ANNUAL REPORT 2023

AUSTRALIAN BOND EXCHANGE HOLDINGS LIMITED
> ACN 629 543 193.

AUSTRALIAN BOND EXCHANGE

CONTENTS

$4.7 m
Revenue

↑131% on FY22

99%
Client retention

↑77%
Active clients

On FY22

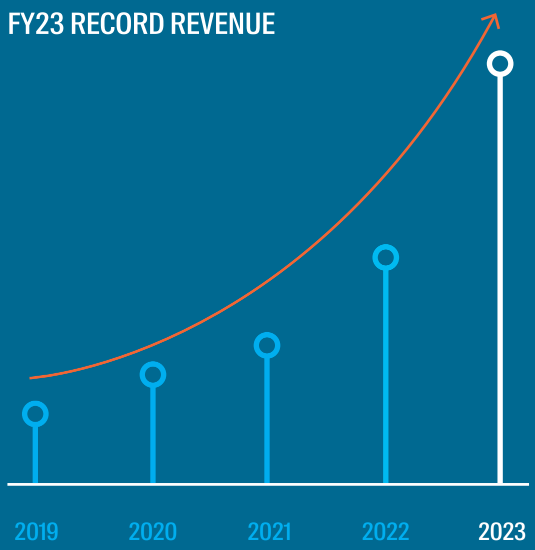
$77m
in face value of market-linked products sold

Investments per private client portfolio

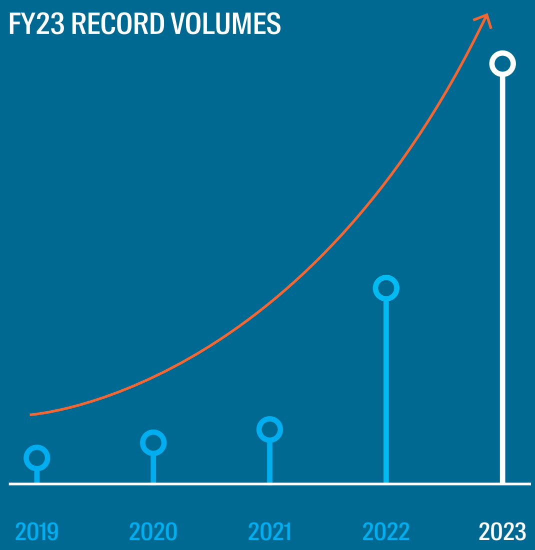
↑21% on FY22

$436m
of private client trading volumes since 2017

FY23 RECORD REVENUE



FY23 RECORD VOLUMES



OUR VISION AND PURPOSE

Who we are:

Our Mission:

MISSION: Provide equal access to financial products and markets for all investors.

Our Strategy:

STRATEGY: Offer attractive financial products and provide user friendly, efficient and transparent means to make financial product transactions.

What we do:

WHAT WE DO: Use our proprietary technology to remove barriers to entry that have limited investor access to global financial markets.

Our Unique Position in an Evolving Landascape:

Australian Bond Exchange is an innovative financial technology and services company providing easy access to the OTC bond market for private investors. We have a highly scalable business model in a largely untapped market, and this is supported by a proprietary technology solution with access to numerous client acquisition channels.

- Proprietary innovative technology solution offering market transparency and investor protection.
- Scalable business model with significant barriers to entry.
- Access to numerous client acquisition channels.
- Ability to tailor product according to investor preferences.

CHAIRPERSON'S REPORT

On behalf of the board of directors I am pleased to present the Annual Report for the financial year ended 30 June 2023.

We are committed to our strategy of building a strong and stable business which provides all investors with the opportunity to acquire sound financial products.

The 2023 financial year has been a challenging period for the Group during which we have sought to further develop private client investors understanding of bond investment with an aim to increase interest in ABE's fixed interest products. The team has also been focused on building dealer and financial planner relationships to facilitate the wider distribution of those products. The current economic conditions and resultant market volatility has created a significant level of uncertainty for investors,
but this has also created opportunity as investors look to fixed interest products to access more stable returns and income streams.

For the 2023 financial year, gross trading revenue for the group was a record $4.7million up 131% on the prior year with other income of $0.6 million up 35% and it has been pleasing to see institutional trading volumes return to higher levels reaching $3.1 billion during the year.

New and innovative product offerings of some $77million in the form of AUD denominated bond linked securities and credit linked securities have proven to be attractive investments for the ABE client base and contributed significantly to growing the revenue. These products added to the suite of products to supplement the traditional sales and trading activity undertaken by the ABE team in the OTC bond market in Australia and Singapore.

The appointment of Kevin Hall, who has had considerable experience in the transformation of businesses in the finance sector, in the new role of Chief Operating Officer, has strengthened the management team and brought greater corporate structure and discipline to the manner in which the business operates.

In recent months a series of expense reductions have been implemented to ensure that the group keeps overheads at a manageable level as we continue to grow revenue from client activity. These measures are expected to see a reduction of at least $2million in expenses when compared to the 2023 financial year and are important in achieving sustainable growth of the company.

Pleasingly we have received a strong positive response to the new Australian Credit Opportunities Fund launched post the end of the financial year in August in conjunction with the Boston Global Group. This is a new wholesale, unregistered and open-ended pooled investment unit trust formed to provide wholesale and sophisticated investors with exposure to a diversified portfolio of fixed income securities and credit opportunities.

This fund also aims to service the part of the financial adviser market that are unable to trade direct bonds, but still want their clients to have access to bonds and fixed income securities and leverage ABE's expertise in those markets.

ABE, as the Investment Manager, will acquire fixed income securities including corporate bonds, market-linked securities, mortgage-backed securities and other money market (non-government) instruments as it seeks to deliver a benchmark performance hurdle rate of RBA +3.5%.

The Fund intends to directly acquire fixed income securities from Australian issuers and provide indirect exposure to fixed income securities from non-Australian issuers.

As the Fund grows, ABE as the Investment Manager will seek to create a diversified investment portfolio that provides exposure to multiple fixed income products, issuers, jurisdictions and maturities.

In seeking to ensure that we have a sustainable business we are focused on establishing and growing attractive new lines of market linked products to meet client demand, providing a high level of market transparency which is not a characteristic of the bond market that exists today, and employing highly talented staff in delivering our services to the market.

The Company's team in our wholly owned subsidiary, ABE Capital Markets Pte Limited, in Singapore, have played a key role in facilitating the development of these new market linked products which offer attractive investment characteristics along with providing an increasingly strong level of institutional business and I thank them, in particular, for their efforts.

We have a committed team who remain focused on our core mission to make Australian Bond Exchange the leading provider of high-quality debt instruments in the Australian marketplace by making these investments accessible to all investors.

As we move into the 2024 financial year, we are looking to leverage our product capability, marketing and revenue synergies to continue to grow market share and scale our offering whilst focusing on cost control.

We are very conscious of the fact that shareholders provided strong support for our capital raisings which provided the necessary funds to continue growing the Company. We are working diligently to grow revenues and manage costs prudently with a view to providing shareholders with superior long term returns. I want to take this opportunity to thank shareholders for their patience and their conviction in ABE whilst we seek to deliver these objectives.

I wish to take this opportunity to thank our shareholders, advisors, and Bradley and his team for their efforts and thank my fellow directors for their contributions and counsel during the year.

Allan Farrar
Chair

CEO'S YEAR IN REVIEW

Dear fellow shareholders,

I would like to take this opportunity to update you on Australian Bond Exchange's activities for the financial year ending 30 June 2023 and the continued progress towards achieving our vision of providing all investors with easy and efficient access to fixed income products through our unique and innovative technology.

Over the 2023 financial year Australian Bond Exchange focussed on strengthening the foundations of our business and made the necessary investment in people and infrastructure to provide us with a more efficient runway going forward to support our growing business. We continued to execute on our strategy of growing our client base through targeted marketing campaigns, effectively leveraging referral channels, exploring financial technology frontiers, and continuing to launch innovative products that meet investor needs.

We are very pleased to report a record year for revenue, which grew to $4.7million during 2023, an increase of 131% compared to the prior year. Key revenue lines, particularly commissions and securities trading income grew to record levels at $0.8million and $3.7million respectively.

Our active client numbers also continued to grow, increasing 77% over 2023 which is matched by growth in number of investments per client by 21% over the 2023 financial year.

We have reported a consolidated loss of $5.0million for the 2023 financial year, reflecting the investment ABE made over the period in growth opportunities which are expected to increase revenue in the coming years. In late 2023 we commenced the implementation of a range of cost cutting measures, including business restructures which are expected to bring operating expenses for 2024 down to a more sustainable level.

We were very pleased to report earlier this year that ABE was one of 16 successful use cases to participate in the CBDC pilot with the Digital Finance Cooperative Research Centre (DFCRC) and RBA. We also continued our work with our banking partner ANZ to trial ABE's transaction and settlement process utilising the ISO2022 Australian transaction framework, the New Payments Platform (NPP). These initiatives are closely aligned with our mission of reducing barriers to entry for investors through the use of our proprietary and innovative technology. Further developments in our technology include further developing our AI credit analysis toolset by exploring it's use cases as we learn more about its capabilities.

Our unique position, bolstered by our growing private client base, our expansive presence in institutional trading across Asia, and our commitment to leveraging cutting-edge technology, sets the stage for something extraordinary. Now that the foundations have been largely laid, the opportunities on our horizon are exceptional as we aim to shape the future of finance. It's a journey, while certainly not a linear one, I believe you'll want to be part of.

