



Australian Bond Exchange Holdings Ltd.  
Level 19, 15 Castlereagh Street,  
Sydney NSW 2000  
P.O. Box R445, Royal Exchange NSW 1225  
ABN 11 629 543 193

Telephone: (02) 8076 9343  
[support@bondexchange.com.au](mailto:support@bondexchange.com.au)  
[www.bondexchange.com.au](http://www.bondexchange.com.au)

## Strong revenue and client number growth

31 August 2023

Australian Bond Exchange Holdings Limited (ASX:ABE) (“Australian Bond Exchange” or “the Company”) is pleased to provide its Preliminary Financial Report for the full Financial Year ended 30 June 2023 (FY23).

### Highlights

- Revenue grew to \$4.7 million, an increase of 131% compared to FY22
- Growth was driven by ongoing successful execution of the Company’s client acquisition strategy and product offerings designed to meet investor appetite
- Active client numbers increased by approximately 77% compared to FY22
- Continued product innovation with \$77 million of new market linked instruments in FY23 taking the total of market linked products to over \$120 million
- Balance sheet had available net cash of \$5.9 million
- Successfully completed transactional Central Bank Digital Currency (CBDC) pilot with the Reserve Bank of Australia (RBA)

Australian Bond Exchange CEO Bradley McCosker said “Over FY23 we have continued to execute on our strategy of growing our client base through targeted marketing campaigns, effectively leveraging referral channels, and continuing to launch innovative products that meet investor needs.

FY23 was a year of strengthening our foundations. We undertook the necessary investment in people and infrastructure to provide ABE with a more efficient runway going forward to support our growing business.

We were very pleased to report earlier this year that we were one of 16 successful use cases to participate in the CBDC pilot with the Digital Finance Cooperative Research Centre (DFCRC) and RBA. This is closely aligned with our vision of making the bond market accessible to all investors by using our proprietary technology to reduce barriers to entry.”

## Financial Performance Review

During FY23, the Group's revenue continued to grow to \$4.7 million. This was in a large part driven by growth across the following key revenue sources:

- Trading revenue grew to \$3.7 million an increase of 159% compared to FY22
- Commission revenue grew to \$0.8 million an increase of 91% compared to FY22

The consolidated loss for the Group for the year ending 30 June 2023 was \$5.0 million. The financial year saw the Company incur increased costs in order to support business growth opportunities. The main cost increases were related to staff costs, advertising and marketing spend and administrative expenses.

To continue to drive sales activities, target new clients and build brand awareness, advertising, and marketing costs increased to \$0.9 million over FY23.

Related to this, sales, marketing and business development staff costs increased to \$2.4 million over FY23 reflecting the investment in staff that ABE has made in this area, especially over 2H FY23. The remaining staff costs of \$2.7 million for FY23 reflect investments in experienced talent with legal and compliance, operations and investment functions, as well as key management roles.

Administrative expenses of \$0.7 million for FY23 included recruitment, travel, legal, insurance and accounting expenses that management does not expect to incur to the same extent in FY24.

Further, the Board has in recent months instigated a cost reduction program across all aspects of the business, including reducing dependency on third party agencies, which is expected to result in the elimination of over \$2 million in operating overheads for FY24 when compared to FY23.

At the end of the period, the Group's balance sheet had a total cash, bond inventory and trade settlements receivables balance of over \$6.4 million.

## Operational Performance and Activities

Overall the positive impact on business activities is reflected below:

- Face value sales of products specifically designed for Australian private investors grew by \$77 million in FY23, attributed to growing client appetite
- Active client numbers increased by approximately 77% compared to FY22
- Number of investments per private client portfolio increased by 21% over FY23

As noted above, bringing on board the right skillsets and experience to support the growing business has been an important investment for Australian Bond Exchange over FY23 with the appointment of experienced COO, Kevin Hall, CIO (Singapore), Jacqueline Yee and Financial Controller, Nikole Reid.

Australian Bond Exchange also added several new market linked instruments to its offering during FY23. Due to growing client demand products designed specifically for the Australian private investor, such as credit linked securities denominated in Australian Dollars (Notes), ABE has seen a significant increase in the number of offerings that have been fully sold, which included the following:

- Dell Inc - AUD denominated 'credit-linked security' linked to certain credit obligations - \$13 million face value sold
- Marks and Spencer PLC - AUD denominated 'bond-linked security' linked to an unsecured note - \$12 million face value sold

- Ford Motor Co - AUD denominated 'credit-linked security' linked to certain credit obligations - \$12 million face value sold
- Under Armour - AUD denominated 'bond-linked security' linked to an unsecured note - \$5 million of face value sold
- Rakuten Group Inc - AUD denominated 'credit-linked security' linked to certain credit obligations - \$5 million of face value sold
- Flight Centre Travel Group Ltd - AUD denominated 'credit-linked security' linked to certain credit obligations - \$5 million of face value sold

The above products supplement the traditional sales and trading activity in the OTC bond market in which ABE operates both in Australia and Singapore. During FY23, institutional trading, now transacted out of ABE's Singapore trading desk, started to make a contribution with over \$3.1 billion in trading volume.

### **Advancing Technology**

Nearly every G20 country is investing resources in CBDC projects and development. As part of the Australian CBDC pilot, ABE successfully completed the world's first near-real time order, trade, settlement and the coupon payments of a bond using the RBA CBDC. The RBA and DFCRC published the findings from the pilot on 23 August which concluded that whilst more research is required to better understand the legal, regulatory, technical and operational issues, a CBDC could enhance the current payment system by increasing efficiency and resilience in certain areas.

Further developments in technology also include exploiting AI for credit analysis on the various products ABE offers (and equally does not offer) our investors. The ABE AI credit analysis process can produce, for example, a bond credit rating in a matter of minutes. By comparison, the traditional credit rating process can take up to 6 weeks or more. Accordingly, ABE is currently exploring opportunities to monetise its AI credit ratings capability outside of using it as part of our internal due diligence processes.

