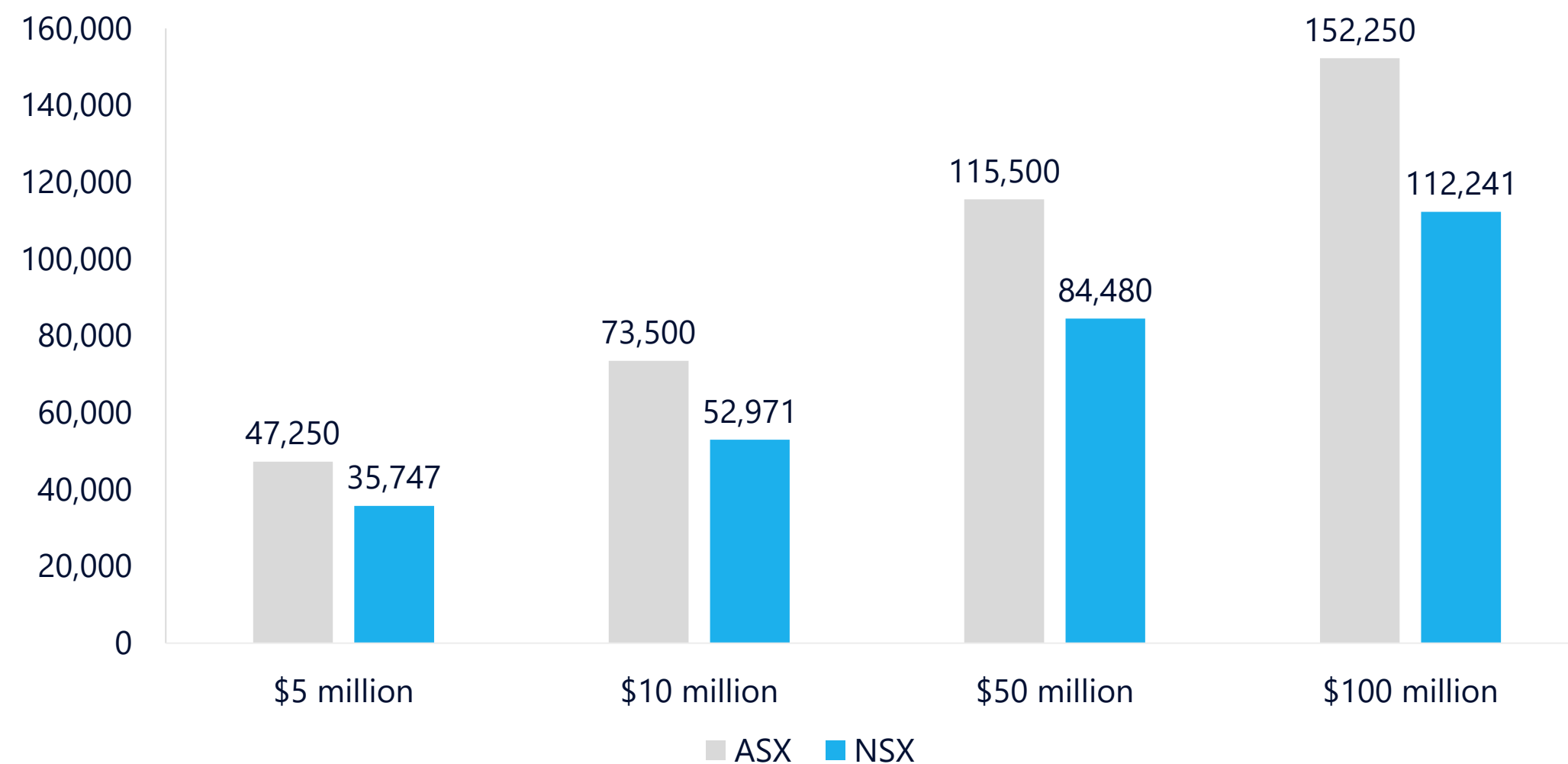
NSX Listing - Value Dynamics

Company Size	Saving At IPO		Saving Over 5 Years	
	\$	%	\$	%
\$5 million	17,706	27%	42,518	32%
\$10 million	30,587	31%	70,819	34%
\$35 million	38,954	30%	86,427	34%
\$50 million	43,885	29%	95,345	33%
\$100 million	56,586	29%	122,894	33%