Whilst we have increased revenue, increased client numbers, and increased the number of investments per client, I want to acknowledge that the company still has a way to go to get to where we want it to be. I believe the big opportunities for ABE are still very much in front of us and we will continue to work hard and remain focussed on executing the company's strategy over 2024 to assist us on our path to profitability and achieve our mission of providing equal access to the financial markets for all investors.

Looking toward 2024, we will build on the foundations laid in 2023 and continue to focus on revenue growth, positive client acquisition and expanding product suite, including driving revenue from the recently launched Australian Credit Opportunities Fund. Over 2024 we will also deepen our presence in Asia to support the burgeoning business and exciting opportunities available.

I extend my gratitude to our dedicated Directors, the management team, and our hardworking staff who have all shown unwavering commitment during a period of significant change within our organisation.

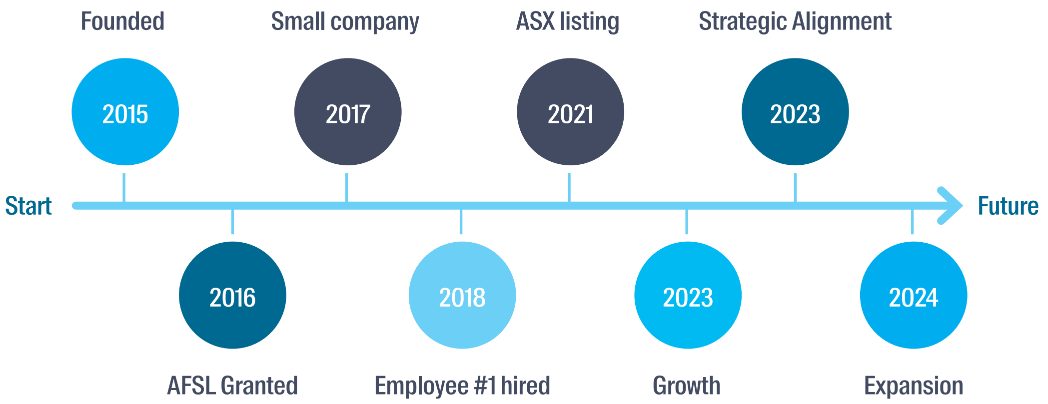
To our valued clients and shareholders, I would like to express, on behalf of the Australian Bond Exchange, our sincere appreciation for your investment in our journey and for entrusting us with your valuable capital. Your ongoing support has been instrumental in our progress to date.

Bradley McCosker
Managing Director and Chief Executive Officer

BUSINESS OVERVIEW

Australian Bond Exchange is an Australian financial technology and 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.

Our company was founded in 2015. We have come a long way.



In the past year, Artificial Intelligence has surged into the mainstream with game-changing innovations like ChatGPT and Midjourney. As described in our prospectus, we've harnessed AI and machine learning to transform investment outcomes for both our clients and our business. ABE has always been data-driven, and we're committed to leveraging the latest AI advancements to further enhance client value and outcomes.

BUSINESS OVERVIEW

Strategy for growth

Opportunity

Transaction Technology Opportunities

Credit Technology Opportunities

Foundation

Client Opportunities

Bond trading is the foundation of our business which we can scale to grow and cultivate other revenue streams as part of our long-term strategic priorities.

Identified Target Investor and Target Product Suite > Active Marketing and Sales > Positive operating cash flow

Strategy for growth – three core priorities

ABE's growth strategy is focussed on increasing our existing securities trading revenue streams which include, brokerage and origination and arranging fees. The continued growth in our securities trading revenue will also enable us to become operating cashflow positive. The growth in securities trading revenue will come from:

– Continuing to launch new products
– Grow client numbers, and build market through an active sales and marketing strategy that targets new markets; and
– Leverage multiple distribution channels including digital channels and financial adviser networks.

The growth of these existing revenue streams and our scalable business model also provides the opportunity to facilitate larger customer deals.

Essentially, the stable and sticky revenue provides us with a sustainable growth path whilst also allowing us to cultivate other revenue streams as part of our longer-term strategic priorities.

Desirable Business Features	Private Clients
Shown long-term revenue growth	✔
Resistant to different economic styles	✔
Stable income stream	✔
Repeat Business	✔
Significant Growth Opportunity	✔
Competitive advantage	✔

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT

The board monitors the operational and financial position of the group and oversees the business strategy, including approving the strategic goals of the group and considering and approving its business plan, forecasts and budgets.

The board is committed to ensure the continued sustainability and growth of the company and generating appropriate levels of shareholder value and returns. In conducting the groups business, the board ensues that the company is properly managed to protect and enhance stakeholder interests and that the company operates under and appropriate framework of corporate governance. In addition to shareholder value, ABE seeks to add a positive impact to the broader investor population, society and the economy.

https://www.bondexchange.com.au/investor-relations

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

AUSTRALIAN BOND EXCHANGE HOLDINGS LIMITED
> ACN 629 543 193.

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Directors' Report
30 June 2023

Information on directors

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, for the financial year ended 30 June 2023.

Directors

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

Names	Position
Allan Farrar	Non-Executive Chairman
Bradley McCosker	Managing Director
Michael Vanderdonk	Director
Nina Vanneck	Non-Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities and significant changes in nature of activities

Australian Bond Exchange Holdings Limited ("ABEH") is the parent company of various controlled entities ("ABE" or "the 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 and other market-linked securities.

ABE operates in the global financial markets predominantly in bond trading and advisory services. During the year, ABE continued the development of a bond trading and settlement system and method, in addition to its operation as a specialist fixed income dealer and broker. ABEPL owns and operates the fixed income portal 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.

ABE's business includes providing investment advice and trade execution services and providing financial advisers and brokers with access to an Over The Counter (OTC) trade execution and settlement service where they can provide their clients with direct, efficient and cost-effective access to the Australian OTC bond market. Revenue comes from the following activities:

- Securities trading;
- Brokerage on transactions as part of financial advice and dealing services division; and
- Origination and arranging fees.

Objectives

In line with its strategic vision of growing the bond market in Australia, the Group's objectives are to:

- Continue to launch new products
- Grow client numbers and build market through an active sales and marketing strategy that targets new markets, and
- Leverage multiple distribution channels including digital channels and financial adviser networks

There were no significant changes in the nature of the Group's principal activities during the financial year.

Directors' Report
30 June 2023

Information on directors

Company secretary

The following persons held the position of Company secretary during the financial year:

Steven Alperstein was appointed Co-Company Secretary on 7 October 2021. Steven has extensive company secretarial experience, having been the Company Secretary of CIBC Australia Ltd, Star City Holdings Ltd, TAB Limited, Solution 6 Holdings Limited, Ricegrowers' Co-operative Limited (SunRice), Apollo Gas Ltd and Dart Energy Ltd over a long career in governance which included ASX and NASDAQ listings.

Peter Foltman was appointed Company Secretary on 11 February 2019. Peter has a wealth of knowledge in financial markets gained from over 20 years' experience in various finance roles in investment banking, working both in Australia and overseas with global and local banking institutions including ANZ, Citigroup and Deutsche Bank. Peter resigned on 24 March 2023.

Information on directors

Allan Farrar	Non-Executive Chairman
Qualifications	Diploma in Accountancy, Diploma of Financial Services, FAICD
Experience	Allan co-founded ABE in March 2015 and has been a director of each ABE company since incorporation. Allan has been involved in partner roles in professional accounting firms for the last 35 years. His last role in a professional accounting firm was Head of the Corporate Finance business of PKF in Sydney, from which he retired in 2016.
Special Responsibilities	Chair of Board, Chair of the Remuneration Committee, Member of the CAR Committee.
Other Current Directorships in Listed Entities	None

Bradley McCosker	Managing Director
Qualifications	BEc, MComm
Experience	Bradley co-founded ABE in March 2015 and has been a director of each ABE company since incorporation. Bradley has over 25 years of experience in investment banking and in the financial markets. Bradley was the Americas Head of the Client Coverage Group for Deutsche Bank in New York before returning to Australia in 2010. He was also Senior Policy Adviser, Australian Prudential Regulatory Authority as well as Senior Manager for Risk Policy, ASX.
Special Responsibilities	Chief Executive Officer, Member of the Remuneration Committee.
Other Current Directorships in Listed Entities	None

Michael Vanderdonk	Director
Qualifications	BSc, GAICD
Experience	As a co-founder of ABE, Michael has overseen the technical and engineering design of the infrastructure and systems. He has over 25 years of experience in the Information Technology and Telecommunications industry, developing strategy and implementing business initiatives. Michael worked at EMC (now Dell EMC) Asia on infrastructure, Cloud based computing, big data, artificial intelligence and data science. Previous roles as CSC Australia, KPMG Consulting and Credit Suisse.
Special Responsibilities	Chief Technology Officer, Chair of the CAR Committee.
Other Current Directorships in Listed Entities	None

Directors' Report
30 June 2023

Information on directors (cont'd)

Nina Vanneck	Non – Executive Director
Qualifications	B.Comm. GAICD
Experience	Nina joined ABE as a Non-Executive Director in October 2021, with over 25 years of experience in media & technology in the UK and Australia. Nina has worked at Google since 2010, and she sits on the Google Australia & NZ management team and is Country Manager of the Publisher Ad Technology division. She represents Google on the Executive Technology Council of IAB Australia. Her career has spanned a mixture of commercial roles in technology sales (at Google), product (at AOL Europe), channel management (News UK), business development (Fairfax), media research (ACNielsen, Virgin Television) and advertising strategy (Yahoo!7).
Special Responsibilities	Member of the CAR Committee, Member of the Remuneration Committee.
Other Current Directorships in Listed Entities	None

Directors' Report
30 June 2023

Beneficial Interests in the Shares of the Company and Related Bodies Corporate

As at the date of this report, the beneficial interest of the Directors and their associates in the shares of the Group were:

Shareholders/Related Party (Director)	Number of Ordinary Shares
Fieldrock Pty Limited (Bradley McCosker)	51,919,996
Toach Pty Limited (Michael Vanderdonk)	7,417,142
Anex Industrial Corporation Pty Ltd/Allan Farrar (Allan Farrar)	7,554,347
Haveningham Pty Limited (Nina Vanneck)	154,000

Board, Board Committee Meetings and Attendance

The number of meetings of the Board of Directors (the Board) and of the Committees of the Board and the individual attendance by Directors at those meetings which they were eligible to attend, during the financial year, is summarised in the table below. CAR Committee refers to the Compliance Audit & Risk Committee.