### **FY2024 outlook**

With achievements across a number of areas, including its revenue growth, positive client acquisition and expanding product suite, the Company's board and management are confident that Australian Bond Exchange is well positioned to continue its growth in key areas of the business with a further focus on expense management to assist the Group on its path to profitability.

Steve Alperstein  
Company Secretary

Investor Relations  
GRACosway  
Contact: Eleonora de Vos (+61 450 930 010)  
Email: [shareholders@bondexchange.com.au](mailto:shareholders@bondexchange.com.au)

Media Enquiries  
GRACosway  
Contact: Max Hewett (+61 432 335 215)  
Email: [mhewett@gracosway.com.au](mailto:mhewett@gracosway.com.au)

Registered office: Level 19, 15 Castlereagh Street, Sydney 2000  
Contact address: Level 19, 15 Castlereagh Street, Sydney 2000

Phone: +61 2 8076 9343

Website address: [www.bondexchange.com.au](http://www.bondexchange.com.au)

### **About Australian Bond Exchange Holdings**

Australian Bond Exchange Holdings (ASX: ABE) is an Australian financial services company that uses its proprietary technology to provide Australian Investors with direct access to the best of the fixed income asset class in Australia and internationally.

ABE's access and proprietary technology allows "access for all" in a transparent and efficient way. Transparent trading allows investors, brokers and advisers to deliver highly demanded fixed income asset class product to end clients.

This is coupled with an advanced AI driven Product Governance model, which allows greater investor protections, providing a new over the counter venue for private investors, financial advisers, and investment professionals to access the global financial markets.

ABE is eliminating barriers to entry to the bond market, providing access, efficiency, lower cost and transparency.

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# **Australian Bond Exchange Holdings Limited**

ACN: 629 543 193

## **Appendix 4E Preliminary Final Report**

For the Year Ended 30 June 2023

# Australian Bond Exchange Holdings Limited

ACN: 629 543 193

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For the Year Ended 30 June 2023

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# APPENDIX 4E PRELIMINARY FINAL REPORT

For the year ended 30 June 2023

## Australian Bond Exchange Holdings Limited and its controlled entities

ACN: 629 543 193

### 1 Details of the reporting period and the prior corresponding period

Current period: 1 July 2022 to 30 June 2023  
Prior corresponding period: 1 July 2021 to 30 June 2022

### 2. Results for announcement to the market:

	Year ended		Change
	30 June 2023	30 June 2022	
	\$	\$	%
<b>Key information</b>			
2.1 Revenue	4,687,837	2,029,717	up 131%
2.2 Loss from ordinary activities after tax attributable to members	(5,034,582)	(3,642,758)	down 38%
2.3 Loss attributable to members of the Company	(5,034,582)	(3,642,758)	down 38%

#### 2.4 Dividends

There were no dividends paid during the period nor declared after the end of the reporting period.

#### 2.5 Record date for determining entitlements to the dividend

Not applicable.

#### 2.6 Commentary

#### FY 2023 Highlights

- Total revenue grew to \$4.7 million, an increase of 131% compared to FY22.
- Growth was driven by ongoing successful execution of the company's client acquisition strategy and product offerings designed to meet investor appetite.
- Active client numbers as at reporting date increased by approximately 77% compared to FY22.
- Continued product innovation with \$77 million of new market linked instruments in FY23 taking the total of market linked products to over \$120 million.
- Balance sheet had available net cash of \$5.9 million.
- Successfully completed transactional Central Bank Digital Currency (CBDC) pilot with the Reserve Bank of Australia (RBA).

#### Financial Performance Review

During the 2023 financial year, the Group continued business as a specialist fixed income adviser and dealer in Australia. The Group's strategy for the 2023 financial year was to strengthen its foundations, undertaking the necessary investment in people and infrastructure to provide the Group with a more efficient runway going forward.

During the year the Group built out specialist teams in sales, marketing and business development, and this is reflected for private client business activities as well as institutional trading turnover.

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# APPENDIX 4E PRELIMINARY FINAL REPORT

For the year ended 30 June 2023

## Australian Bond Exchange Holdings Limited and its controlled entities

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### 2. Results for announcement to the market: (cont'd)

#### Financial Performance Review (cont'd)

Private client business metrics grew appreciably and contributed to record revenue growth in 2023

- Active client numbers increased by approximately 77% compared to FY22
- Number of investments per private client portfolio increased by 21% over FY23
- Very strong private client retention rate of 99%

The Group also added several new market linked instruments ('deferred purchase agreements') to its product offering during FY23. Due to growing client demand, products designed specifically for the Australian private investor, such as credit linked securities denominated in Australian Dollars has seen a significant increase in the number of product offerings that have been fully sold, with FY23 adding \$77 million in face value of market linked products sold.

In addition to this product innovation, the Group continued its traditional sales and trading activity in the OTC bond market in both Australia and Singapore. During FY23, institutional trading, now transacted out of ABE's Singapore trading desk, started to make a contribution with over \$3.1 billion in trading volume.

The Group significantly progressed a range of technology initiatives during the period, including:

- Participated in the RBA's Central Bank Distributed Currency pilot program along with 15 other successful use case;
- Successfully completed one of the world's first near real time trade and settlement of a bond security on a distributed ledger;
- Completion of multiple pilot programs to integrate the Group's transaction and settlement process into the New Payments Platform (NPP).

#### Operational Performance and Activities

The consolidated loss of the Group amounted to \$5,034,582 (2022: loss of \$3,642,758). The results reflect increased costs in order to support business growth opportunities.

This focus has seen results start to show in 2023 with the increase in trading revenue to \$3.7 million an increase of 159% compared to prior year and commissions growing to \$0.8 million an increase of 91% compared to prior year.