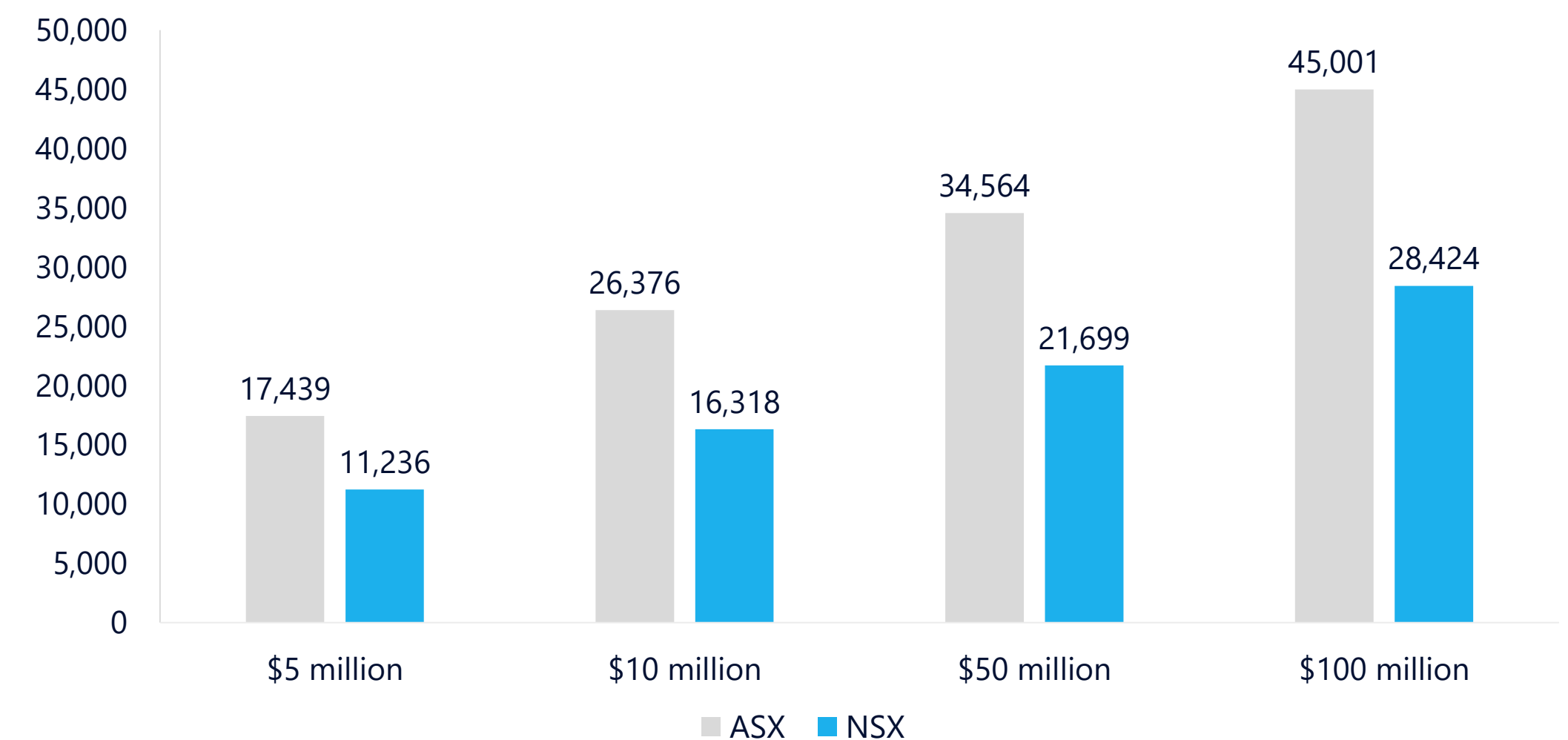


A \$35m company will save c. \$86k over the first 5 years

NSX 26% Lower - Application Fee



NSX 37% Lower - Annual Fee



Liquidity

N S X

Connectivity

FOUNDATIONS IN PLACE AND BUILDING

23

✓ Transformation of **distribution model** (prerequisite for liquidity)

1. Integration into IRESS trader workstation
2. Co-location at the Australian Liquidity Centre (ALC)
3. Launch of NSX Equity Research Scheme
4. Integration into market data vendors including Thomson Reuters and Bloomberg
5. Trade Acceptance Service approval