	Directors' Meetings		CAR Committee Meetings		Remuneration Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Allan Farrar	10	10	4	4	2	2
Bradley McCosker	10	10	n/a	n/a	2	2
Michael Vanderdonk	10	10	4	4	n/a	n/a
Nina Vanneck	10	10	4	3	2	2

(n/a) Not a member of Committee.

Operating results and review of operations for the year

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 securities trading income to $3,712,483 (2022: $1,433,220) an increase of 159% compared to prior year and commissions growing to $815,984 (2022: $427,773) 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 $879,479 (2022: $508,939). Related to this, sales, marketing and business development staff costs increased to $2,433,817 (2022: $1,255,183) over the year reflecting the investment in staff. Administrative expenses of $707,995 (2022: $446,715) 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.

Directors' Report

30 June 2023

Operating results and review of operations for the year (cont'd)

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 2024 when compared to 2023.

Review of operations

During the 2023 financial year, the Group continued operations 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 in private client business activities as well as institutional trading turnover.

Private client business metrics grew appreciably and contributed to record revenue growth in 2023 with the following achievements to note:

- Active client numbers increased by approximately 77% compared to 2022
- Number of investments per private client increased by 21% over 2023
- 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 2023. Due to growing client demand, products designed specifically for the Australian private investor, such as bond and market-linked securities denominated in Australian Dollars has seen a significant increase in the number of product offerings that have been fully sold, with the 2023 financial year 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 2023, 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 year, including:

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

Financial Review

Financial position

The net assets of the Group at 30 June 2023 are $8,322,968 (2022: $12,882,953)

The decrease in net assets reflects the impact of the current year losses as a result of implementing of the Group's strategy to strengthen foundations, with significant investments in people and infrastructure during the 2023 financial year.

The 2023 financial year has seen the Group take advantage of opportunities for strategic investment and by balancing this with its costs reduction program, the Group has the efficient runway to focus now on more sustainable results.

Directors' Report
30 June 2023

Other items

Dividends paid or recommended

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

Events after the reporting date

Subsequent to the year end, the following activities occurred:

On 26 July 2023, ABE Investment Management Pty Limited ("ABEIM") was incorporated, which is a wholly owned subsidiary of ABEH.

On 31 August 2023, The Australian Credit Opportunities Fund (ACOF/The Fund) was launched.

The Fund was created by ABE and the Boston Global Group as a new wholesale, unregistered, and open-ended pooled investment unit trust. The Fund will provide wholesale and sophisticated investors with exposure to fixed-income securities and credit opportunities.

The Fund is managed by the investment team from ABEIM (which will derive various management fees for its services). As Investment Manager, ABEIM will be able to facilitate the acquisition of fixed-income products once the fund raises its first AUD $5 million, with an initial focus on:

- Bonds related to ASX-listed financial institutions;
- Market-linked instruments (i.e. Deferred Purchase Agreements) related to foreign-denominated rated securities; and
- Corporate Bonds.

The Fund is expected to reduce lead times to market of financial products and improve the profile of the ABE bond inventory and servicing levels. An estimate of the financial effect cannot be made at this time.

Except for the above, no other matters or circumstances have arisen since the end of the year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Directors' Report
30 June 2023

Environmental regulations

The Group's operations are minimally impacted by any significant law of the Commonwealth or of a State or Territory relating to the environment.

While ABE does not believe it has a material risk to climate change or environmental impacts, its approach to the environmental footprint is a reflection of ABE's actions as a responsible corporate citizen, and our role in the Australian financial services industry.

As a rapidly growing part of Australia's financial services landscape, ABE recognises that it has a part to play in reducing waste and carbon emissions. This includes activities such as:

- Minimisation of the impact on the environment of ABE's operational activity.
- Client statements transmitted electronically rather than in paper form. This resulted in significant reductions in the environmental footprint related to paper production and postage while also benefiting stakeholders by increasing efficiency and transparency of the OTC Bond market.
- Technology expenditure improving efficiency and transparency in the OTC market while simultaneously enhancing the long term sustainability of ABEs operations via being a leader in financial technology.

Likely developments in operations and expected future results

The Company's directors 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. Further to that, the most significant likely development in operations will be through technological advancements, particularly in the area of Artificial Intelligence (AI). As AI technologies become prevalent and embedded in day-to-day operations, further efficiencies and cost savings are expected, especially in client services such as marketing and onboarding.

Directors' Report
30 June 2023

Risk and compliance control statement

Under Australian Securities Exchange (ASX) Listing Rules and the ASX Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council, the Company is required to disclose in its Annual Report the extent of its compliance with the 'ASX Principles and Recommendations'.

The Directors have implemented internal control processes for identifying, evaluating and managing significant risks to the achievement of the Group's objectives. These internal control processes cover financial, operational and compliance risks. The Group's corporate governance practices are outlined in further detail in the Corporate Governance Statement section on the Group's website at www.bondexchange.com.au/investor-relations.

Throughout the reporting period, and as at the date of signing of this Annual Report, the Company was in compliance with the ASX Principles and Recommendations to the extent disclosed in the Corporate Governance Statement.

ABE has a multilayered approach to the identification management and mitigation of enterprise risk. Accountability and responsibility for risk governance and management are held at various levels across the ABE Group including the Board, key management personnel and specialists' functions including IT, policy and operations, compliance, and financial control.

ABE has an established enterprise risk management framework. The framework encompasses but is not limited to, the risk governance structure across ABE, the risk strategy and appetite, risk culture and behaviours, and supporting frameworks and processes governing risk assessment, monitoring, and reporting.

The CAR committee reviews the enterprise risk management frameworks annually. This review took place during the reporting period.

ABE's Risk management framework involves three lines of defence:

- First line of defence - operational management and staff are accountable for risk management within their business functions
- Second line of defence - independent risk management and compliance functions that oversee, and assess risk management in line 1
- Third line of defence - independent assurance including external audit to assist the effectiveness of ABE's control environment

Shares under option and the employee funded loan share plan

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Date Option Granted	Expiry Date	Issue Price of Shares	Number under Option
21 September 2021	6 December 2026	1.95	2,100,000
29 November 2021	6 December 2026	1.95	1,818,051
8 February 2023*	8 February 2028	0.41	3,700,000

* included in these options were options granted as remuneration to key management personnel. Refer to the Remuneration Report and note 20(d) of the consolidated financial statements for details of options granted to key management personnel.

Directors' Report
30 June 2023

Shares under option and the employee funded loan share plan (cont'd)

Shares under Employee Loan Funded Share Plan (ELFSP)

Shares under the ELFSP in the Company are reported as treasury shares at the date of this report, and are as follows:

Date Shares Granted	Expiry Date	Exercise Price	Number of Loan Shares
9 May 2022	9 May 2028	0.3768	2,190,446

The value of the loans for shares granted under the ELFSP total $825,360 (2022: $825,360). Due to the limited recourse nature of the loans and whilst the loans remain outstanding, the value of the loans are not recognised as a receivable. Furthermore, issued capital is reduced both for the value of the initial loans and the number of associated treasury shares. Refer to notes 18(b) and 20(b) of the consolidated financial statements for further details.

Shares issued on the exercise of Options

There were no shares issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Auditor

There are no former partners or Directors of the Company's auditors or former auditors, who are, or were at any time during the financial year, an officer of the Company.

Indemnification and insurance of officers and auditors

During the financial year ABEH entered into agreements under a policy of insurance which includes indemnification of all Directors of the Group named in this report and current officers of the Group against all liabilities to persons (other than the Group), which arise out of the performance of their normal duties as a Director or an Officer. The insurance policy prohibits disclosure of the amount of premium paid.

Under ABEH's Constitution, ABEH indemnifies all past and present Directors and Secretaries of ABEH (including at this time the Directors named in this report and the Secretaries), against certain liabilities and costs incurred by them in their respective capacities. The indemnity covers the following liabilities and legal costs:

a) any liability incurred by the person in that capacity (except a liability for legal costs);

b) legal costs incurred in defending or resisting (or otherwise in connection with) proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the person becomes involved because of that capacity; and

c) legal costs incurred in good faith in obtaining legal advice on issues relevant to the performance of their functions and discharge of their duties as an officer of the Company or a subsidiary, if that expenditure has been approved in accordance with the Company's policy, except to the extent that:

d) the Company is forbidden by law to indemnify the person against the liability or legal costs; or

e) an indemnity by the Company of the person against the liability or legal costs, if given, would be made void by law.