The main cost increases were related to staff costs, advertising and marketing spend, and administrative expenses. To continue to drive sales activities, target new clients and build brand awareness, advertising and marketing costs increased to \$0.9 million. Related to this, sales, marketing and business development staff costs increased to \$2.4 million over the year reflecting the investment in staff. Administrative expenses of \$0.7 million for the year included recruitment, travel, legal, insurance and accounting expenses that management does not expect to incur in future years to the same extent.

Further, the Board has in recent months instigated a cost reduction program across all aspects of the business including reducing dependency on third party agencies, which is expected to reduce operating overheads for those activities in FY24 when compared to FY23.

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# APPENDIX 4E PRELIMINARY FINAL REPORT

For the year ended 30 June 2023

## Australian Bond Exchange Holdings Limited and its controlled entities

ACN: 629 543 193

### 2. Results for announcement to the market: (cont'd)

#### Outlook and strategic priorities

With achievements across a number of areas, including revenue growth, positive client acquisition and expanding product suite, the Company's board and management are confident that the Group is well positioned to continue its growth in key areas of the business with a further focus on expense management to assist the Group on its path to profitability.

### 3 A statement of profit or loss and other comprehensive income

A statement of profit or loss and other comprehensive income together with notes to the statement is contained on page 5 and pages 9 onwards.

### 4. A statement of financial position

A statement of financial position together with notes to the statements is contained on page 6 and pages 9 onwards.

### 5. A statement of changes in equity

A statement of changes in equity, showing movements is contained on page 7 and pages 9 onwards.

### 6. A statement of cash flows

A statement of cash flows together with notes to the statement is contained on page 8 and pages 9 onwards.

### 7. Dividend payments

There were no dividends paid during the reporting period.

### 8. Dividend or distribution reinvestment plan details

There are no dividend or distribution reinvestment plans in place.

### 9. Net tangible assets per ordinary share

	30 June 2023	30 June 2022	Change
	\$	\$	%
<b>Security</b>			
Ordinary shares	0.037	0.098	down 62%

### 10. Control gained or lost over entries during the period, for those having material effect

Not applicable.

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## APPENDIX 4E PRELIMINARY FINAL REPORT

For the year ended 30 June 2023

### Australian Bond Exchange Holdings Limited and its controlled entities

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**11. Details of any associates and joint venture entities**

Not applicable.

**12. Any other significant information needed by an investor**

Not applicable.

**13. Accounting standards used by foreign entities**

Not applicable.

**14. Status of the audit**

The Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and has been derived from the Annual Financial Report which is in the process of being audited. The Preliminary Final Report is unaudited and contains disclosures which are extracted or derived from the Annual Financial Report for the year ended 30 June 2023.

The Annual Financial Report is in the process of being audited and an unqualified audit opinion is expected to be issued.

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# Australian Bond Exchange Holdings Limited

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue	2	4,687,837	2,029,717
Other income	2	618,405	456,680
Employee benefits expense		(5,532,968)	(2,980,395)
Brokerage Costs		(552,163)	(548,068)
Finance costs		(64,388)	-
Depreciation, amortisation and impairment expense	3	(363,734)	(67,412)
Other expenses	3	(3,827,571)	(2,533,280)
<b>Loss before income tax</b>		<b>(5,034,582)</b>	<b>(3,642,758)</b>
Income tax expense		-	-
<b>Loss from continuing operations</b>		<b>(5,034,582)</b>	<b>(3,642,758)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		2,330	-
<b>Other comprehensive income, net of income tax</b>		<b>2,330</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(5,032,252)</b>	<b>(3,642,758)</b>
<b>Earnings per share</b>			
From continuing operations			
Basic earnings per share (cents)	22	(4.38)	(3.51)
Diluted earnings per share (cents)	22	(4.38)	(3.51)

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The accompanying notes form part of these financial statements.

# Australian Bond Exchange Holdings Limited

ACN: 629 543 193

## Consolidated Statement of Financial Position As At 30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	5,863,053	9,046,931
Trade and other receivables	5	629,990	929,800
Other financial assets	7	301,850	1,631,866
Other assets	6	492,611	583,632
<b>TOTAL CURRENT ASSETS</b>		<b>7,287,504</b>	<b>12,192,229</b>
NON-CURRENT ASSETS			
Property, plant and equipment	8	168,804	19,793
Intangible assets	9	2,063,921	1,629,586
Right-of-use assets	13	2,004,380	-
Other assets	6	354,833	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,591,938</b>	<b>1,649,379</b>
<b>TOTAL ASSETS</b>		<b>11,879,442</b>	<b>13,841,608</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	888,904	644,152
Borrowings	11	13,474	-
Lease liabilities	13	332,477	-
Employee benefits	12	451,529	314,503
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,686,384</b>	<b>958,655</b>
NON-CURRENT LIABILITIES			
Borrowings	11	116,144	-
Lease liabilities	13	1,607,199	-
Employee benefits	12	45,547	-
Provisions	14	101,200	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,870,090</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>3,556,474</b>	<b>958,655</b>
<b>NET ASSETS</b>		<b>8,322,968</b>	<b>12,882,953</b>
<b>EQUITY</b>			
Issued capital	15	21,329,562	21,329,562
Reserves		753,169	278,572
Accumulated losses		(13,759,763)	(8,725,181)
<b>TOTAL EQUITY</b>		<b>8,322,968</b>	<b>12,882,953</b>

The accompanying notes form part of these financial statements.

