



## AUSTRALIAN BOND EXCHANGE

Australian Bond Exchange Holdings Ltd.  
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**Australian Bond Exchange Holdings Limited (ASX: ABE)**  
**ASX Announcement**  
**28 February 2022**

In accordance with ASX Listing Rule 4.2A, the following half-year information is attached for immediate release:

1. Appendix 4D
2. Condensed Consolidated Interim Financial Report for the half-year ended 31 December 2021.

This information should be read in conjunction with the Annual Report for the year ended 30 June 2021.

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Steve Alperstein  
Company Secretary

Contact: Tim Sylvester (+61 466 558 875)  
Investor Relations: Stock Marketplace Pty Ltd  
Email: invest@stockmarketplace.com.au

Authorised by the board of directors of Australian Bond Exchange Holdings Limited.

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## APPENDIX 4D HALF-YEAR REPORT

For the half-year ended 31 December 2021

ASX Listing Rule 4.2A

**Australian Bond Exchange Holdings Limited** ABN 11 629 543 193 and its controlled entities

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

Current period: 1 July 2021 to 31 December 2021

Prior corresponding period: 1 July 2020 to 31 December 2020

### 2 Results for announcement to the market:

Key information	Half-year ended		Change %
	31 Dec 2021 \$	31 Dec 2020 \$	
Revenue	809,538	1,354,614	down 40%
Loss from ordinary activities after tax attributable to members	(1,589,232)	(215,988)	down 636%
Loss attributable to members of the Company	(1,589,232)	(215,988)	down 636%

#### Dividends

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

#### Commentary

The period revenue has highlighted the benefits of ABE's strategic decision prior to our Initial Public Offer to focus on the Private Client (PC) business with the goal of providing equal access to financial markets for all investors. Revenues for PC business were up 198% for the 6-month period compared to the corresponding previous period which reflects the continued positive marketing activity correlated with the increase in number of Private Clients.

The institutional business, as previously released to the market, remains very much dependent on market driven trading opportunities. This business remains an appealing source of revenue for ABE when market conditions are attractive for ABE's institutional clients. However, market conditions are outside of ABE's control and hence corresponding institutional trading revenues will remain sporadic but are expected to be less material to overall revenue in relative terms as the Private Client business continues to grow.

Expenses for the period were \$621k higher than the previous corresponding period, which included the one-off expenses of capital raising of \$534k and the increase in staffing and client acquisition related costs for the period.

### 3 Net tangible assets per ordinary share

Security	31 Dec 2021 \$	31 Dec 2020 \$	Change %
Ordinary Shares	0.121	0.013	up 831%

### 4 Control gained or lost over entities during the period, for those having material effect

No entities were acquired or disposed of during the period which have material effect.

### 5 Dividend Payments

There were no dividends paid during the reporting period.

### 6 Dividend or distribution reinvestment plan details

There are no dividend or distribution reinvestment plan in place.

### 7 Investments in associates and joint ventures

Not Applicable

### 8 Accounting standards used by foreign entities

Not Applicable

### 9 Audit dispute or qualification

There were none

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# **Australian Bond Exchange Holdings Limited**

ABN 11 629 543 193

**Condensed Consolidated Interim Financial Statements**

**For the half-year ended 31 December 2021**

**Australian Bond Exchange Holdings Limited**

ABN 11 629 543 193

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**For the half-year ended 31 December 2021**

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## Australian Bond Exchange Holdings Limited

ABN 11 629 543 193

### Directors' Report

31 December 2021

The directors present their report, together with the financial statements of the Group, being Australian Bond Exchange Holdings Limited ("the Company") and its controlled entities ("the Group"), for the half-year ended 31 December 2021.

#### Directors

The names of the directors in office at any time during, or since the end of, the half-year are:

Names	Position	Appointed/Resigned
Allan Farrar	Non-Executive Chairman	
Bradley McCosker	Managing Director	
Michael Vanderdonk	Director	
Nina Vanneck	Non-Executive Director	Appointed 7 October 2021
Mark Dorney	Non-Executive Director	Resigned 12 July 2021

Directors have been in office for the whole of the half-year to the date of this report unless otherwise stated.

