

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C CASHFLOW STATEMENT

Sydney, NSW – NSX Limited (ASX: NSX) submits the following activities and Appendix 4C Cashflow Statement for the period ended 31 December 2017.

Group Cash Flow Activities

- +10% / \$0.476 million (improvement), on pcp for net cash flow for December Quarter.
- +30% / \$0.474 million (improvement), on prior year, year to date net cash flow to December.

Cash Flow by Business Unit

National Stock Exchange of Australia Cash Flow Activities:

- +11% / \$0.208 million (improvement) on the prior year, year to date result for Cash receipts from customers.

The cash inflow for the quarter from customers of \$0.424 million is in line with pcp.

- +36% / \$0.33 million (improvement) on pcp for Payments for Staff of \$0.415 million, primarily driven by the occurrence of redundancy payments in the pcp, net of new staff members under the restructured organization.

The year to date comparison with the prior year also reflects a +8% / \$0.94 million improvement.

- (22%) / \$0.186 million (decline) on pcp for Payments for Administration and Corporate costs for the period, reflecting our investment into technology, security and compliance, and enhanced distribution models.

The year to date comparison with the prior year also reflects a +36% / \$0.490 million increased outflow.

IR Plus Cash Flow Activities

- Payments for Staff of \$0.150 million was 50% higher than the pcp.
- Payments for Administration and Corporate costs for the period of \$25,000 are 50% down on the pcp

National Stock Exchange of Australia Business Activities

During the quarter:

- 4 new Issuers were admitted to the official list of the National Stock Exchange of Australia during the December Quarter, bringing the year to date total to 6, and the total number of securities listed to 83.
- 6 issuers were delisted during the period as a result of enforcement investigations by the stock exchange.
- \$58.2 million in New Capital was raised by issuers on the National Stock Exchange of Australia during the December Quarter.
- 2 new Brokers were approved as trading participants on the exchange, specifically D2MX and State One Stockbroking, bringing the total number of participants to 23.
- 4 new Nominated Advisors were approved by the exchange during the December Quarter, bringing the total number of nominated advisors to 43.

30 January 2018

ASX Market
Announcement Office
ASX Limited

20 Bridge St,
SYDNEY NSW 2000

- Trading commenced using the IRESS platform in December 2017 with the first broker, State One Securities coming onto the exchange and accessing the market using the new connectivity.

IR Plus Securities Exchange Business Activities

During the quarter:

- Further work was completed on the re-launch of the exchange.

For further information on the financial aspects of the activities please refer to the attached Appendix 4C or contact:

Ann Bowering
Managing Director and CEO
NSX Limited
ann.bowering@nsx.com.au

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/0 9/16

Name of entity

NSX Limited

ABN

33 089 447 058

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	424	2,089
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(4)	(24)
(d) leased assets		
(e) staff costs	(564)	(1,308)
(f) administration and corporate costs	(1,015)	(1,843)
1.3 Dividends received (see note 3)		
1.4 Interest received	17	27
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (Lease incentive received)		
1.9 Net cash from / (used in) operating activities	(1,142)	(1,059)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(53)
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	-	(53)

Item 2.1(a) – Capital Equipment

Expenditure on capital equipment required for the new offices at 1 Bligh Street and also for new systems to support the equity markets.

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	4,944	4,914
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,142)	(1,059)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(53)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	3,802	3,801

5. Reconciliation of cash and cash equivalents		Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts			
5.1	Bank balances	442	1,069
5.2	Call deposits	1,160	1,675
5.3	Bank overdrafts		
5.4	Other (provide details)	2,200	2,200
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,802	4,944

Item 5: Other disclosures required by AASB 107: Cash available for use by the Group.

Reconciliation of funding arrangements to support business operations

		Current quarter \$A'000	Previous quarter \$A'000
5.6	Total cash at end of quarter (item 4.6)	3,802	4,944
5.7	Cash Deposits held for Equity Markets Compensation Arrangements.	(1,700)	(1,700)
5.8	Cash Deposit held while National Stock Exchange of Australia is registered as a General Settlement Participant of ASX Settlement Pty Ltd.	(500)	(500)
Total: cash on hand and at bank (items 5.1 and 5.2)		1,602	2,744

Item 5.7 - Exchange Compensation Arrangements

As part of the National Stock Exchange of Australia Limited's Australian Financial Markets Licence, NSX operates investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. The minimum cover required by the Licence is \$800,000. The sources for the cover is a Fidelity Fund and also a Letter of Credit as allowed by the Act. The Fidelity Fund currently has over \$520,000 on deposit. To support the Letter of Credit the National Stock Exchange of Australia Limited has provided a cash deposit of \$700,000. There is currently excess funds to the cover required in the compensation arrangements. The cash balances for the Fidelity Fund are not consolidated with NSX accounts above.

As part of the IR Plus Securities Exchange Limited's (IR Plus) Australian Financial Markets Licence, IR Plus operates investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. The minimum cover required by the Licence is \$1,000,000. The sources for the cover is a Fidelity Fund and also a Letter of Credit as allowed by the Act. The Fidelity Fund currently has over \$50,000 on deposit. To support the Letter of Credit NSX Limited has provided a cash deposit of \$1,000,000 on behalf of SIM VSE. There is currently excess funds to the cover required in the compensation arrangements. The cash balances for the Fidelity Fund are not consolidated with NSX accounts above.

Therefore \$1,700,000 is not available cash for use by the NSX Group as working capital. Interest earned from the cash deposits is available for working capital purposes.

Item 5.8 - General Settlement Participant Requirements

As part of the requirements for the National Stock Exchange of Australia (NSXA) to be registered as a General Settlement Participant for the purposes of ASX Settlement Pty Ltd Operating Rules (ASXOR 4.3.13) NSX has to lodge a Settlement Bond in the form of a Bank Guarantee with ASX Settlement. The amount of the settlement bond is \$500,000 and is used to compensate ASX Settlement if and only if NSX, as a Settlement Participant, breaches any rule that causes ASX Settlement to suffer or incur any losses or damages as a result of that breach.

Therefore \$500,000 is not available cash for use by the NSX Group as working capital. Interest earned from the cash deposits is available for working capital purposes.

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
124

Includes payments to Ann Bowering both as a director and Managing Director of the Company along with Michael Cox, Thomas Price and Weiguo Shen as Directors of the company.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	NIL
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	600,000
9.6 Administration and corporate costs	800,000
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	1,400,000