# Australian Bond Exchange Holdings Limited

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## Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Note	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total \$
<b>Balance at 1 July 2022</b>		<b>21,329,562</b>	<b>(8,725,181)</b>	<b>278,572</b>	<b>12,882,953</b>
Loss attributable to members of the parent entity		-	(5,034,582)	-	(5,034,582)
Other comprehensive income		-	-	2,330	2,330
<b>Total comprehensive income</b>		<b>-</b>	<b>(5,034,582)</b>	<b>2,330</b>	<b>(5,032,252)</b>
<b>Transactions with owners in their capacity as owners</b>					
Share based payments: Options	16	-	-	162,731	162,731
Share based payments: Employee Loan	16	-	-	309,536	309,536
Funded Share Plan					
<b>Balance at 30 June 2023</b>		<b>21,329,562</b>	<b>(13,759,763)</b>	<b>753,169</b>	<b>8,322,968</b>

2022

	Note	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total \$
<b>Balance at 1 July 2021</b>		<b>6,808,844</b>	<b>(5,082,423)</b>	<b>-</b>	<b>1,726,421</b>
Loss attributable to members of the parent entity		-	(3,642,758)	-	(3,642,758)
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>(3,642,758)</b>	<b>-</b>	<b>(3,642,758)</b>
<b>Transactions with owners in their capacity as owners</b>					
Issue of ordinary shares	15	15,702,203	-	-	15,702,203
Capital raising costs	15	(1,181,485)	-	-	(1,181,485)
Share based payments: Options	16	-	-	254,673	254,673
Share based payments: Employee Loan	16	-	-	-	-
Funded Share Plan		-	-	23,899	23,899
<b>Balance at 30 June 2022</b>		<b>21,329,562</b>	<b>(8,725,181)</b>	<b>278,572</b>	<b>12,882,953</b>

The accompanying notes form part of these financial statements.

# Australian Bond Exchange Holdings Limited

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## Consolidated Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	156,047,000	106,576,682
Payments to suppliers and employees	(158,933,676)	(112,597,243)
Interest received	200,338	13,718
Finance costs	(2,960)	-
Grants received	345,044	298,436
Net cash used in operating activities	23 <u>(2,344,254)</u>	<u>(5,708,407)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment for intangible assets	(560,893)	(570,451)
Payments for property, plant and equipment	(163,581)	(17,069)
Net cash used in investing activities	<u>(724,474)</u>	<u>(587,520)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of shares	-	15,672,203
Payment of transaction costs attributable to issuance of shares	-	(1,770,206)
Proceeds from borrowings	129,618	-
Payment of lease liabilities	(235,592)	-
Net cash (used in)/ provided by financing activities	<u>(105,974)</u>	<u>13,901,997</u>
Net (decrease)/ increase in cash and cash equivalents held	(3,174,702)	7,606,070
Effect of exchange rate changes on cash and cash equivalents	(9,176)	200
Cash and cash equivalents at beginning of year	9,046,931	1,440,661
Cash and cash equivalents at end of financial year	4 <u>5,863,053</u>	<u>9,046,931</u>

The accompanying notes form part of these financial statements.

# Australian Bond Exchange Holdings Limited

ACN: 629 543 193

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 1 Introduction

#### (a) Reporting entity

Australian Bond Exchange Holdings Limited ("ABE" or "The Company") is a for-profit public Company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX).

The Preliminary Final Report for the year ended 30 June 2023 comprises Australian Bond Exchange Holdings Limited and its controlled entities ("ABE Group" or 'the Group'). The Preliminary Final Report of ABE for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the Directors on 31 August 2023.

#### (b) Statement of compliance

The Preliminary Final Report has been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The Annual Financial Report is in the process of being audited.

The Preliminary Final Report should also be read in conjunction with any public announcements made by ABE during the year in accordance with the continuous disclosure requirements under the Corporations Act 2001 and ASX Listing Rules.

#### (c) Basis of preparation

The Preliminary Final Report has been prepared on a going concern basis, which assumes the Group will be able to meet its obligations as and when they fall due. The Preliminary Final Report is presented in Australian dollars, which is the functional currency of the Group, and has been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### (d) Comparatives

Comparatives are consistent with prior years, unless otherwise stated.

#### (e) Going Concern

##### Assessment of going concern

This consolidated financial report has been prepared on a going concern basis which assumes that the Group will meet its financial obligations in the normal course of business for the foreseeable future.

The Group incurred a loss after tax of \$5,034,582 (2022: \$3,642,758) for the year ended 30 June 2023 and incurred net cash outflows from operating and investing activities of \$3,068,728 (2022: \$6,295,927). As at 30 June 2023 the Group had cash and cash equivalents of \$5,863,053 (2022: \$9,046,931) and net current assets of \$5,601,120 (2022: \$11,233,574).

The Directors have determined that the above conditions do not lead to a material uncertainty relating to going concern and believe the use of the going concern assumption is appropriate in the preparation of the consolidated financial report. This represents a key judgement.

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# Australian Bond Exchange Holdings Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### (e) Going Concern (cont'd)

In forming this view, the Directors have had regard to the following:

- Management and Directors have continued to closely manage costs including taking steps to reduce operating expenses and improve operating cash flows;
- Management and Directors have forecast the Group's financial performance, cash flows and financial position as part of its management and monitoring of the Group's operations for a period of at least 12 months following the issuance of the consolidated financial statements in order to assess the ongoing liquidity of the Group and its ability to meet its financial commitments as and when they fall due in the normal course of business;
- In preparing these forecasts, Management and Directors considered and, where required made assumptions, as follows:
  - o Anticipated sustained expansion of new revenue opportunities introduced in FY23;
  - o projected continuing growth in financial product sales volumes to both existing and new clients from the implementation of initiatives underpinning the Group's strategy;
  - o capital and marketing spend that would be required to execute the Group's strategy on client acquisition and brand awareness;
  - o future economic and market conditions, where there is increasing market awareness creating investor appetite for fixed income investments;
  - o the availability and opportunity to identify appropriate financial products upon which to base further products innovation, currently undertaken and developed by the Group;
  - o the impact of the Australian Credit Opportunities Fund launched by the Group that will both attract direct client investment from which the Group receives revenue, as well as enable more product offerings (mainly deferred purchase agreements) to be developed;
  - o financial discipline and cost reduction program which is expected to result in the elimination of significant operating overheads for the upcoming year compared to this reporting period.

Based on the above factors and means, the Directors are confident that the Group will be able to fund its activities and meet its funding requirements and hence being able to continue as a going concern.