Directors' Report
30 June 2023

Indemnification and insurance of officers and auditors (cont'd)

ABEH has also entered into a Deed of Access, Indemnity, Insurance and Disclosure (Deed) with each of the Directors and Secretaries. Under the Deed, ABEH agrees to indemnify the Directors and Secretaries against:

a) all liabilities incurred by the Director or Secretary as an Officer of ABEH and each Subsidiary; and

b) all legal costs and other costs and expenses that arise as a consequence of being or of having been an Officer of ABEH or a Subsidiary.

No indemnification has been obtained for the auditors of the Company.

Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the financial year.

Non-audit services

Details of the amounts paid or payable to the auditor KrestonSW Audit Pty Ltd and its associated entities for audit and non-audit services during the year are disclosed in Note 27: Auditor's Remuneration.

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the CAR committee and Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to the external auditors for non-audit services provided:

	2023 $	2022 $
Preparation of Investigating Accountants Report	-	48,614

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2023 has been received and can be found on page 27 of the financial report.

Remuneration Report (audited)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of the Directors of Australian Bond Exchange Holdings Limited ("the Company") and other key management personnel (KMP) of the Group for the financial year ended 30 June 2023.

The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Directors' Report
30 June 2023

Remuneration report (audited) (cont'd)

This report covers the following Directors and key management personnel

Non Executive Directors

- Allan Farrar – Chairperson
- Nina Vanneck

Executive Directors

- Bradley McCosker – Managing Director & Chief Executive Officer
- Michael Vanderdonk – Chief Technology Officer

Key Management Personnel

- Simon McCarthy – General Manager, Policy and Operations (until 21 July 2023)
- Peter Foltman – Financial Controller (until 14 April 2013)
- Nick Baber – Managing Director ABE Capital Markets (from 1 July 2022)
- Kevin Hall – Chief Operating Officer (from 8 February 2023)

Remuneration policy

The Board has adopted a framework for corporate governance, including policies dealing with Board and Executive remuneration. Policies adopted by the Board reflect the relative stage of development of the company, having regard for the size and structure of the organisation.

The Remuneration Committee is responsible for reviewing remuneration arrangements for its Directors and executives and for making recommendations to the Board on remuneration policies.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and Senior Executives. The remuneration packages of Executive Directors provide for a fixed level of remuneration. Other than as noted below, executive remuneration packages do not have guaranteed equity-based components or performance-based components.

The Group's remuneration policy is reviewed at least once a year and is subject to amendments to ensure it reflects the best market practice.

The remuneration policy is structured to ensure the remuneration package properly reflects the person's duties, responsibilities and the level of performance and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The Remuneration policy is designed to attract, motivate and retain a talented team to deliver the strategy devised to create and enhance shareholder value.

It is designed to balance fixed and at-risk components of remuneration aimed at driving performance, culture and behaviour.

Fixed Remuneration

Fixed remuneration consists of base remuneration (salary) including any Fringe Benefits Tax (FBT) charges as well as employer contributions to superannuation funds, and long service leave, where applicable. Remuneration levels are reviewed annually by the Board.

Directors' Report
30 June 2023

Remuneration report (audited) (cont'd)

Performance Linked Remuneration

The Group may pay a discretionary bonus to eligible employees based on the Group's financial performance for the financial year and the performance of the individual over that same period.

Short-term incentives (STI) are provided in the form of cash compensation and Long-term incentives (LTI) are provided in the form of grant of options and loan funded employee ordinary shares of the Company through the Group's Employee Loan Funded Share Plan (ELFSP).

Share-based compensation benefits are provided to employees under the Group's ELFSP. Under the ELFSP, shares issued by the Group to employees with a non-recourse loan vest 3 years from issue date.

The accounting standards require share-based payments expense to be calculated using the fair value of the shares at grant date, amortised over the relevant performance and service period. 2023 share based payments include the grant of options and the vesting of the ELFSP shares. 2022 share based payments include the vesting of the ELFSP shares and the issuance of shares under an employment agreement.

All STIs and LTIs are performance related and at the discretion of the Board.

Share-based Compensation

Options granted

On 8 February 2023, ABE granted 3,700,000 options to Kevin Hall, Chief Operating Officer, under the terms of his 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 terms and conditions of the grant of options are as follows:

Date Options Granted	Expiry Date	Vesting Date	KMP	Number of Options Granted	Exercise Price ($)	Fair Value at Grant Date ($)
8 February 2023	8 February 2028	8 February 2024	Kevin Hall	1,233,333	0.41	202,883
8 February 2023	8 February 2028	8 February 2025	Kevin Hall	1,233,333	0.41	219,533
8 February 2023	8 February 2028	8 February 2026	Kevin Hall	1,233,334	0.41	233,717

If Mr Hall ceases to be employed by the Group before the vesting period, he will no longer be entitled to the options.

In accordance with the accounting standards, a share based payments expense of $162,731 was recognised in the consolidated statement of profit or loss and other comprehensive income representing the amount vested for the year ended 30 June 2023. No options were issued to KMP in the prior year.

Employee Loan Funded Share Plan (ELFSP)

The Group has adopted an 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 Company. The ELFSP is governed by rules of the kind usually adopted by a public company.

Directors' Report
30 June 2023

Remuneration report (audited) (cont'd)

Employee Loan Funded Share Plan (ELFSP) (cont'd)

A summary of the terms of the ELFSP is set out below:

Type of securities issued under the ELFSP	Shares in ABEH, ranking equally with all other Shares on issue (subject to the restrictions described below).
Eligible participants	Any permanent, part-time or casual employee or consultant of ABE and any Director of the Company (Participants).
Price of securities issued under the ELFSP	The price per Share will be the volume weighted average price for the five (5) trading days preceding the date of issue of the Shares.
Loans to participants	The Company may provide an interest-free, limited recourse loan to a Participant to subscribe for its Shares. The Participant must repay the loan by the date specified as the repayment date by the Company (Repayment Date). The loan must be repaid earlier on the occurrence of any of the following: • the Participant becoming insolvent or subject to bankruptcy proceedings; • the Participant ceasing to be employed by ABE or ceases to be a director of ABEH; • the Shares being sold by the Participant or Company where the proceeds are first applied towards repayment of the loan; and • the Shares being sold pursuant to a takeover of the Company or similar transaction. For so long as the loan is owing, the Company will apply 80% of all cash dividends paid on the Shares towards repaying the loan. If the Participant fails to repay the loan by the Repayment Date: • interest at 8% per annum will accrue and be payable on the loan once the Repayment Date has passed; and • the Company may dispose of or buy-back the Shares, or direct that the Shares be transferred to a person nominated by the Company and apply the proceeds towards repaying the loan. The Company has security over the Shares that are the subject of the loan until the loan is repaid.
Restrictions on securities	The Shares cannot be traded, disposed of or encumbered: • until a three (3) year period has elapsed since the Shares were issued, unless otherwise specified by the Directors (Trading Date); and • at any time until the loan for the Shares is repaid in full, otherwise, the Shares are freely tradeable. If the Participant ceases to be employed by ABE or ceases to be a Director of ABEH before the Trading Date, it will no longer be entitled to the Shares.
Limit on number of securities issued under the ELFSP	The securities issued under the Plan are limited to a maximum of 5% of the Shares on issue at the date of issue.
Amendments	The Board has the discretion to amend the ELFSP or the conditions applying to the issue of any Shares or loan, subject to obtaining shareholder approval to amend the maximum number of Shares that may be granted under the ELFSP, subject to that maximum not exceeding 5% of the Shares on issue at the date of issue, or to make any change to rules 2 (establishment and purpose) and 3 (administration) of the ELFSP.
Date by which securities to be issued to Participants	As determined by the Board, but in any event no later than 3 years after the date of ABE's admission to the Official list of the ASX, which occurred on 6 December 2021.

Directors' Report
30 June 2023

Remuneration report (audited) (cont'd)

Employee Loan Funded Share Plan (ELFSP) (cont'd)

There were no shares issued under the ELFSP to KMP as a form of remuneration during the year ended 30 June 2023. During the year ended 30 June 2022, 1,195,223 shares were granted.

The terms and conditions of each grant of shares under ELFSP affecting remuneration of directors and other KMP in this financial year or future reporting years are as follows:

Grant Date	Expiry Date	KMP	Number of Shares Issued under the Plan	Exercise Price	Fair Value at Grant Date
9 May 2022	9 May 2028	Simon McCarthy	200,000	$0.3768	$45,992
9 May 2022	9 May 2028	Peter Foltman	995,223	$0.3768	$228,862

In accordance with the accounting standards, a share based payments expense of $233,329 (2022: $13,040) was recognised in the consolidated statement of profit or loss and other comprehensive income for the above ELFSP shares granted to KMP.

The number of shares under the ELFSP held during the financial year by KMP is set out below:

KMP	Balance 1 July 2022	Granted	Exercised	Expired/forfeited/ other	Balance 30 June 2023
Simon McCarthy	200,000	-	-	-	200,000
Peter Foltman*	995,223	-	-	(995,223)	-
Total	1,195,223	-	-	(995,223)	200,000

* Mr Foltman resigned during the year, however retained his shares given a waiver of the forfeiture terms by the Board. This is shown as a reduction as Mr Foltman is no longer a KMP. Refer to further details below.

The following loans have been provided in accordance with the ELFSP and relate directly to the shares issued under the plan at a subscription price of $0.3768 per share and remain outstanding:

Key Management Person	Non-Recourse Loans Balance 30 June 2023	Non-Recourse Loans Balance 30 June 2022
Simon McCarthy	$75,360	$75,360
Peter Foltman	$375,000	$375,000

As the share acquisitions are funded by non-recourse loans, and whilst the loans remain outstanding neither the shares or the associated loans can be recognised in the statement of financial position. For accounting purposes the arrangement is treated similar to a grant of options and accounted for as equity-settled share based payments. The shares issued under the ELFSP are treated as treasury shares, fair valued on the date they are granted and their value is amortised as an expense in the consolidated statement of profit or loss and other comprehensive income over the vesting period.