#### Principal activities

Australian Bond Exchange Holdings Limited ("ABEH") is the parent company of various controlled entities ("ABE Group"). The main operating entity is Australian Bond Exchange Pty Ltd ("ABEPL") which provides fixed income advice and dealing services in corporate and government bonds. The principal activities of the ABE Group during the financial year was the development of a bond trading and settlement system and method, and operating as a specialist fixed income dealer and broker. ABEPL owns and operates the fixed income portal [www.bondexchange.com.au](http://www.bondexchange.com.au).

ABEPL holds Australian Financial Services License No. 484453 issued by the Australian Securities and Investments Commission ("ASIC") to provide financial product advice and deal in basic deposit products, deposit products other than basic deposit products, debentures, stocks or bonds issued by a government, managed investment schemes, and securities and also to provide custodial or depository services to wholesale and retail clients.

#### Review of operations

During the first half of the 2022 financial year, the Group continued business as a specialist fixed income adviser and dealer in Australia. The consolidated loss of the Group amounted to \$1,589,232 (2021: loss of \$215,988) which includes \$533,627 of capital raising costs associated with the completion of the IPO raising. The remainder of the capital raising costs amounting to \$1,161,583 were booked directly to shareholders equity.

The period revenue has highlighted the benefits of ABE's strategic decision prior to our Initial Public Offer to focus on the Private Client (PC) business with the goal of providing equal access to financial markets for all investors. Revenues for PC business were up 198% for the 6-month period compared to the corresponding previous period which reflects the continued positive marketing activity correlated with the increase in number of Private Clients.

The institutional business, as previously released to the market, remains very much dependent on market driven trading opportunities. This business remains an appealing source of revenue for ABE when market conditions are attractive for ABE's institutional clients. However, market conditions are outside of ABE's control and hence corresponding institutional trading revenues will remain sporadic but are expected to be less material to overall revenue in relative terms as the Private Client business continues to grow.

Expenses for the period were \$621k higher than the previous corresponding period, which included the one-off expenses of capital raising of \$534k and the increase in staffing and client acquisition related costs for the period.

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

**Australian Bond Exchange Holdings Limited**

ABN 11 629 543 193

**Directors' Report**

**Financial position**

The net assets of the Group at 31 December 2021 are \$14,902,482 (2021: \$1,726,421).  
The Directors believe that the Group is in a stable financial position to expand and grow its current operations.

**Significant changes in state of affairs**

The Group was admitted to ASX quotation on 6 December 2021 following its IPO raising which was completed on 29 November 2021.

A Singapore domiciled subsidiary, ABE Capital Markets Pte Ltd, was incorporated on 26 July 2021.

**Events after the reporting date**

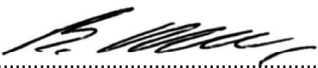
On 16 February 2022 the Company announced the appointment of TD Prime Services LLC ('TDPS'), which operates under the TD Securities brand, as ABE's prime broker to provide prime brokerage and custodial services to ABE's Singapore subsidiary, ABE Capital Markets Pte Ltd, effective immediately. TDPS is a U.S. registered broker-dealer and a member of the Financial Industry Regulatory Authority ('FINRA').

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

**Auditor's independence declaration**

The auditors independence declaration is in accordance with Section 307C of the Corporations Act 2001 for the half-year ended 31 December 2021 has been received and can be found on page 3 of this financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:  .....  
Bradley McCosker

Director:  .....  
Allan Farrar

Dated this 28th day of February 2022

## Auditor's Independence Declaration

As lead auditor for the review of Australian Bond Exchange Holdings Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Australian Bond Exchange Holdings Limited and the entities it controlled during the period.



**Michael Goodrick**

Partner

**Kreston Stanley Williamson**

**Sydney**

**28 February 2022**

**Australian Bond Exchange Holdings Limited**

ABN 11 629 543 193

**Condensed Consolidated Statement of Profit or Loss and  
Other Comprehensive Income**

**For the Half-year ended 31 December 2021**

		Half-year	
		31 Dec 2021	31 Dec 2020
	Note	\$	\$
Revenue	5	809,538	1,354,614
Other income	5	174,962	381,602
Employee benefits expense		(1,024,919)	(682,186)
Brokerage costs		(306,769)	(866,802)
Depreciation and amortisation expense		(28,256)	(14,271)
Other expenses	6	(1,213,788)	(388,945)
<b>Loss before income tax</b>		<b>(1,589,232)</b>	<b>(215,988)</b>
Income tax expense		-	-
<b>Loss for the period attributable to members of the Company</b>		<b>(1,589,232)</b>	<b>(215,988)</b>
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive income for the period attributable to members of the Company</b>		<b>(1,589,232)</b>	<b>(215,988)</b>
<b>Earnings per share</b>			
From continuing operations:			
Basic earnings per share (cents)		(1.67)	(0.27)
Diluted earnings per share (cents)		(1.67)	(0.27)

The accompanying notes form part of these financial statements.