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# Australian Bond Exchange Holdings Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Revenue and Other Income

	2023	2022
Note	\$	\$
<b>Revenue from continuing operations – contracts with customers</b>		
Revenue from contracts with customers has been disaggregated as follows:		
<b>Type of contract</b>		
- Commission income	815,984	427,773
- Arrangement fees	159,370	168,724
(a)	<u>975,354</u>	<u>596,497</u>
<b>Net income from financial instruments at fair value through profit or loss</b>		
- Securities trading income	3,712,483	1,433,220
<b>Total revenue</b>	<u>4,687,837</u>	<u>2,029,717</u>
<b>Other Income</b>		
- R&D refundable tax rebate	347,765	345,044
- Interest received	200,338	15,407
- Other income	70,302	87,561
- Corporate advisory fees	-	8,668
	<u>618,405</u>	<u>456,680</u>

(a) All revenue from contracts with customers is recognised at a point in time, when the performance obligation is satisfied.

### 3 Result for the Year

The result for the year includes the following specific expenses:

	2023	2022
	\$	\$
<b>Other expenses</b>		
- Rent expense	294,246	203,998
- Advertising and marketing	879,479	508,939
- Administrative expenses	707,995	446,715
- Legal and professional fees	733,503	543,370
- Insurance expense	363,175	199,562
- Accounting fees	349,080	107,975
- Research fees	115,411	151,441
- Information technology related expenses	384,682	371,280
	<u>3,827,571</u>	<u>2,533,280</u>
<b>Depreciation, amortisation and impairment</b>		
- Depreciation - property, plant and equipment	14,468	6,474
- Depreciation - right of use assets	222,709	-
- Amortisation - intangible assets	84,782	60,938
- Impairments - intangible assets	41,775	-
	<u>363,734</u>	<u>67,412</u>

# Australian Bond Exchange Holdings Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 4 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash and cash equivalents	5,863,053	9,046,931
	<u>5,863,053</u>	<u>9,046,931</u>

Cash and cash equivalents do not include the amount of \$12,398,461 (June 2022: \$606,733) held in client trust accounts as at 30 June 2023.

### 5 Trade and Other Receivables

	Note	2023	2022
		\$	\$
CURRENT			
Trade receivables		271,742	533,622
Allowance for expected credit losses	(a)	-	-
		<u>271,742</u>	<u>533,622</u>
GST receivable		19,673	44,809
R&D tax rebate receivable		336,389	345,044
Other receivable		2,186	6,325
<b>Total current trade and other receivables</b>		<u><b>629,990</b></u>	<u><b>929,800</b></u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The amounts are contractually due within two days of recognition of the receivable.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### (a) Allowance for expected credit losses

The Group applies the simplified approach to providing for expected credit losses (ECL) prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2023 is determined as follows, the expected credit losses incorporate forward looking information.

The receivable balance of \$271,742 (2022: \$533,622) is current, with a nil expected credit loss provision (2022: \$nil).

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience. Trade receivables are normally collected within two days and to date the Group has not written off any receivable balances and all money owing has been fully recovered.

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# Australian Bond Exchange Holdings Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 6 Other Assets

	2023	2022
	\$	\$
<b>Note</b>		
CURRENT		
Prepayments	483,759	527,719
Deposits	8,852	55,913
	<u>492,611</u>	<u>583,632</u>
NON-CURRENT		
Bank guarantee	13 354,833	-

### 7 Financial Assets

#### Financial assets at fair value through profit or loss

	2023	2022
	\$	\$
CURRENT		
Corporate bond	19,000	-
Market Linked Instruments	282,850	1,631,866
<b>Total</b>	<u>301,850</u>	<u>1,631,866</u>

#### *Fair value estimation*

The Group's financial assets at fair value through profit or loss have been recognised at level 2.

Level 2: The fair value of financial instruments that are traded in a less active and transparent market (for example, over-the-counter bonds and derivatives) is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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# Australian Bond Exchange Holdings Limited

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## Notes to the Financial Statements For the Year Ended 30 June 2023

### 8 Property, Plant and Equipment

	2023	2022
	\$	\$
<b>PLANT AND EQUIPMENT</b>		
Motor vehicles		
At cost	127,332	-
Accumulated depreciation	(3,616)	-
	<u>123,716</u>	<u>-</u>
Computer equipment		
At cost	72,995	36,747
Accumulated depreciation	(27,907)	(16,954)
	<u>45,088</u>	<u>19,793</u>
<b>Total property, plant and equipment</b>	<u><b>168,804</b></u>	<u><b>19,793</b></u>

#### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Motor vehicles	Computer equipment	Total
		\$	\$
<b>Year ended 30 June 2023</b>			
Balance at the beginning of year	-	19,793	19,793
Additions	127,332	36,249	163,581
Depreciation expense	(3,616)	(10,954)	(14,570)
<b>Balance at the end of the year</b>	<u><b>123,716</b></u>	<u><b>45,088</b></u>	<u><b>168,804</b></u>
<b>Year ended 30 June 2022</b>			
Balance at the beginning of year	-	9,091	9,091
Additions	-	17,176	17,176
Depreciation expense	-	(6,474)	(6,474)
<b>Balance at the end of the year</b>	<u><b>-</b></u>	<u><b>19,793</b></u>	<u><b>19,793</b></u>

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# Australian Bond Exchange Holdings Limited

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## Notes to the Financial Statements For the Year Ended 30 June 2023

### 9 Intangible Assets

	2023	2022
	\$	\$
Software		
Cost	1,228,100	666,303
Accumulated amortisation and impairment	<b>(226,424)</b>	(99,868)
	<b>1,001,676</b>	566,435
Software development costs		
Cost	1,062,245	1,063,151
Accumulated amortisation and impairment	-	-
	<b>1,062,245</b>	1,063,151
<b>Total Intangible assets</b>	<b>2,063,921</b>	1,629,586

The aggregate amount of research and development expenditure recognised as an expense during the period is \$212,416 (2022: \$312,987).