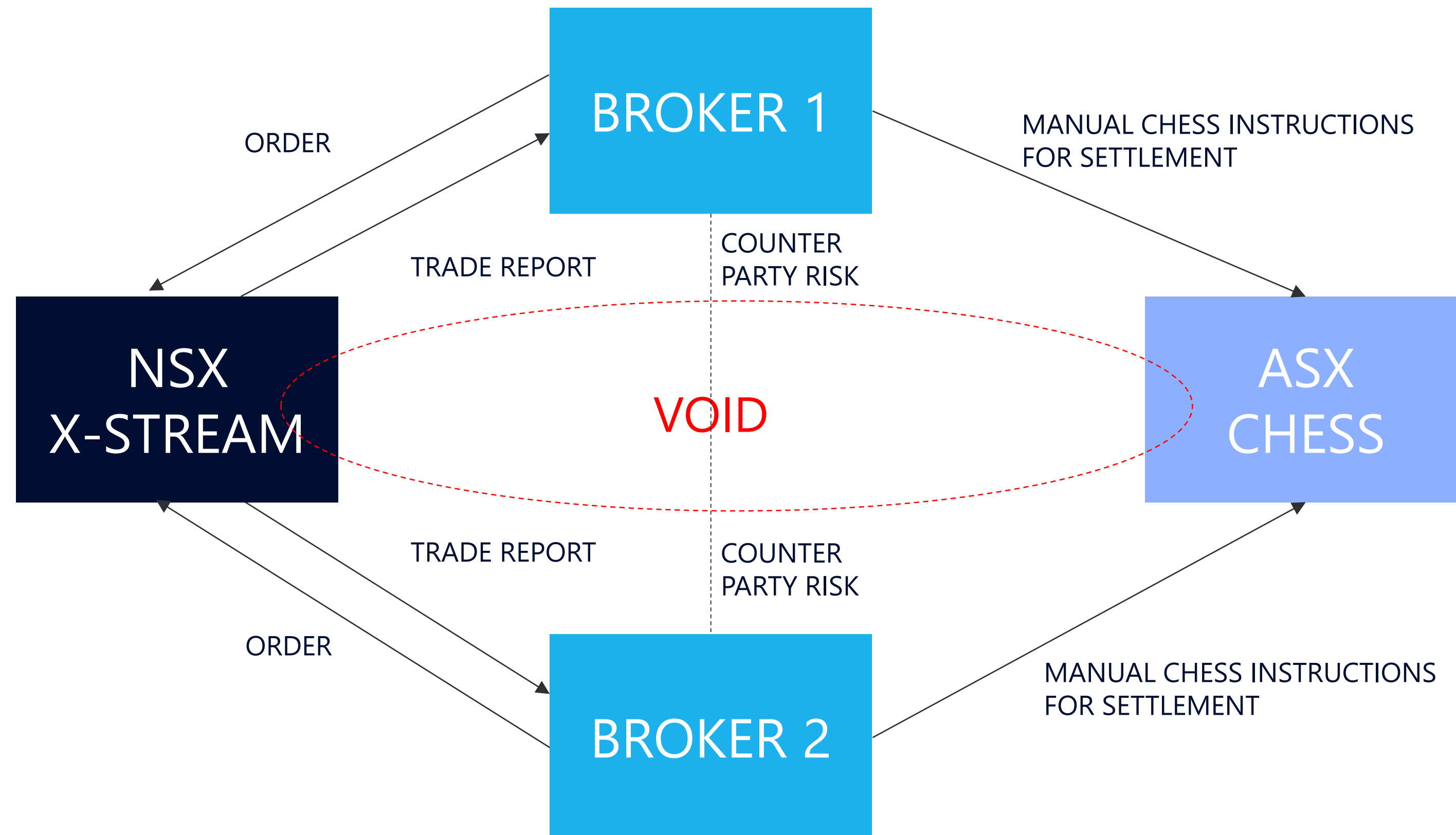
✓ Trade Accept Service implementation is key to enhancing and derisking the **distribution model** for brokers

1. A straight through digital process would be adopted for the management of post trade actions for participants, thereby removing present limitations of the manual Delivery versus Payment (DVP) process currently required for NSX trades;
2. An alignment of post trade processes and messages between NSX, ASX and Chi-X, thereby reducing costs and increasing efficiencies for participants; and
3. The introduction of clearing to the NSX transaction flow, whereby ASX Clear will accept the counterparty risk for eligible trades executed on the market, replacing the existing bi-lateral structure.