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 remaining unchanged including that of the non-recourse loan.

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 being recognised and fully expensed in the year ended 30 June 2023.

Directors' Report
30 June 2023

Remuneration report (audited) (cont'd)

Service Agreements with KMP

Remuneration and other key terms of employment for executive directors and other KMP are formalised in employm agreements. Details of the employment agreements with KMP are as follows:

Name	Bradley McCosker
Title	Chief Executive Officer and Managing Director
Term of agreement	Ongoing – no fixed minimum term
Details	A total base salary of $528,000 per annum plus superannuation effective from 1 January 2022, which includes any salary sacrifice arrangements. Either party may terminate the employment agreement by providing 12 months notice without cause.

Name	Michael Vanderdonk
Title	Chief Technology Officer
Term of agreement	Ongoing – no fixed minimum term
Details	A total base salary of $275,000 per annum plus superannuation effective from 1 January 2022, which includes any salary sacrifice arrangements. Either party may terminate the employment agreement by providing 12 months notice without cause.

Name	Simon McCarthy
Title	General Manager, Policy & Operations
Term of agreement	Ongoing – no fixed minimum term
Details	A total base salary of $250,000 per annum (apportioned for a 3 to 4-day work week) plus superannuation effective 1 January 2022, which includes any salary sacrifice arrangements. Either party may terminate the employment agreement by providing 12 months notice without cause. Simon resigned on 21 July 2023.

Name	Kevin Hall
Title	Chief Operating Officer
Term of agreement	Ongoing – no fixed minimum term
Details	A total base salary of $400,000 per annum plus superannuation effective from 8 February 2023, which includes any salary sacrifice arrangements. Either party may terminate the employment agreement by providing 4 weeks notice without cause.

Name	Nick Baber
Title	Managing Director – ABE Capital Markets
Term of agreement	Ongoing – no fixed minimum term
Details	A total base salary of SGD $400,000 (AUD: $437,805) per annum effective from 1 July 2022, which includes any salary sacrifice arrangements. Either party may terminate the employment agreement by providing 3 months notice without cause.

Directors' Report
30 June 2023

Remuneration report (audited) (cont'd)

Service Agreements with KMP (cont'd)

Name	Peter Foltman
Title	Financial Controller
Term of agreement	Ongoing – no fixed minimum term
Details	A total base salary of $225,000 per annum plus superannuation, which includes any salary sacrifice arrangements. Either party may terminate the employment agreement by providing 12 months notice without cause. Peter resigned on 14 April 2023.

In addition to the fixed salary, KMP are entitled to a discretionary bonus approved by the remuneration committee. KMP have no entitlement to termination payments in the event of removal for misconduct.

Service Arrangements with Non-executive directors

The maximum aggregate remuneration of Non-executive Directors excluding Committee fees is capped at $600,000 or such increased amount as may be approved by Shareholders.

The Group will pay annual Non-executive Directors' fees of $90,000 per annum and annual Chairperson's fees of $130,000 per annum, including superannuation to each Non-executive Director.

All Non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

Remuneration of key management personnel

Details of the remuneration expenses of key management personnel for the year ended 30 June 2023 are set out in the following table. STIs and LTIs are dependent on the satisfaction of performance conditions dependent on the accountabilities of respective role and their impact on the Group's performance. Employee Loan Funded Share Plan rewards do not vest unless the relevant vesting hurdles are achieved. Fixed elements of remuneration (salary, fees and superannuation benefits) are not directly related to performance.

2023	Short-Term Benefits ($)			Post-employment benefits ($)	Long-Term Benefits ($)			
	Salary and Fees	Cash Bonus	Other short-term benefits	Superannuation benefits	Long Service Leave	Share based payments ($)	Total Remuneration ($)	Proportion of remuneration performance related (%)
Non Executive Directors								
Allan Farrar	117,647	-	-	12,353	-	-	130,000	0 %
Nina Vanneck	81,448	-	-	8,552	-	-	90,000	0 %
Executive Directors								
Bradley McCosker	528,000	-	7,270	55,440	30,444	-	621,154	0 %
Michael Vanderdonk	275,000	-	-	28,875	15,103	-	318,978	0 %
Other Key Management Personnel								
Simon McCarthy	189,678	-	-	19,916	-	15,316	224,910	6.8 %
Peter Foltman (i)	207,774	-	-	18,703	-	218,013	444,490	49.0 %
Kevin Hall (ii)	158,333	-	-	16,625	-	162,731	337,689	48.2 %
Nick Baber (iii)	437,805	-	-	-	-	-	437,805	0 %
Total	**1,995,685**	**-**	**7,270**	**160,464**	**45,547**	**396,060**	**2,605,026**	

(i) Resigned 14 April 2023. Mr Foltman's share-based payments expense includes the remaining fair value of the ELFSP shares amounting to $154,523 which were no longer subject to vesting conditions given the Board's waiver of forfeiture on his resignation.
(ii) From 8 February 2023
(iii) From 1 July 2022

Directors' Report

30 June 2023

Remuneration report (audited) (cont'd)

Remuneration of key management personnel (cont'd)

2022	Short-Term Benefits ($)			Post-employment benefits ($)			
	Salary and Fees	Cash Bonus	Other short-term benefits	Superannuation benefits	Share based payments ($)	Total Remuneration ($)	Proportion of remuneration performance related
Non Executive Directors							
Allan Farrar	102,375	-	-	10,238	-	112,613	0%
Nina Vanneck (i)	61,364	-	-	6,136	-	67,500	0%
Executive Directors							
Bradley McCosker	504,000	50,000	-	50,400	-	604,400	8.3%
Michael Vanderdonk	227,500	-	-	22,750	-	250,250	-
Other Key Management Personnel							
Simon McCarthy	141,462	-	-	14,146	2,182	157,790	1.4%
Peter Foltman	202,500	100,000	-	20,250	40,858	363,608	38.7%
Total	**1,239,201**	**150,000**	**-**	**123,920**	**43,040**	**1,556,161**	**12.4%**

(i) Appointed 7 October 2021

Director & Executive Disclosures

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2022	Acquired/ Converted	Received as Compensation	Disposed	Held at 30 June 2023
2023 Directors and Other Key Management Personnel					
Allan Farrar	7,554,347	-	-	-	7,554,347
Nina Vanneck	154,000	-	-	-	154,000
Bradley McCosker	51,919,996	-	-	-	51,919,996
Michael Vanderdonk	7,417,142	-	-	-	7,417,142
Simon McCarthy*	200,000	-	-	-	200,000
Peter Foltman*	1,041,377	-	-	-	1,041,377

Modification of terms of equity-settled share-based payment transactions

Other than those already noted in respect of Mr Foltman's ELFSP shares, no other terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period.

Exercise of options granted as compensation

During the reporting period, there were no shares issued as a consequence of the exercise of options previously granted as remuneration.

Directors' Report

30 June 2023

Remuneration report (audited) (cont'd)

Remuneration of key management personnel (cont'd)

Analysis of share-based payments granted as compensation

No shares were issued to non-executive Directors in lieu of Directors fees.

Other transactions with KMP's

No other transactions with Key Management Personnel noted during the year.

End of Audited Remuneration Report

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Director: ....

Bradley McCosker

Director: ....

Michael Vanderdonk

Dated this ....29th...................... day of ....September................ 2023

KRESTON STANLEY WILLIAMSON

KrestonSW Audit Pty Ltd

Auditor's Independence Declaration

As lead auditor of Australian Bond Exchange Holdings Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

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

Kamal Thakkar
Director

KrestonSW Audit Pty Ltd

Sydney
29 September 2023

ADVISORS FOR YOUR FUTURE

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CHARTERED ACCOUNTANTS AUSTRALIA + NEW ZEALAND

MEMBER OF THE FORUM OF FIRMS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

	Note	2023 $	2022 $
Revenue	4	**4,687,837**	2,029,717
Other income	4	**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	5	**(363,734)**	(67,412)
Other expenses	5	**(3,827,571)**	(2,533,280)
Loss before income tax		**(5,034,582)**	(3,642,758)
Income tax expense	6	**-**	-
Loss for the year attributable to members of the parent entity		**(5,034,582)**	(3,642,758)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**2,330**	-
Other comprehensive income, net of income tax		**2,330**	**-**
Total comprehensive income for the year attributable to members of the parent entity		**(5,032,252)**	(3,642,758)
Earnings per share			
From continuing operations			
Basic earnings per share (cents)	33	**(4.47)**	(3.51)
Diluted earnings per share (cents)	33	**(4.47)**	(3.51)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As At 30 June 2023