#### (a) Movements in carrying amounts of intangible assets

	Note	Logo \$	Software \$	Software development costs \$	Total \$
<b>Year ended 30 June 2023</b>					
Balance at the beginning of the year		-	566,435	1,063,151	1,629,586
Additions		-	-	560,891	560,891
Transfers	(i)	-	561,797	(561,797)	-
Amortisation		-	(84,782)	-	(84,782)
Impairment loss in income	(ii)	-	(41,774)	-	(41,774)
<b>Closing value at 30 June 2023</b>		<b>-</b>	<b>1,001,676</b>	<b>1,062,245</b>	<b>2,063,921</b>
<b>Year ended 30 June 2022</b>					
Balance at the beginning of the year		2,200	454,085	694,833	1,151,118
Additions		-	146,744	392,662	539,406
Transfers	(i)	-	24,344	(24,344)	-
Amortisation		(2,200)	(58,738)	-	(60,938)
<b>Closing value at 30 June 2022</b>		<b>-</b>	<b>566,435</b>	<b>1,063,151</b>	<b>1,629,586</b>

- (i) When the software is available for use, the asset is transferred from software development costs to software in line with the group's accounting policy.
- (ii) Impairment expenses relate to capitalised software development costs for a project which was abandoned during the half year. The Group therefore recognised an impairment expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in line with its accounting policy.

# Australian Bond Exchange Holdings Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 10 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	340,107	425,825
Other payables	548,797	218,327
	<u>888,904</u>	<u>644,152</u>

Trade payables represent the liabilities outstanding at the end of the reporting period for securities trading activities performed in the ordinary course of business which remain unpaid at the reporting date and where the amounts are contractually due within two days of recognition of the liability.

### 11 Borrowings

	2023	2022
	\$	\$
CURRENT		
Finance lease obligation	<u>13,474</u>	-
NON-CURRENT		
Finance lease obligation	<u>116,144</u>	-

During the year, the Group entered into a finance lease for the purchase of a motor vehicle.

### 12 Employee Benefits

	2023	2022
	\$	\$
Current liabilities		
Leave obligations	436,616	310,719
Other employee benefits	14,913	3,784
	<u>451,529</u>	<u>314,503</u>
Non-current liabilities		
Leave obligations	<u>45,547</u>	-
	<u>45,547</u>	-

### 13 Leases

#### The Group as a lessee

The Group entered into a lease during the year for an office premises with a term of 5 years without an option to extend. The lease is subject to a 3.75% annual fixed increase and incorporates a monthly lease incentive which is subject to the Group meeting its obligations on time under the agreement.

A bank guarantee for \$354,833 is held as security in favour of the lessor in respect of the office lease entered into during the year. As the deposit is secured under these terms, it is not accessible by the Group. The potential exposure is treated as a contingent liability. Refer to note 6.

The lease terms include an obligation to 'make good' the leased premises at the end of the lease term. Refer to note 14.

# Australian Bond Exchange Holdings Limited

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## Notes to the Financial Statements For the Year Ended 30 June 2023

### 13 Leases (cont'd)

#### Right-of-use assets

	Buildings \$	Total \$
<b>Year ended 30 June 2023</b>		
Balance at beginning of year	-	-
Additions to right-of-use assets	2,227,089	2,227,089
Depreciation charge	(222,709)	(222,709)
<b>Balance at end of year</b>	<b>2,004,380</b>	<b>2,004,380</b>

#### Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
<b>2023</b>					
Lease liabilities	454,738	1,791,435	-	2,246,173	1,939,676
<b>2022</b>					
Lease liabilities	-	-	-	-	-

Lease liabilities included in the statement of financial position of \$1,939,676 incorporates a current liability of \$332,477 and non-current liability of \$1,607,199 as of 30 June 2023 (2022: nil).

#### Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Group is a lessee are shown below:

	2023 \$	2022 \$
Interest expense on lease liabilities	61,427	-
Depreciation of right-of-use assets	222,709	-
Expenses relating to short-term leases	308,518	-
	<b>592,654</b>	-
<b>Statement of Cash Flows</b>		
Total cash outflow for leases	<b>544,717</b>	-

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## Notes to the Financial Statements For the Year Ended 30 June 2023

### 14 Provisions

	2023	2022
Note	\$	\$
NON-CURRENT		
Make good provision	13 101,200	-

### 15 Issued Capital

	2023	2022
	\$	\$
114,858,561 (2022: 114,858,561) Ordinary shares	22,154,922	22,154,922
Less: Treasury shares 2,190,446 (2022: 2,190,446)	(825,360)	(825,360)
<b>Total</b>	<b>21,329,562</b>	<b>21,329,562</b>

#### (a) Movement in ordinary shares

	No.	\$
<b>Opening balance at 1 July 2022</b>	<b>114,858,561</b>	<b>22,154,922</b>
Movements	-	-
<b>Balance as at 30 June 2023</b>	<b>114,858,561</b>	<b>22,154,922</b>
<b>Opening Balance at 1 July 2021</b>	<b>80,972,416</b>	<b>6,808,844</b>
Movements:		
6 Sep 2021: Issue of additional converting note shares	3,661,540	-
8 Sep 2021: Issue of Pre IPO shares	10,000,000	5,000,000
21 Sept 2021: Issue of Pre IPO shares	6,800,000	3,400,000
29 Nov 2021: Issue of Subscription Shares under the Offer	11,188,005	7,272,203
9 May 2022: Issue of shares under Employee Loan Funded Share Plan (ELFSP)	2,190,446	825,360
13 May 2022: Issue of shares to employees	46,154	30,000
Less: capital raising costs	-	(1,181,485)
<b>Balance as at 30 June 2022</b>	<b>114,858,561</b>	<b>22,154,922</b>

#### (b) Movement in treasury shares

	No.	\$
<b>Opening balance at 1 July 2022</b>	<b>(2,190,446)</b>	<b>(825,360)</b>
Movement	-	-
<b>Balance as at 30 June 2023</b>	<b>(2,190,446)</b>	<b>(825,360)</b>

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## Notes to the Financial Statements For the Year Ended 30 June 2023

### 15 Issued Capital (cont'd)

#### (b) Movement in treasury shares (cont'd)

##### Opening balance at 1 July 2021

	No.	\$
Movement:		
9 May 2022: Issue of shares under Employee Loan Funded Share Plan (ELFSP)	<b>(2,190,446)</b>	(825,360)
<b>Balance as at 30 June 2022</b>	<b>(2,190,446)</b>	<b>(825,360)</b>

##### Treasury shares

Treasury shares relate to ELFSP shares, which are restricted until the associated loans have been fully repaid – refer to note 17(b).

