



**NSX Limited**  
1 Bligh Street, Sydney NSW 2000  
ABN 33 089 447 058

**T** +61 2 9233 0100  
**E** [info@nsx.com.au](mailto:info@nsx.com.au)  
**W** [nsx.com.au](http://nsx.com.au)

23 July 2024

## Court application and funding update

NSX Limited (**NSX**) has sought advice and undertaken consultations about the most appropriate approach to rectify some inadvertent non-compliance with the Corporations Act and the ASX Listing Rules in the course of its recent capital raising activities.<sup>1</sup> A course of action has now been decided.

### Court application

NSX 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 (**ISXFEU**) that involved a contravention of the Act and the Listing Rules. The shares were additional to ISXFEU'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 NSX registered in the name of ISXFEU on 8 March 2024 and 31 May 2024. The cancellation would restore ISXFEU's shareholding in NSX to 30.35%.

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 NSX's financial resources, NSX 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).

NSX has issued a Convertible Note to ISXFEU, which provides NSX 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 ISXFEU, with the balance to be advanced by ISXFEU to NSX shortly after the court order. The loan is dependent on the court order being made.

NSX'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 NSX at an issue price of 2.5 cents each if a proposed conversion is approved by NSX shareholders having followed the procedure required by the Act and the Listing Rules. The noteholder can call for part or full repayment on 90 days notice if both a conversion proposal is not approved by NSX shareholders and at that time NSX'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 note (previously announced) providing funding of \$500,000 by a subsidiary of ISXFEU has been replaced by a Convertible Note between NSX and ISXFEU 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 this announcement, and is payable upon conversion or repayment of the principal sum.

---

<sup>1</sup> Specifically, contravention of s 606 of the Act and Listing Rule 10.11. ISXFEU was issued with 20,108,493 shares on 8 March 2024 as a conversion of the 27 February convertible loan through NSX's shortfall facility, without appreciating that such issue would cause a breach of s 606. A further 57,484,159 shares were issued to ISXFEU on 31 May 2024 as part of the shortfall facility but in contravention of s 606 and LR 10.11 due to confusion about applicable exemptions from those limits.

### **Planned recapitalisation**

The above actions will put NSX in a position similar to that which it was in at March 2024, if it had only made the entitlement offer, but ideally needing more capital.

NSX intends to seek shareholder approval at its Annual General Meeting in November 2024 for the conversion of both Convertible Notes in full.<sup>2</sup>

If conversion is not approved the board will need to find an alternative source of new equity capital or long term finance.

### **Lifting of suspension**

Now that the proposed form of court order has been settled, and given that a holding lock has been imposed to prevent any on-sale of the shares ahead of their cancellation, NSX has requested that ASX lift the suspension of quotation of NSX shares at this time.

For further information please contact the Company Secretary, Scott Evans by email at [cosec@nsx.com.au](mailto:cosec@nsx.com.au).

### **Approved by order of the board of directors of NSX Limited.**

Company Secretary

Scott Evans

---

<sup>2</sup> Specifically, shareholder approval will be sought under item 7 of s 611 of the Act and, consequently, LR 10.12, exception 6.