BACKGROUND

24

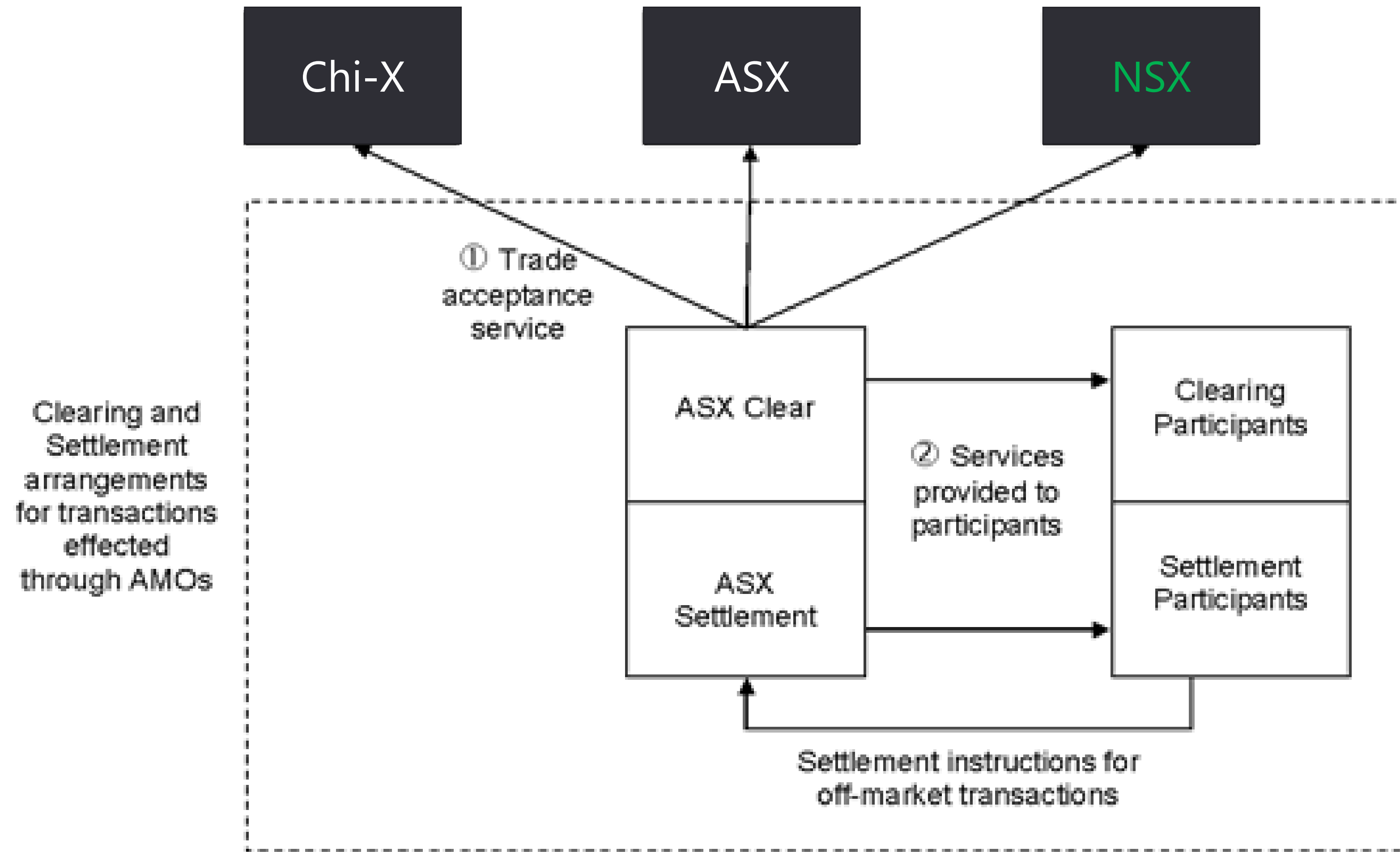
NSX CURRENT SETTLEMENT MODEL



TRADE ACCEPTANCE SERVICE (TAS)