- 2,190,446 ordinary shares are restricted from trading until 9 May 2025, under the terms of the ELFSP.

### 16 Share-Based Payments Reserve

The share-based payment reserve is used to recognise the value of equity settled transactions with employees as part of their remuneration and other parties as part of their compensation for services.

#### Movement in reserves

	Note	Options No.	ELFSP Shares No.	\$
<b>Opening balance at 1 July 2022</b>		3,918,051	2,190,446	278,572
Share based payments: ELFSP	17(b)	-	-	309,536
Share based payments: Options	17(d)	3,700,000	-	162,731
<b>Balance at 30 June 2023</b>		<b>7,618,051</b>	<b>2,190,446</b>	<b>750,839</b>
<b>Opening balance at 1 July 2021</b>				
21 September 2021: Issue of pre-IPO lead manager options	17(a)	2,000,000	-	136,500
29 November 2021: Issue of IPO lead manager options	17(a)	1,818,051	-	118,173
9 May 2022: Issue of ELSFP shares	17(b)	-	2,190,446	23,899
<b>Balance at 30 June 2022</b>		<b>3,818,051</b>	<b>2,190,446</b>	<b>278,572</b>

### 17 Share-Based Payments

#### (a) Lead manager options

On 21 September 2021 the Company issued 2,100,000 Options to lead manager and associated brokers upon the completion of the Pre IPO capital raising. On 29 November 2021 a further 1,818,051 Options were issued to the lead manager and associated brokers upon the completion of the public offer. In total there were 3,918,051 options issued.

Shares issued on exercise of the Options will rank equally in relation to voting rights and entitlements to participate in dividends.

# Australian Bond Exchange Holdings Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 17 Share-Based Payments (cont'd)

The following expenses related to lead manager options and were recognised as capital raising costs in issued capital with a corresponding entry to the share based payment reserve:

	2023	2022
	\$	\$
Lead Manager Options	-	254,673

#### Fair Value Measurement

The options were valued independently using the Black-Scholes Model.

The model inputs for Lead Manager Options issued during the year ended 30 June 2023 included:

- Lead Manager Options were issued for no consideration;
- An exercise price of \$1.95 per Option;
- Options are exercisable at any time after 15 January 2024 and expiring on 6 December 2026;
- Annualised volatility was assumed between 39.5% and 50.6% ( with midpoint being applied);
- Risk free interest rate assumed was a constant Australian risk-free rate of 1.25%.

#### (b) Employee loan funded share plan (ELFSP)

Australian Bond Exchange Holdings Limited (ABE) has adopted an Employee Loan Funded Share Plan (ELFSP) to attract high quality talent and foster an ownership culture within ABE and to motivate senior management and Directors to achieve performance targets of the Group.

Under the ELFSP, 2,190,446 ordinary shares were granted on 9 May 2022 and are to remain in escrow until 9 May 2025. Interest free non-recourse loans totalling \$825,360 were provided to employees to acquire shares in the Company. The non-recourse loans are repayable by 9 May 2028.

The shares granted under the ELFSP are subject to a vesting condition such that employees must remain continuously employed for a period of 3 years from grant date.

As the share purchases are funded by nonrecourse loans, they are treated for accounting purposes as grants of share options and accounted for as equity settled share based payments. The shares issued under the ELFSP are fair valued on the date they are granted and amortised as an expense in the profit or loss over the vesting period.

As the loans and associated shares are not recorded in the statement of financial position on the grant date, there are no transactions in the statement of financial position relating to the loans associated with the issue of shares under the ELFSP.

The fair value of the ELFSP shares as at the grant date, 9 May 2022, was assessed to be \$503,715.

During the year, Mr Foltman, former Financial Controller, KMP and a participant in the ELFSP, resigned. As Mr Foltman ceased his employment and thereby did not meet the vesting conditions of shares granted to him under the ELFSP, ordinarily a forfeiture of his shares and reversal of the related share-based payment expense recognised to date would have resulted. The Board, however, decided to waive the forfeiture terms for Mr Foltman's ELFSP shares, allowing him to retain the shares granted with all other terms and conditions to remain unchanged.

In accordance with the Accounting Standards, this waiver is deemed a fulfilment of all vesting conditions at the date of his resignation, resulting in the remaining fair value of the share-based payment, amounting to \$154,523, to be recognised and expensed for the year ended 30 June 2023. This resulted in a total expense of \$218,003 being recognised in the Statement of Profit or Loss and Other Comprehensive Income in respect of Mr Foltman's ELFSP shares.

# Australian Bond Exchange Holdings Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 17 Share-Based Payments (cont'd)

#### (b) Employee loan funded share plan (ELFSP) (cont'd)

The following share based payment expense has been recognised in the statement of profit and loss with a corresponding entry to the share based payment reserve:

	2023	2022
	\$	\$
Share based payments: ELFSP	<u>309,536</u>	<u>23,899</u>

#### Fair Value Measurement

The options were valued independently using the Black-Scholes Model.

The model inputs used to determine the fair value of ELFSP shares granted during the year ended 30 June 2023 include:

- grant date: 9 May 2022
- expiry date: 9 May 2025 to 9 May 2028
- share price at grant date: \$0.41
- exercise price: \$0.3768
- estimated annualised volatility: 70%, based on the 3-5 year rolling volatility of comparable companies
- risk free interest rate: 3.01% p.a. for 3 years and 3.34% p.a. for 6 years as at grant date.