**Australian Bond Exchange Holdings Limited**

ABN 11 629 543 193

**Condensed Consolidated Statement of Financial Position**

As At 31 December 2021

		As at	
		31 Dec 2021	30 Jun 2021
	Note	\$	\$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	7	12,785,938	1,440,661
Trade and other receivables	8	693,578	945,945
Financial assets	12	1,335,132	552,975
Other assets	10	490,829	217,626
		<u>15,305,477</u>	<u>3,157,207</u>
TOTAL CURRENT ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		10,484	9,091
Intangible assets	9	1,315,988	1,151,118
		<u>1,326,472</u>	<u>1,160,209</u>
TOTAL NON-CURRENT ASSETS			
TOTAL ASSETS			
		<u>16,631,949</u>	<u>4,317,416</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	11	865,853	1,999,162
Employee benefits		863,614	591,833
		<u>1,729,467</u>	<u>2,590,995</u>
TOTAL CURRENT LIABILITIES			
NON-CURRENT LIABILITIES			
		-	-
TOTAL LIABILITIES			
		<u>1,729,467</u>	<u>2,590,995</u>
NET ASSETS			
		<u>14,902,482</u>	<u>1,726,421</u>
<b>EQUITY</b>			
Issued capital	13	21,319,464	6,808,844
Accumulated losses		(6,671,655)	(5,082,423)
Reserves	14	254,673	-
		<u>14,902,482</u>	<u>1,726,421</u>
TOTAL EQUITY			

The accompanying notes form part of these financial statements.

**Australian Bond Exchange Holdings Limited**

ABN 11 629 543 193

**Condensed Consolidated Statement of Changes in Equity**

For the half-year ended 31 December 2021

**2021**

		Issued capital	Accumulated losses	Reserves	Total
	Note	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>		6,808,844	(5,082,423)	-	1,726,421
Loss attributable to members of the Company		-	(1,589,232)	-	(1,589,232)
Other comprehensive income for the half-year		-	-	-	-
<b>Total comprehensive income for the half-year</b>		-	(1,589,232)	-	(1,589,232)
<b>Transactions with owners in their capacity as owners</b>					-
Issue of ordinary shares	13	15,672,203	-	-	15,672,203
Capital raising costs	13	(1,161,583)	-	-	(1,161,583)
Issue of options	14	-	-	254,673	254,673
<b>Balance at 31 December 2021</b>		<b>21,319,464</b>	<b>(6,671,655)</b>	<b>254,673</b>	<b>14,902,482</b>

**2020**

		Issued capital	Accumulated losses	Reserves	Total
	Note	\$	\$	\$	\$
<b>Restated Balance at 1 July 2020</b>		6,999,994	(4,736,844)	-	2,263,150
Loss attributable to members of the Company		-	(215,988)	-	(215,988)
Other comprehensive income for the half-year		-	-	-	-
<b>Total comprehensive income for the half-year</b>		-	(215,988)	-	(215,988)
<b>Transactions with owners in their capacity as owners</b>					-
Capital raising costs	13	(32,040)	-	-	(32,040)
<b>Balance at 31 December 2020</b>		<b>6,967,954</b>	<b>(4,952,832)</b>	<b>-</b>	<b>2,015,122</b>

The accompanying notes form part of these financial statements.