CONSISTENT ACCESS ACROSS TO ALL MARKETS

25



TAS PROJECT

26

KEY ACTIVITIES

December 2018



ASX Clearing Board Approval

2019

NSX Rules

Market Consultation

NSX Technology & Operational Readiness

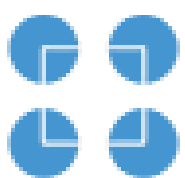
NSX Market
Readiness



TAS Go-Live

BROKER PROFILE

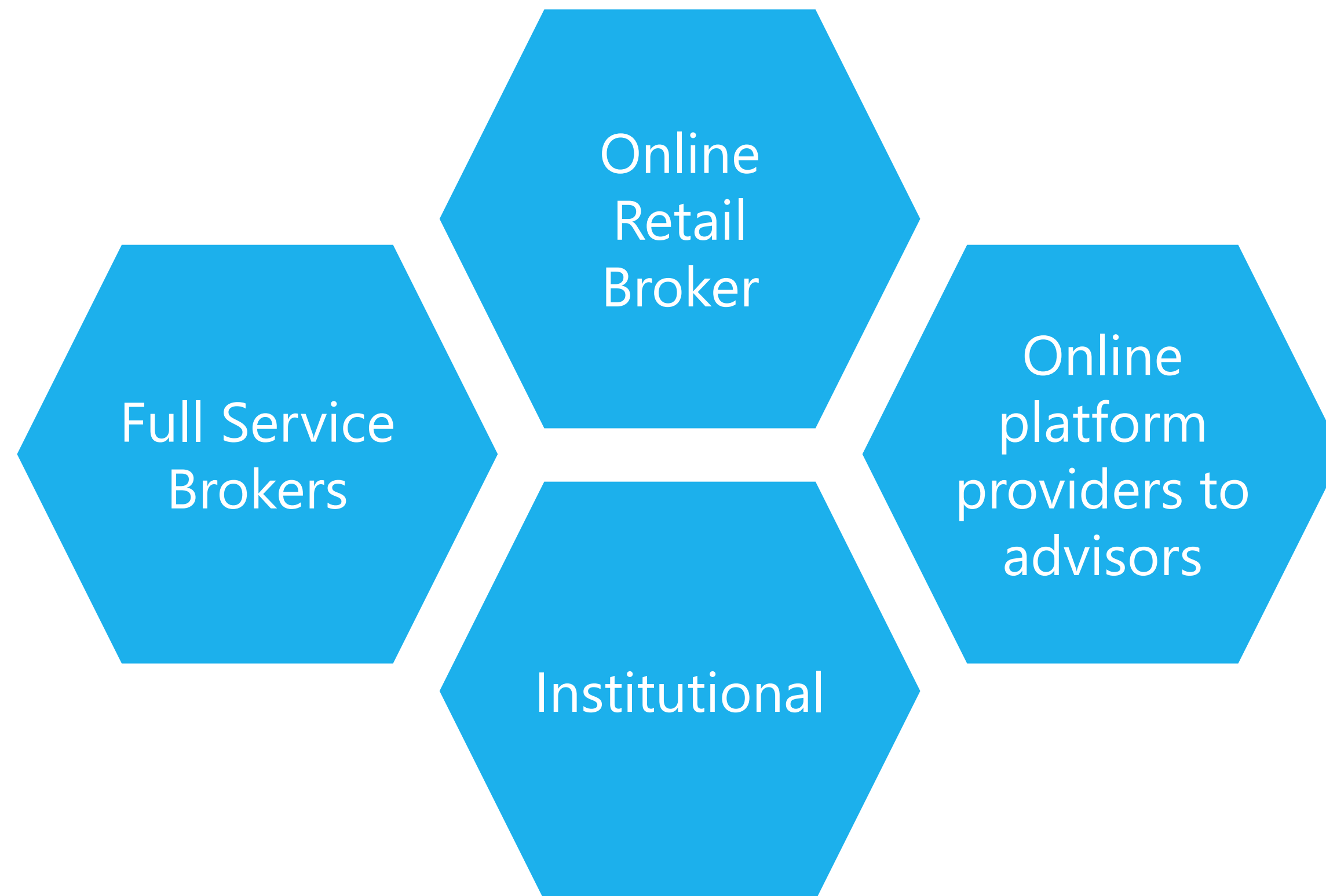
3 NEW BROKERS IN 12 MONTHS



Distribution Opportunity

28

Online platforms and institutional



- 4 dominant online brokers
- Access over 750,000 active retail traders*
- 3-4 dominant trading platform providers – supporting 300+ advisor groups
- 20+ trading participants
- Compelling Value Proposition
 - IRESS Connectivity – Investors and Advisors can trade through the same IRESS Trader platform
 - FIX API connectivity for non-IRESS firms
 - Market data with Reuters and Bloomberg
 - TAS implementation – Participant experience will be consistent with other exchanges

