

Dear Ms. Codreanu,

7 February 2018

Att: Ms Codreanu
Listings Compliance
ASX Limited

RESPONSE TO ASX APPENDIX 4C QUERY

20 Bridge St,
SYDNEY NSW 2000

We acknowledge receipt of ASX's letter dated 2 February 2018 regarding the Company's quarterly report for the period ended 31 December 2017 released on 31 January 2018.

In response to each of the questions, we advise as follows:

1. As stated in the above mentioned quarterly report the Company expects to have negative operating cash flows for the quarter ended 31 March 2018 being due to the investment made in the significant restructure of the operations to create a competitive business model and meet our regulatory obligations. However, it is expected that the operation will become self-sustaining in the foreseeable future.
2. The Board assesses the Company's funding requirements on a continual basis in light of its business objectives. The Company has sufficient access to capital to fund the operations into the foreseeable future, however as is prudent, the board is assessing multiple options with regards to making available additional capital to the business as and when it is required. This includes if appropriate, releasing cash assigned as collateral for facilities not required, and accessing opportunities for new capital from either existing or new shareholders.
3. The Company confirms it expects to be able to continue its operations and meet its business objectives. There has been a substantial enhancement of the market operations, marketing, distribution model, technology platform and capabilities for the exchange as a result of the investments made over the last 18 months. This has seen a significant improvement in the market positioning of the exchange and an enhancement in the commercial opportunities for the business. Given the nature of our business, changes of this type typically take a long lead time for the full value to be reflected in cashflows.
4. The Company confirms that, to its best knowledge and belief, it is in compliance with the ASX Listing Rules and in particular Listing Rule 3.1. The Company believes that there is no information that should be given to the ASX about its financial condition, in accordance with that Rule, that has not already been released to the market.
5. The Company confirms that the above response to the questions have been authorised by the Board in accordance with the Company's published continuous disclosure policy.

The Company believes that it is in compliance with Listing Rule 12.2 as it is of the view that it has access to sufficient sources of funds to meet short term operating commitments,

Ann Bowering
Managing Director



2 February 2018

Mr Scott Evans
Company Secretary
NSX Limited
Level 3
1 Bligh Street
Sydney NSW 2000

By email: cosec@nsx.com.au

Dear Mr Evans

NSX Limited (the “Company”): Appendix 4C Query

We refer to the Company’s Appendix 4C quarterly report for the period ended 31 December 2017 lodged with ASX Market Announcements Platform and released on 31 January 2018 (the “Appendix 4C”).

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of \$1,142,000;
- cash at the end of the quarter of \$1,602,000; and
- estimated cash outflows for the next quarter of \$1,400,000.

It is possible to conclude, based on the information in the Appendix 4C, that if the Company were to continue to expend cash at the rate indicated by the Appendix 4C, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that the Company’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **9:30am AEDT on Thursday, 8 February 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.



You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Violetta Codreanu

Senior Adviser, Listings Compliance (Sydney)