**Australian Bond Exchange Holdings Limited**

ABN 11 629 543 193

**Condensed Consolidated Statement of Cash Flows**

For the half-year ended 31 December 2021

Note	half-year	
	31 Dec 2021	31 Dec 2020
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	47,631,009	36,173,842
Payments to suppliers and employees	(49,933,229)	(37,095,606)
Interest received	461	3,714
Grants received	-	224,429
Net cash used in operating activities	<u>(2,301,759)</u>	<u>(693,621)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for intangible assets	<u>(184,013)</u>	<u>(230,567)</u>
Net cash used investing activities	<u>(184,013)</u>	<u>(230,567)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issues of equity securities	15,672,209	-
Payment of transaction costs	<u>(1,841,160)</u>	<u>(33,000)</u>
Net cash provided by/(used in) financing activities	<u>13,831,049</u>	<u>(33,000)</u>
Net increase/(decrease) in cash and cash equivalents held	11,345,277	(957,188)
Cash and cash equivalents at beginning of half-year	1,440,661	1,970,379
Cash and cash equivalents at end of half-year	<u>7 12,785,938</u>	<u>1,013,191</u>

The accompanying notes form part of these financial statements.

## **Notes to the Condensed Consolidated Interim Financial Statements**

**For the half-year ended 31 December 2021**

### **1 Reporting entity**

The condensed consolidated interim financial statements cover Australian Bond Exchange Holdings Limited ("ABEH" or "The Company") and its controlled entities ("the Group"). Australian Bond Exchange Holdings Limited is a for-profit proprietary Company, incorporated and domiciled in Australia.

Comparatives are consistent with prior periods, unless otherwise stated.

### **2 Basis of preparation**

This condensed consolidated interim financial statements have been prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the 2021 Annual Report and any public announcements made by the Company during the interim reporting period.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The condensed consolidated interim financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The condensed consolidated interim financial statements were approved by the Board of Directors on 28 February 2022.

### **3 Summary of Significant Accounting Policies**

The accounting policies applied by the Group in the condensed consolidated interim financial report are consistent with those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2021.

### **4 Critical Accounting Estimates and Judgments**

The preparation of Interim financial statements requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving significant estimates and judgements were the same as those that applied to the consolidated financial report for the year ended 30 June 2021. During the period, management reviewed estimates in respect of:

- Software development costs
- Provisions

## Notes to the Condensed Consolidated Interim Financial Statements

For the half-year ended 31 December 2021

### 5 Revenue and Other Income

Revenue from continuing operations - contracts with customers	31 Dec 2021	31 Dec 2020
	\$	\$
Revenue from contracts with customers has been disaggregated as follows:		
Type of contract		
- Securities trading income	274,801	140,574
- Net fees on securities trading (a)	-	1,078,945
- Arrangement fees	363,491	93,200
- Commission income	171,246	41,895
	<u>809,538</u>	<u>1,354,614</u>
Other Income		
- Interest received	4,298	3,715
- Other income	20,664	625
- R&D refundable tax rebate	150,000	149,218
- Cash flow boost grant income	-	123,644
- Job keeper grant income	-	104,400
	<u>174,962</u>	<u>381,602</u>
<b>Total Revenue and Other Income (b)</b>	<u><u>984,500</u></u>	<u><u>1,736,216</u></u>

(a) Gross fees from securities trading was \$nil (2020: \$1,232,746) for the period. Fees attributed to the principal of the arrangement acting on behalf of the Group was \$nil (2020: \$153,801), leaving Net fees on securities trading of \$nil (2020: \$1,078,945).

(b) Total Gross Revenue and Other Income when including gross fees from securities trading per (a) above is \$984,500 (2020: \$1,890,017).

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

### 6 Results for the half-year

The result for the year includes the following specific expenses:

	31 Dec 2021	31 Dec 2020
	\$	\$
Other expenses:		
Rent expense	76,181	57,545
Advertising	119,578	41,124
Administration and management fees	134,096	14,121
Legal and professional fees	314,396	3,303
Insurance	85,958	48,803
Accounting fees	75,321	58,644
Research fees	75,000	-
Information technology related expenses	148,565	154,425

Capital raising costs of \$ 533,627 (2020: \$nil) are included in the above expense classifications.

**Australian Bond Exchange Holdings Limited**

ABN 11 629 543 193

**Notes to the Condensed Consolidated Interim Financial Statements**

For the half-year ended 31 December 2021

**7 Cash and Cash Equivalents**

	31 Dec 2021	30 Jun 2021
	\$	\$
Cash at bank and in hand	12,785,938	1,440,661
	<u>12,785,938</u>	<u>1,440,661</u>

Cash and cash equivalents do not include the amount of \$398,811 (June 2021: \$12,848,650) held in client trust accounts at 31 December 2021.