	Note	2023 $	2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**5,863,053**	9,046,931
Trade and other receivables	8	**629,990**	929,800
Other financial assets	10	**301,850**	1,631,866
Other assets	9	**492,611**	583,632
TOTAL CURRENT ASSETS		**7,287,504**	12,192,229
NON-CURRENT ASSETS			
Property, plant and equipment	11	**168,804**	19,793
Intangible assets	12	**2,063,921**	1,629,586
Right-of-use assets	16	**2,004,380**	-
Other assets	9	**354,833**	-
TOTAL NON-CURRENT ASSETS		**4,591,938**	1,649,379
TOTAL ASSETS		**11,879,442**	13,841,608
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	**888,904**	644,152
Borrowings	14	**13,474**	-
Lease liabilities	16	**332,477**	-
Employee benefits	15	**451,529**	314,503
TOTAL CURRENT LIABILITIES		**1,686,384**	958,655
NON-CURRENT LIABILITIES			
Borrowings	14	**116,144**	-
Lease liabilities	16	**1,607,199**	-
Employee benefits	15	**45,547**	-
Provisions	17	**101,200**	-
TOTAL NON-CURRENT LIABILITIES		**1,870,090**	-
TOTAL LIABILITIES		**3,556,474**	958,655
NET ASSETS		**8,322,968**	12,882,953
EQUITY			
Issued capital	18	**21,329,562**	21,329,562
Reserves	19	**753,169**	278,572
Accumulated losses		**(13,759,763)**	(8,725,181)
TOTAL EQUITY		**8,322,968**	12,882,953

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Note	Issued Capital $	Accumulated Losses $	Reserves $	Total $
Balance at 1 July 2022		**21,329,562**	**(8,725,181)**	**278,572**	**12,882,953**
Loss attributable to members of the parent entity		**-**	**(5,034,582)**	**-**	**(5,034,582)**
Other comprehensive income		**-**	**-**	**2,330**	**2,330**
Total comprehensive income		**-**	**(5,034,582)**	**2,330**	**(5,032,252)**
Transactions with owners in their capacity as owners					
Share based payments: Options	19	**-**	**-**	**162,731**	**162,731**
Share based payments: Employee Loan Funded Share Plan	19	**-**	**-**	**309,536**	**309,536**
Balance at 30 June 2023		**21,329,562**	**(13,759,763)**	**753,169**	**8,322,968**

2022

	Note	Issued Capital $	Accumulated Losses $	Reserves $	Total $
Balance at 1 July 2021		6,808,844	(5,082,423)	-	1,726,421
Loss attributable to members of the parent entity		-	(3,642,758)	-	(3,642,758)
Other comprehensive income		-	-	-	-
Total comprehensive income		-	(3,642,758)	-	(3,642,758)
Transactions with owners in their capacity as owners					
Issue of ordinary shares	18	15,702,203	-	-	15,702,203
Capital raising costs	18	(1,181,485)	-	-	(1,181,485)
Share based payments: Options	19	-	-	254,673	254,673
Share based payments: Employee Loan Funded Share Plan	19	-	-	23,899	23,899
Balance at 30 June 2022		21,329,562	(8,725,181)	278,572	12,882,953

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
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	**(2,344,254)**	(5,708,407)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for intangible assets		**(560,891)**	(570,451)
Payments for property, plant and equipment		**(163,480)**	(17,069)
Net cash used in investing activities		**(724,371)**	(587,520)
CASH FLOWS FROM FINANCING ACTIVITIES:			
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		**(235,695)**	-
Net cash (used in)/provided by financing activities		**(106,077)**	13,901,997
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	**5,863,053**	9,046,931

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2023

The consolidated financial report covers Australian Bond Exchange Holdings Limited ("ABEH" or "The Company") and its controlled entities ("the Group"). ABEH is a for-profit public Company, incorporated and domiciled in Australia.

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 consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001.*

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 28 to the financial statements.

Subsidiaries

Subsidiaries are all entities over which the parent has control. Control is established when the parent is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

(b) Income tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(b) Income tax (cont'd)

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

Tax Consolidation

ABEH and its wholly owned Australian subsidiaries elected to form a tax consolidated group on 1 July 2018.

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These amounts are measured using the 'stand-alone-taxpayer' approach to allocation.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

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

2 Summary of Significant Accounting Policies

(c) Revenue and other income

(i) Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

In respect of revenue from contracts with customers, the Group recognises revenue from the following major sources:

Commission income

The Group facilitates investments by its clients in bonds and other fixed income instruments. Revenue from this service is received in the form of brokerage commission. Commissions are recognised on trade date of a brokerage transaction, being the date the performance obligation is satisfied.

Arrangement fees

The Group assists with arranging the primary issue of bonds and other fixed income instruments for corporate issuers and other issuers. This gives rise to arrangement fee revenue on issuance of a bond or other fixed income instrument. The Group recognises arrangement fee revenue on the trade date as earned being when performance obligations are met.

(ii) Net income from financial instruments at fair value through profit or loss

At initial recognition, the Group measures a financial asset at its fair value. Subsequent to initial recognition, gains and losses arising from changes in the fair value of the financial instruments are presented in the statement of profit or loss and other comprehensive income within 'net income from financial instruments at fair value through profit or loss' in the period in which they arise.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(c) Revenue and other income (cont'd)

In respect of net income from financial instruments at fair value through profit or loss, the Group recognises revenue from the following major sources:

Securities trading income

The Group operates as a fixed income dealer trading in bonds and other fixed income instruments whereby the Group acting as principal sells or buys bonds or fixed income instruments to/from its clients and the fixed income market generating securities trading income. Securities trading income or loss is recognised on the trade date as earned being when performance obligations are met.

(iii) Other income

Other income includes any revenue from operating activities other than those described above and arising from activities incidental to the principal business activities of the Group. Other income is recognised on an accruals basis when the Group is entitled to it. Coupon income for bonds held for sale is recognised as other income when the right to receive payment is established.

The following are the major sources of other income:

Government grants

Grants from the government, including Research and Development (R&D) rebates, are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Finance income

Finance income received by the Group is for interest on bank deposits. Interest income for bank deposits is recognised when earned.

(d) Leases

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

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

2 Summary of Significant Accounting Policies

(d) Leases (cont'd)

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(e) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

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

2 Summary of Significant Accounting Policies

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Plant and equipment

Plant and equipment are measured using the cost model.

Revaluation, depreciation method and useful lives

Property, plant and equipment is depreciated on a straight-line basis, to allocate their costs, net of residual values, over the asset's useful life to the Group, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Computer Equipment	4 years
Motor Vehicles	5 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate. When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(g) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Australian Bond Exchange Holdings Limited

ACN: 629 543 193

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

2 Summary of Significant Accounting Policies

(g) Financial instruments (cont'd)

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise cash and cash equivalents and trade and other receivables in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortised cost are measured at FVTPL. Net gains or losses, including any interest or coupon income are recognised in profit or loss. The Group's financial assets measured at FVTPL comprise corporate bonds and other market-linked instruments in the consolidated statement of financial position.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group applies the simplified approach to providing for ECL prescribed by AASB 9, which permits the use of the lifetime expected loss provision.

To measure the ECL, financial assets have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision incorporates forward looking information.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(g) Financial instruments (cont'd)

Trade receivables

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime ECL. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the ECL model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade and other payables, borrowings and lease liabilities.

(h) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

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

2 Summary of Significant Accounting Policies

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

The Statement of Cash Flows is prepared on the following basis:

Where a Group acts as a Principal, the cash flow receipts and payments in relation to the settlement of trades are recorded gross and in line with the revenue recognition policy for Securities trading income as described in Note 2(c).

(j) Trade and other receivables

Trade receivables include amounts due from securities trading activities performed in the ordinary course of business and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are normally collected within two days of the trade date and are classified as current assets.

Other operating receivables include amounts due from customers for services performed in the ordinary course of business. Other operating receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other operating receivables are classified as non-current assets.

Other receivables are initially recognised at cost. Other receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(k) Dividends

The practice of the Group is to make payment within three days of declaring a dividend and therefore a provision would only be made if the dividend was declared prior to the end of the reporting period but not distributed at the end of the reporting period.

(l) Intangible assets

Patents

Patents are recognised at cost of acquisition. Patents are carried at cost less accumulated amortisation and impairment losses.

Software and software development costs

Software and software development costs are stated at historical cost less amortisation. In the event the carrying amount of software or software development costs is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in the statement of profit or loss and other comprehensive income. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other maintenance costs are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Costs associated with maintaining software is recognised as an expense as incurred.

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

2 Summary of Significant Accounting Policies

(l) Intangible assets (cont'd)

Software and software development costs (cont'd)

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets, software development costs, when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software development costs include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as software development costs and are transferred to software from the point at which the asset is ready for use.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred.

Software and software development costs previously recognised as an expense are not recognised as an asset in a subsequent period. The amortisable amount of all software is amortised over the asset's useful life to the Group commencing from the time the asset is available for use, based on amortisation rates that are determined once development is completed and useful lives have been appropriately assessed.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	**Useful life**
Software	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

Impairment

Intangible assets that have an indefinite useful life and intangible assets not yet available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they may be impaired. All other intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

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

2 Summary of Significant Accounting Policies

(l) Intangible assets (cont'd)

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Employee benefits

a. Short- term obligations

Liabilities for wages and salaries, including superannuation, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The Group has in place a variable remuneration plan whereby eligible employees are paid a variable component of salary according to specified performance targets, and if compliant with the Group's core values and principles. The liability for the variable remuneration plan is expected to be wholly settled within one month after the end of the period in which the employee renders the related service and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

b. Long-term benefit obligations

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the expected future wage and salary levels, expected employment departures and periods of service. Expected future payments are discounted using the Australian corporate bond discount rate as at the end of the reporting period. The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c. Bonuses

The Group may pay a discretionary bonus to eligible employees based on the Group's financial performance for the financial year and/or the performance of the individual over that same period. The liability for bonus payments is recognised as employment benefits when the Group has an obligation to make such a payment and only when a reliable estimate of the obligation can be made.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(n) Share based payments

Equity-settled transactions are awards of shares, options or shares under the employee loan funded share plan that are provided in exchange for the rendering of services by employees or other parties.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is determined with reference to the share price or independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the equity settled transaction, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the equity settled transaction.