#### (c) Shares issued to Employees under Employment Terms

On 13 May 2022, ABE issued 46,154 shares to an employee under the terms of their employment agreement. The shares were issued without any conditions or restrictions attached, and for no consideration. A share-based payment expense of \$72,442 (2022: \$30,000) has been recognised in employee benefits expense in the statement of profit or loss and other comprehensive income. The fair value was determined with reference to the share price on issue date.

#### (d) Options issues to Employees under Employment Terms

On 8 February 2023, ABE granted 3,700,000 options to an employee under the terms of their employment agreement. The options were issued as a long-term incentive without any escrow conditions attached to the underlying shares upon vesting or exercise of the options.

The options granted are subject to a vesting condition such that options shall be exercisable by the employee in three equal tranches of 1,233,333 options, vesting on the anniversaries of the employment contract over three years from the grant date. The options shall expire in five years, being 8 February 2028.

The share options are fair valued on the date they are granted and amortised as an expense in the profit or loss over their respective vesting periods.

The fair value of the options as at grant date, 8 February 2023, was assessed to be \$656,133.

A share-based payment expense of \$162,731 (2022: nil) has been recognised in employee benefits expense in the statement of profit or loss and other comprehensive income.

#### Fair Value Measurement

The options were valued independently using the Black-Scholes Model.

# Australian Bond Exchange Holdings Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 17 Share-Based Payments (cont'd)

#### (d) Options issues to Employees under Employment Terms (cont'd)

The model inputs used to determine the fair value of ELFSP shares granted during the year ended 30 June 2023 include:

- grant date: 8 February 2023
- expiry date: 8 February 2028
- tranche 1: 1,233,000 Options will vest on 8 February 2024
- tranche 2: 1,233,000 Options will vest on 8 February 2025
- tranche 3: 1,233,000 Options will vest on 8 February 2026
- share price at grant date: \$0.365
- exercise price: \$0.41
- estimated annualised volatility: 65% - 75%, based on the 3-5 year rolling volatility of comparable companies
- risk free interest rate: 3.26%, 3.285% and 3.310% on 8 February 2024, 8 February 2025, and 8 February 2026, respectively

#### (e) Share-based payment transactions recognised directly in equity

The following expenses relate to lead manager options and were recognised as capital raising costs in issued capital with a corresponding entry to the share-based payments reserve:

	2023	2022
	\$	\$
Options issued to lead managers	-	254,673

#### (f) Share-based payment transactions recognised directly in profit or loss

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefits expense in the statement of profit or loss and other comprehensive income were as follows:

	2023	2022
	\$	\$
Share issued under ELFSP	17(b) 309,536	23,899
Share issued to employees under employment terms	17(c) -	30,000
Options issued to employees under employment terms	17(d) 162,731	-
	<b>472,267</b>	<b>53,899</b>

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## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 18 Contracted Commitments

Future expenditure arising from contracts entered into as the end of the reporting period but not yet recognised as liabilities is as follows:

	2023	2022
	\$	\$
Partnership agreements for research and marketing service	145,466	123,750
Rental agreements	-	203,575
Public and Investor relations	82,500	110,550

### 19 Operating Segments

#### Segment information

##### Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

The Group has one reportable segment, being the provision of fixed income advice and dealing in Corporate and Government Bonds and fixed income instruments.

### 20 Dividends

There were no dividends paid during the reporting period nor declared after the end of the reporting period.

### 21 Contingencies

The Group provides a bank guarantee to its lessor as security against loss or damage. The outstanding bank guarantee at 30 June 2023 was \$354,833, expiring on December 2027. The Group has met its obligations under the contract and accordingly, no claims have been made against the bank guarantees up to the date of this financial report.

The Group is also entitled to a monthly lease incentive under the terms of its office lease agreement, reducing the Group's lease payments. The condition of receiving the lease incentive is that the Group must continue to meet its obligations under the lease agreement. The value of the lease incentive is \$1,064,497. Should the Group fail to meet their obligations, the incentive will be suspended until such time the breach is remedied and therefore may impact the value of the lease liability.

In the opinion of the Directors, the Company did not have any other contingencies at 30 June 2023 (30 June 2022: None).

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## Notes to the Financial Statements For the Year Ended 30 June 2023

### 22 Earnings Per Share

	2023	2022
	\$	\$
Loss from continuing operations	<u>(5,034,582)</u>	<u>(3,642,758)</u>
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS	<u>114,858,561</u>	<u>103,822,657</u>

The 7,618,051 options outstanding (2022: 3,918,051) are not included in the calculation of diluted earnings per share because they are antidilutive for the year ended 30 June 2023. These options could potentially dilute basic earnings per share in the future.

The weighted average number of ordinary shares to calculate basic earnings per share excludes 2,190,446 (2022: 2,190,446) treasury shares.

### 23 Cash Flow Information

#### Reconciliation of result for the year to cashflows from operating activities

	2023	2022
	\$	\$
Total loss for the year	(5,034,582)	(3,642,758)
Cash flows excluded from profit attributable to financing activities		
- capital raising costs	-	516,642
Non-cash flows in loss:		
- lease finance costs	61,426	-
- share based expenses	472,267	53,899
- depreciation	237,177	6,474
- amortisation	84,782	60,938
- impairment	41,774	-
- other	(437)	-
Changes in operating assets and liabilities:		
- (increase)/decrease in trade and other receivables	299,810	16,145
- (increase)/decrease in other assets	(263,812)	(41,454)
- (increase)/decrease in financial assets	1,330,016	(1,078,891)
- increase/(decrease) in trade and other payables	244,752	(1,322,072)
- increase/(decrease) in employee benefits	182,573	(277,330)
Cash flows from operations	<u>(2,344,254)</u>	<u>(5,708,407)</u>

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