**8 Trade and Other Receivables**

	31 Dec 2021	30 Jun 2021
	\$	\$
<b>CURRENT</b>		
Trade receivables	107,948	602,481
Provision for impairment	-	-
	<u>107,948</u>	<u>602,481</u>
GST receivable	89,585	45,028
ATO listing fee receivable	47,609	-
R&D tax rebate receivable	448,436	298,436
<b>Total current trade and other receivables</b>	<u>693,578</u>	<u>945,945</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.

**9 Intangible assets**

	31 Dec 2021	30 Jun 2021
	\$	\$
Software development costs	1,380,707	1,190,048
Accumulated amortisation	(66,919)	(41,130)
Total software development costs	<u>1,313,788</u>	<u>1,148,918</u>
Logo cost	2,200	2,200
<b>Total Intangibles</b>	<u>1,315,988</u>	<u>1,151,118</u>

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

	Logo	Software Development costs	Total
	\$	\$	\$
<b>Half-year ended 31 December 2021</b>			
Balance at the beginning of the half-year	2,200	1,148,918	1,151,118
Additions	-	190,659	190,659
Amortisation expense	-	(25,789)	(25,789)
<b>Closing value at 31 December 2021</b>	<u>2,200</u>	<u>1,313,788</u>	<u>1,315,988</u>

**Australian Bond Exchange Holdings Limited**

ABN 11 629 543 193

**Notes to the Condensed Consolidated Interim Financial Statements**

For the half-year ended 31 December 2021

**10 Other assets**

	31 Dec 2021	30 Jun 2021
	\$	\$
CURRENT		
Prepayments	459,830	138,444
Deposits	30,999	35,248
Other advances	-	43,934
	<u>490,829</u>	<u>217,626</u>

The increase in prepayments is mainly due to insurance premiums paid out for a 7 year cover.

**11 Trade and other payables**

	31 Dec 2021	30 Jun 2021
	\$	\$
CURRENT		
Trade payables	706,169	1,822,455
Other payables	159,684	176,707
	<u>865,853</u>	<u>1,999,162</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.

**12 Financial assets****Financial assets at fair value through profit or loss**

	31 Dec 2021	30 Jun 2021
	\$	\$
CURRENT		
Corporate bonds	1,335,132	552,975
<b>Total</b>	<u>1,335,132</u>	<u>552,975</u>

**Fair value measurement**

The Group's financial assets and liabilities 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.

## Notes to the Condensed Consolidated Interim Financial Statements

For the half-year ended 31 December 2021

### 13 Issued capital

	31 Dec 2021	30 Jun 2021
	\$	\$
112,621,961 (30 June 2021: 80,972,416) Ordinary shares	<u>21,319,464</u>	<u>6,808,844</u>

#### (a) Movements in Carrying Amounts

	No.	\$
<b>Opening Balance at 1 July 2021</b>	<b>80,972,416</b>	<b>6,808,844</b>
Movement		
6 Sep 2021: Issue of additional converting note shares	(i) 3,661,540	-
8 Sep 2021: Issue of Pre IPO shares	(ii) 10,000,000	5,000,000
21 Sep 2021: Issue of Pre IPO shares	(iii) 6,800,000	3,400,000
29 Nov 2021: Issue of Subscription Shares under the Offer	(iv) 11,188,005	7,272,203
Less: Capital raising costs	(v) -	(1,161,583)
<b>Balance as at 31 December 2021</b>	<b><u>112,621,961</u></b>	<b><u>21,319,464</u></b>
	No.	\$
<b>Opening Balance at 1 July 2020</b>	<b>80,972,416</b>	<b>6,999,994</b>
Movement		
Less: Capital raising costs	-	(32,040)
<b>Balance as at 31 December 2020</b>	<b><u>80,972,416</u></b>	<b><u>6,967,954</u></b>

(i) On 6 September 2021, the Company issued additional shares to the original Noteholders under the following terms:

- the Converting Notes had a value of \$0.60 [which was 40% discount to the then proposed listing issue price of \$1.00];
- if the listing issue price was less than \$1.00, then ABEH was to issue the Noteholder with further shares on a pro rata basis, with the result that at the time of lodgement of a prospectus by the Issuer with ASIC, the number of shares held by the Noteholder in ABEH in aggregate would reflect a shareholding issued at a 40% discount to the listing issue price;
- the conversion of the Converting Notes into fully paid ordinary shares in the Issuer occurred on 6 September 2021.