The cost of equity-settled transactions is recognised as an expense, or offset against issued capital where it settles capital raising costs, with a corresponding increase in equity over the vesting period. The amount recognised for the financial period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The Group has the following types of equity settled transactions:

Employee loan funded share plan (ELFSP)

The Group operates an employee loan funded share plan (ELFSP) where share issues are funded by nonrecourse loans, and 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 statement of profit or loss and other comprehensive income over the vesting period.

Shares issued under employment agreements

The Group will also issue shares to certain employees as part of the terms of their employment contract for no or nominal consideration without conditions or restrictions attached. The shares issued are fair valued on the date they are granted and are expensed immediately.

Options issued to employees under employment terms

The Group will issue options to certain employees as part of the terms of their employment contract for no or nominal consideration without conditions or restrictions attached. The options are issued as a long-term incentive without any escrow conditions attached to the underlying shares upon vesting or exercise of the options. 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.

Lead manager options

The Group issues options to lead managers when certain criteria are met in relation to the Group's fundraising activities. The cost of the equity-settled lead manager options are measured at fair value on grant date and are expensed immediately when conditions are met.

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

2 Summary of Significant Accounting Policies

(o) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(p) Trade and other payables

Trade payables represent the liabilities outstanding at the end of the reporting period for securities trading activities performed in the ordinary course of business during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within two working days of recognition of the liability. They are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

Other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid and/or unbilled. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(q) Foreign currency transactions and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

For foreign operations, the assets and liabilities are translated to Australian dollars using the exchange rates at reporting date, with revenues and expenses translated using the average exchange rates which approximate the rates at the date of the transactions. All resulting foreign exchange differences are recognised in other comprehensive income through a foreign currency reserve in equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(r) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 1 July 2022. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(s) New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Amending accounting standards issued are not considered to have a significant impact on the financial statements of the consolidated entity as their amendments provide either clarification of existing accounting treatment or editorial amendments.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2020-6. Early adoption is permitted.

AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2023. Early adoption is permitted where AASB 2020-1 is also early adopted.

3 Critical Accounting Estimates and Judgments

The preparation of 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 are:

(a) Software development costs

Costs that are directly associated with the development of software are recognised as an intangible asset when certain criteria are met. This capitalisation of costs is based on Management's judgement that the technological and economic feasibility of the underlying project is established.

Once the project has become available for use, Management determine the amortisation rate based on the useful life of the underlying projects which represents the expected time period economic benefits will flow through to the Group. Refer to Note 2(l) for further details of the Group's policy.

(b) Provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

(c) Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and suppliers by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Critical Accounting Estimates and Judgments (cont'd)

(d) Value-in-use calculations

The Group tests whether non-financial assets have incurred any impairment on an annual basis in accordance with its policy detailed in Note 2(h). The recoverable amount of the cash generating units (CGUs) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. The accounting estimates and assumptions used in the value in use calculations are further detailed in Note 12.

(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 $3,068,625 (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.

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:
  - anticipated sustained expansion of new revenue opportunities introduced in 2023;
  - projected continuing growth in financial product sales volumes to both existing and new clients from the implementation of initiatives underpinning the Group's strategy;
  - capital and marketing spend that would be required to execute the Group's strategy on client acquisition and brand awareness;
  - future economic and market conditions, where there is increasing market awareness creating investor appetite for fixed income investments;
  - the availability and opportunity to identify appropriate financial products upon which to base further products innovation, currently undertaken and developed by the Group;
  - 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;
  - 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.

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

4 Revenue and Other Income

	Note	2023 $	2022 $
Revenue from continuing operations – contracts with customers			
Revenue from contracts with customers has been disaggregated as follows:			
Type of contract			
- Commission income		**815,984**	427,773
- Arrangement fees		**159,370**	168,724
	(a)	**975,354**	596,497
Net income from financial instruments at fair value through profit or loss			
- Securities trading income		**3,712,483**	1,433,220
Total revenue		**4,687,837**	2,029,717
Other Income			
- R&D refundable tax rebate		**336,389**	345,044
- Interest received		**200,338**	15,407
- Other income		**81,678**	87,561
- Corporate advisory fees		**-**	8,668
		618,405	456,680

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

5 Result for the Year

The result for the year includes the following specific expenses:

	2023 $	2022 $
Other expenses		
- 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
	3,827,571	2,533,280
Depreciation, amortisation and impairment		
- Depreciation - property, plant and equipment	**14,469**	6,474
- Depreciation - right of use assets	**222,709**	-
- Amortisation - intangible assets	**84,782**	60,938
- Impairments - intangible assets	**41,774**	-
	363,734	67,412

Notes to the Financial Statements

For the Year Ended 30 June 2023

6 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2023	2022
	$	$
Current tax expense		
Local income tax - current period	-	-
Deferred tax expense		
Deferred tax expense/(benefit)	-	-
Total income tax expense/(benefit)	**-**	-

(b) Reconciliation of income tax to accounting loss:

	2023	2022
	$	$
Loss	**(5,034,582)**	(3,642,758)
Tax	**25.00%**	25.00%
	(1,258,645)	(910,690)
Add:		
Tax effect of Non- Deductible expenses::		
- R&D Expenses	**193,327**	198,302
	(1,065,318)	(712,388)
Less:		
Tax effect of Non Assessable Income:		
- Other income (refundable R&D tax offset)	**84,097**	86,262
Tax losses not recognised	**(1,149,415)**	(798,650)
Income tax expense	**-**	-
Weighted average effective tax rate	**-%**	-%

7 Cash and Cash Equivalents

	2023	2022
	$	$
Cash and cash equivalents	**5,863,053**	9,046,931
	5,863,053	9,046,931

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.

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

8 Trade and Other Receivables

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

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 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.

9 Other Assets

	Note	2023 $	2022 $
CURRENT			
Prepayments		**483,759**	527,719
Deposits		**8,852**	55,913
		492,611	583,632
NON-CURRENT			
Bank guarantee	**16**	**354,833**	-

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Notes to the Financial Statements

For the Year Ended 30 June 2023

10 Financial Assets

Financial assets at fair value through profit or loss

	2023 $	2022 $
CURRENT		
Corporate bonds	**19,000**	-
Market-linked Instruments	**282,850**	1,631,866
Total	**301,850**	1,631,866

Fair value estimation

The fair values of financial assets are presented in the above table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for bonds are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active and transparent markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

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.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

All the Group's financial assets and liabilities at fair value through profit or loss have been recognised at Level 2. The specific valuation techniques used to value the financial instruments held on balance sheet include actual observable market prices, quoted market prices, dealer quotes for the instrument and/or for similar market-linked instruments.

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

11 Property, Plant and Equipment

	2023 $	2022 $
Plant and equipment		
Motor vehicles		
At cost	**127,332**	-
Accumulated depreciation	**(3,616)**	-
	123,716	-
Computer equipment		
At cost	**72,895**	36,747
Accumulated depreciation	**(27,807)**	(16,954)
	45,088	19,793
Total property, plant and equipment	**168,804**	19,793

(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 $
Year ended 30 June 2023			
Balance at the beginning of year	**-**	**19,793**	**19,793**
Additions	**127,332**	**36,148**	**163,480**
Depreciation expense	**(3,616)**	**(10,853)**	**(14,469)**
Balance at the end of the year	**123,716**	**45,088**	**168,804**
Year ended 30 June 2022			
Balance at the beginning of year	-	9,091	9,091
Additions	-	17,176	17,176
Depreciation expense	-	(6,474)	(6,474)
Balance at the end of the year	-	19,793	19,793

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

12 Intangible Assets

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

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

(a) Movements in carrying amounts of intangible assets

	Note	Logo $	Software $	Software development costs $	Total $
Year ended 30 June 2023					
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)**
Closing value at 30 June 2023		**-**	**1,001,676**	**1,062,245**	**2,063,921**
Year ended 30 June 2022					
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)
Closing value at 30 June 2022		-	566,435	1,063,151	1,629,586

(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.

The Group identifies its operations as a single cash-generating unit ('CGU') and, therefore, the recoverable amount has been determined at the Group level.

The recoverable amount of the Group's CGU has been determined by value-in-use ('VIU') calculations. The calculations use cash flow projections based on the business plan approved by management covering a five year period. Cash flows beyond the five year period are extrapolated using the estimated growth rates stated below. The following key assumptions were used in the VIU model:

Notes to the Financial Statements

For the Year Ended 30 June 2023

12 Intangible Assets (cont'd)

a. Pre-tax discount rate of 40% (2022: 40%);
b. Projected growth rate of 2% (2022: 2%) beyond five year period for the CGU; and
c. Increase in operating costs and overheads based on current expenditure levels adjusted for inflationary increases.

Sensitivity analysis:

Management estimates that any reasonable changes in the key assumptions would not have a significant impact on the value-in-use of software development that would require the assets to be impaired.

(ii) Impairment expenses relate to capitalised software costs for a project which was abandoned during the 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.

13 Trade and Other Payables

	2023	2022
	$	$
CURRENT		
Trade payables	**340,107**	425,825
Other payables	**548,797**	218,327
	888,904	644,152

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.

14 Borrowings

	2023	2022
	$	$
CURRENT		
Finance lease obligation	**13,474**	-
NON-CURRENT		
Finance lease obligation	**116,144**	-

The Group entered into a finance lease to purchase a motor vehicle. The lease is payable in 60 monthly instalments at an interest rate of 8.99%. A residual value of $55,413 is payable in full at the end of the lease term.