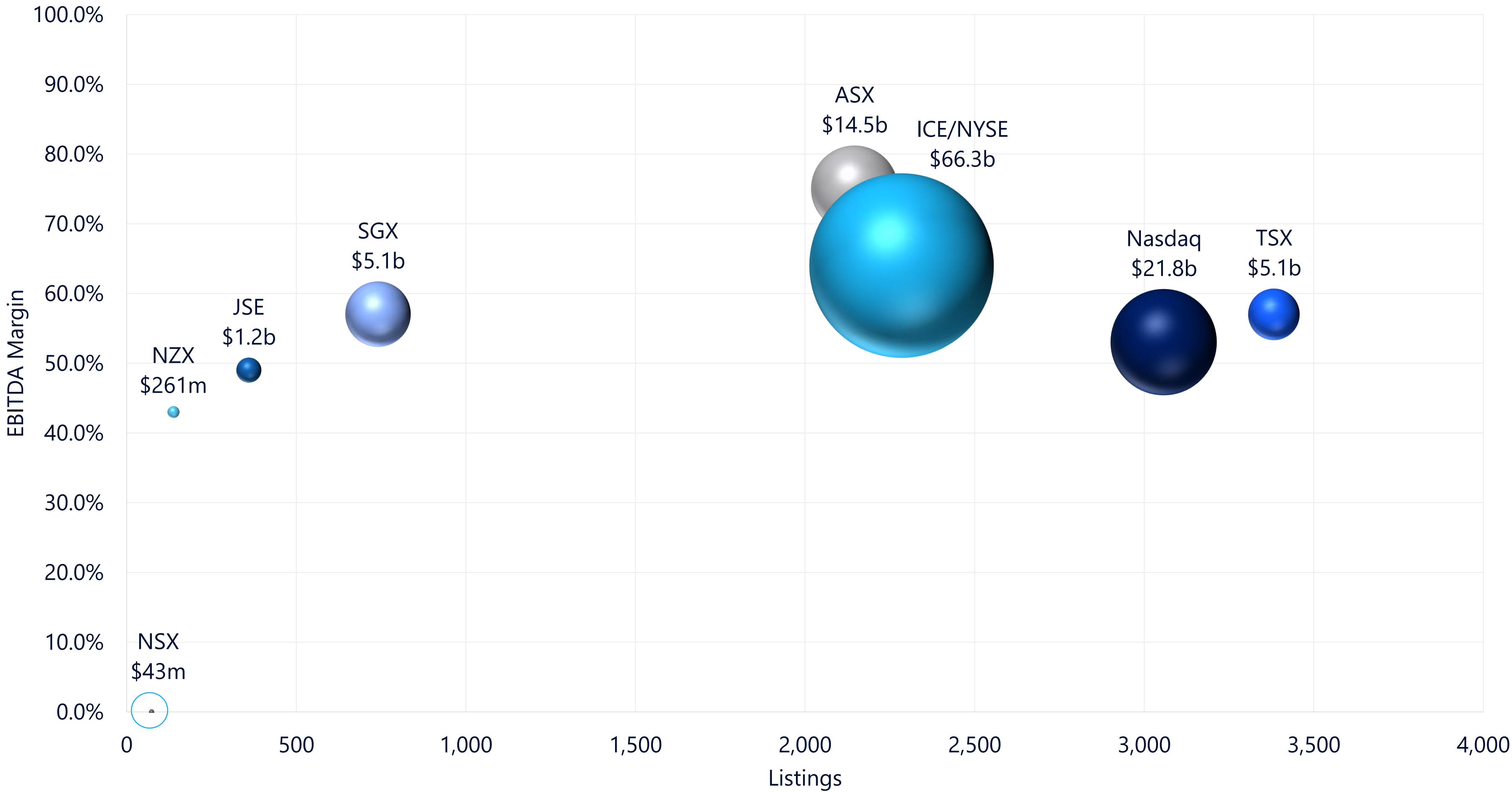
Financials

N S X

GLOBAL EXCHANGE INDUSTRY PROFILE

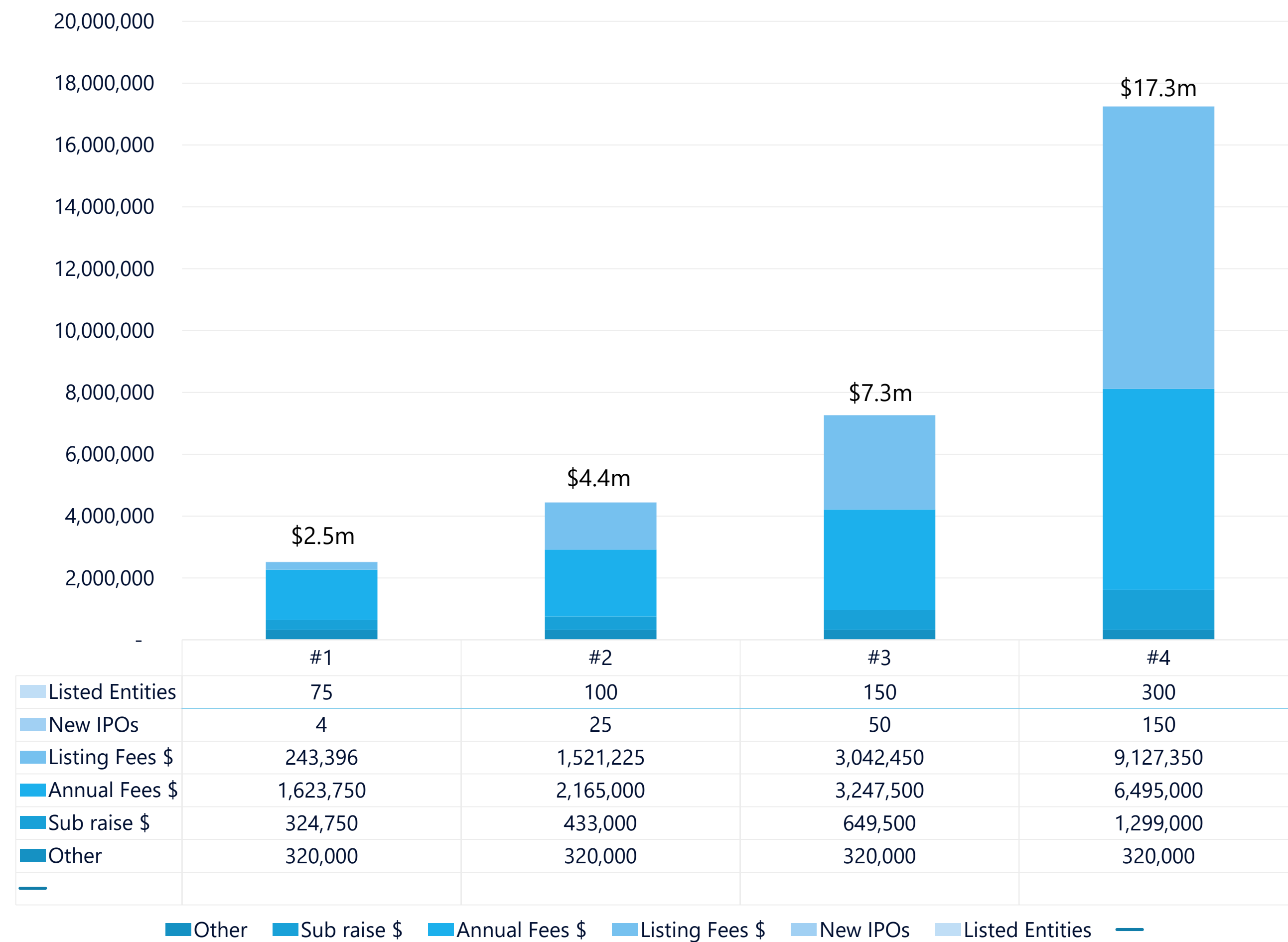
HIGH VALUE HIGH MARGIN

EBITDA range
43% - 75%



REVENUE SCENARIOS

S I M P L E R E V E N U E D R I V E R S , H I G H M A R G I N F R O M B R E A K E V E N





GET LISTED.

www.nsx.com.au



ann.bowering@nsx.com.au



1 Bligh St Sydney, Australia



+61 406 267 805