As the listing price agreed with the Lead Manager had been set at \$0.65 per ordinary share, the Noteholders had been issued with further shares to reflect a conversion of their notes to ordinary shares at a 40% discount to that issue price. The effective issue price to noteholders upon conversion now being \$0.39 (\$0.65 x 60%).

- (ii) On 8 September 2021, the Company issued 10,000,000 shares at \$0.50 as part of the Pre IPO offer.
- (iii) On 21 September 2021, the Company further issued 6,800,000 shares at \$0.50 as the final close of its Pre IPO raising.
- (iv) On 29 November 2021, the public share offer closed with 11,188,005 shares issued at \$0.65.
- (v) Capital raising costs recognised against equity include costs associated with the Pre IPO and IPO raisings.



## Notes to the Condensed Consolidated Interim Financial Statements

For the half-year ended 31 December 2021

### 13 Issued capital continued

#### (b) Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

#### (c) Restricted shares

Of the 112,621,961 shares on issue, there are 77,791,933 restricted ordinary shares as follows:

- 2,307,691 ordinary shares are restricted from trading until 8 September 2022;
- 1,569,230 ordinary shares are restricted from trading until 21 September 2022;
- 73,915,012 ordinary shares are restricted from trading until 6 December 2023.

### 14 Share based payments reserve

#### 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 with Shares (including the New Shares) in relation to voting rights and entitlements to participate in dividends.

Expenses arising from share based payment transactions recognised during the period were as follows:

	31 Dec 2021	30 Jun 2021
	\$	\$
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 half-year ended 31 December 2021 included:

- Lead Manager Options were issued for no consideration;
- an exercise price of \$1.95 per Share;
- 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%.

## Australian Bond Exchange Holdings Limited

ABN 11 629 543 193

# Notes to the Condensed Consolidated Interim Financial Statements

For the half-year ended 31 December 2021

### 15 Contractual commitments

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

	31 Dec 2021	30 Jun 2021
	\$	\$
Partnership agreements for research and marketing services	206,250	332,750

### 16 Financial Risk Management

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2021.

### 17 Operating Segments

#### Segment information

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.

### 18 Dividends

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

### 19 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 31 December 2021 (30 June 2021:None).

### 20 Related Parties

There have been no significant changes to the arrangements with related parties. Refer to the full 2021 Annual Report

### 21 Events Occurring After the Reporting Date

On 16 February 2022 the Company announced the appointment of TD Prime Services LLC ('TDPS'), which operates under the TD Securities brand, as ABE's prime broker to provide prime brokerage and custodial services to ABE's Singapore subsidiary, ABE Capital Markets Pte Ltd, effective immediately. TDPS is a U.S. registered broker-dealer and a member of the Financial Industry Regulatory Authority ('FINRA').

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

**Australian Bond Exchange Holdings Limited**


ABN 11 629 543 193

**Directors' Declaration**

In the opinion of the Directors of Australian Bond Exchange Holdings Limited:

1. the condensed consolidated interim financial statements and notes set out on pages 4 to 14, are in accordance with the Corporations Act 2001, including:
  - a. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the six month period ended on that date; and
  - b. complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that Australian Bond Exchange Holdings Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:   
Bradley McCosker

Director:   
Allan Farrar

Dated this 28th day of February 2022

# Independent Auditor's Review Report To the Members of Australian Bond Exchange Holdings Limited

## Report on the Condensed Consolidated Interim Financial Report

### Conclusion

We have reviewed the accompanying condensed consolidated interim financial report of Australian Bond Exchange Holdings Limited (the Company) and its controlled entities (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the condensed consolidated interim financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*.

Our responsibilities are further described in the *Auditor's Responsibility for the Review of the Condensed Consolidated Interim Financial Report* section of our report.

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Responsibility of the Directors for the Condensed Consolidated Interim Financial Report

The directors of the Company are responsible for the preparation of the condensed consolidated interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the condensed consolidated interim financial report that is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility for the Review of the Condensed Consolidated Interim Financial Report

Our responsibility is to express a conclusion on the condensed consolidated interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the condensed consolidated interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a condensed consolidated interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Kreston Stanley Williamson**



**Michael Goodrick**  
Partner

**Sydney**  
**28 February 2022**