15 Employee Benefits

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

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

16 Right-of-use assets and lease liabilities

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 9 and note 29.

The lease terms include an obligation to 'make good' the leased premises at the end of the lease term. Refer to note 17.

Right-of-use assets

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

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 $
2023					
Lease liabilities	454,738	1,791,435	-	2,246,173	1,939,676

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	-
	592,654	-

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Notes to the Financial Statements

For the Year Ended 30 June 2023

16 Right-of-use assets and lease liabilities (cont'd)

	2023	2022
Statement of Cash Flows	**$**	**$**
Total cash outflow for leases	**544,717**	-

17 Provisions

	2023	2022
	$	**$**
NON-CURRENT		
Make good provision	**101,200**	-

The make good provision relates to the lease for office premises as detailed in Note 16.

18 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)
Total	**21,329,562**	21,329,562

(a) Movement in ordinary shares

	Note	No.	$
Opening balance at 1 July 2022		**114,858,561**	22,154,922
Movements		**-**	-
Balance as at 30 June 2023		**114,858,561**	22,154,922
Opening Balance at 1 July 2021		**80,972,416**	6,808,844
6 Sep 2021: Issue of additional converting note shares	(c)(i)	**3,661,540**	-
8 Sep 2021: Issue of Pre IPO shares	(c)(ii)	**10,000,000**	5,000,000
21 Sept 2021: Issue of Pre IPO shares	(c)(iii)	**6,800,000**	3,400,000
29 Nov 2021: Issue of Subscription Shares under the Offer	(c)(iv)	**11,188,005**	7,272,203
9 May 2022: Issue of shares under Employee Loan Funded Share Plan (ELFSP)	20(b)	**2,190,446**	825,360
13 May 2022: Issue of shares to employees	20(c)	**46,154**	30,000
Less: capital raising costs	(c)(v)	**-**	(1,181,485)
Balance as at 30 June 2022		**114,858,561**	22,154,922

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.

Notes to the Financial Statements

For the Year Ended 30 June 2023

18 Issued Capital (cont'd)

(a) Movement in ordinary shares (cont'd)

Restricted shares

Of the 114,858,561 shares on issue, there are 73,915,012 ordinary shares are restricted from trading until 6 December 2023.

(b) Movement in Treasury shares

	No.	$
Opening balance at 1 July 2022	**(2,190,446)**	(825,360)
Movement	**-**	-
Balance as at 30 June 2023	**(2,190,446)**	(825,360)
Opening balance at 1 July 2021	**-**	-
Movement:		
9 May 2022: Issue of shares under Employee Loan Funded Share Plan (ELFSP)	**(2,190,446)**	(825,360)
Balance as at 30 June 2022	**(2,190,446)**	(825,360)

Treasury shares

Treasury shares relate to ELFSP shares, which are restricted until the associated loans have been fully repaid. Refer to note 20(b). 2,190,446 ordinary shares are restricted from trading until 9 May 2025, under the terms of the ELFSP.

(c) Explanation of Movements

(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 prorate 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%)

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

18 Issued Capital (cont'd)

(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, which include lead manager options, refer to note 20(a).

(d) Capital management

The key objectives of the Group when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Group defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

The Group manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. To maintain or adjust the capital structure, the Group may consider a debt facility, issue shares, or other methods of financing, or adjust the size and timing of dividends paid to shareholders.

The Board also monitors a range of financial metrics including return on capital employed and gearing ratios. As at the date of this report, the Group had borrowings of $129,618 (2022: nil) and Total Equity of $8,322,968 (2022: $12,882,953).

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

19 Reserves

(a) Share based payment reserve

The 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

	Note	Options No.	ELFSP Shares No.	$
Opening balance at 1 July 2022		**3,918,051**	**2,190,446**	**278,572**
Share based payments: ELFSP shares	20(b)	**-**	**-**	**309,536**
Share based payments: Options	20(d)	**3,700,000**	**-**	**162,731**
Balance at 30 June 2023		**7,618,051**	**2,190,446**	**750,839**
Opening balance at 1 July 2021		-	-	-
21 September 2021: Issue of pre-IPO lead manager options	20(a)	2,100,000	-	136,500
29 November 2021: Issue of IPO lead manager options	20(a)	1,818,051	-	118,173
9 May 2022: Issue of ELFSP shares	20(b)	-	2,190,446	23,899
Balance at 30 June 2022		3,918,051	2,190,446	278,572

(b) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Movement

	2023 $	2022 $
Opening balance at 1 July	**-**	-
Movement	**2,330**	-
Closing balance at 30 June	**2,330**	-

20 Share-Based Payments

(a) Lead manager options

During the prior year ended 30 June 2022, the Company issued 3,918,051 options to lead managers and associated brokers in relation to the IPO capital raising and public offer.

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

20 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 2022 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)

The Group 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.

During the prior year ended 30 June 2022, under the ELFSP, 2,190,446 ordinary shares were granted 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. No shares were granted under the ELFSP during the year ended 30 June 2023.

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 non-recourse 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 at 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 granted 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 fully in 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.

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

20 Share-Based Payments (cont'd)

The following total 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	**309,536**	23,899

Fair Value Measurement

The ELFSP shares 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
- 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

During the prior year ended 30 June 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 $30,000 was recognised in employee benefits expense in the statement of profit or loss and other comprehensive income for the year ended 30 June 2022. The fair value was determined with reference to the share price on issue date. No shares were issued to employees under employment terms during the year ended 30 June 2023.

(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.

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

20 Share-Based Payments (cont'd)

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: 8 February 2023
- expiry date: 8 February 2028
- tranche 1: 1,233,333 Options will vest on 8 February 2024
- tranche 2: 1,233,333 Options will vest on 8 February 2025
- tranche 3: 1,233,334 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:

	Note	2023 $	2022 $
Options issued to lead managers	20(a)	-	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:

	Note	2023 $	2022 $
Share issued under ELFSP	20(b)	**309,536**	23,899
Share issued to employees under employment terms	20(c)	-	30,000
Options issued to employees under employment terms	20(d)	**162,731**	-
		472,267	53,899

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

21 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, corporate bonds and market-linked securities, trade and other receivables and payables, borrowings and lease liabilities.

The totals for each category of financial instruments, measured as detailed in the accounting policies to these financial statements, are as follows:

	2023 $	2022 $
Financial assets		
At amortised cost		
Cash and cash equivalents	**5,863,053**	9,046,931
Trade receivables	**273,928**	539,947
At fair value		
Financial assets at fair value through profit or loss	**301,850**	1,631,866
Total financial assets	**6,438,831**	11,218,744
Financial liabilities		
At amortised cost		
Trade and other payables	**605,083**	568,748
Borrowings	**129,618**	-
Lease liabilities	**1,939,676**	-
Total financial liabilities	**2,674,377**	568,748

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

21 Financial Risk Management (cont'd)

Financial risk management policies

The Group's activities expose it to the following risk through its use of financial instruments: credit risk, liquidity risk and market risk consisting of foreign currency risk and price risk.

The Board of Directors has overall responsibility for establishing the Group's risk management framework. Risk management policies and systems are established to identify and assess the risks faced by the Group, set appropriate risk limits, to monitor risks and adherence to risk policies. Risk management policies are reviewed regularly to reflect changes in market conditions and activities undertaken by the Group.

The Board oversees how management monitors compliance with the Group's risk management policies and systems. The Group's Compliance function provides regular training to all employees with the aim of developing a disciplined risk management environment with each employee understanding their responsibilities.

Mitigation strategies for specific risks faced are described below:

Market risk

Foreign exchange risk

The Group is exposed to foreign currency sensitivity due to supplier agreements and staff payments denominated in USD, EUR and SGD.

To mitigate the Group's exposure to foreign currency risk, non-Australian dollar cash flows are monitored to ensure that they remain at an acceptable level.

The Group may enter into forward contracts to protect against foreign exchange risk where it is deemed that the risk of a depreciation in the Australian dollar warrants such an action.

The Group has not performed a sensitivity analysis relating to its exposure to foreign currency risk as the short-term exposure is limited.

Price risk

The Group is exposed to bond securities price risk. This risk is the potential for losses in earnings as a result of adverse market movements and arises from investments held by the Group and classified as financial assets at fair value through profit or loss.

To manage its price risk arising from exposure to bond and market-linked securities, the Group may use futures or other derivatives contracts to reduce market credit risk on its portfolio. The performance of the Group's bond exposures and market risk are monitored on a regular basis. The trading and management of bond positions are separated by performance of those activities by independent departments within the Group.

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

21 Financial Risk Management (cont'd)

Financial risk management policies (cont'd)

Price risk (cont'd)

The table below analyses the Group's exposure to price risk.

	2023		2022	
	+5.00%	-5.00%	+5.00%	-5.00%
ASX Index				
Impact on post-tax loss	**15,093**	**(15,093)**	81,593	(81,593)
Impact on equity	**15,093**	**(15,093)**	81,593	(81,593)

Liquidity risk

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturities of financial liabilities

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

	Weighted average Interest rate		Within 1 Year		1 to 5 Years		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	%	%	$	$	$	$	$	$
Financial liabilities due for payment								
Trade and other payables	**-**	-	**605,083**	568,748	**-**	-	**605,083**	568,748
Lease Liabilities	**6.00**	-	**332,477**	-	**1,791,435**	-	**2,123,912**	-
Borrowings	**8.99**	n/a	**13,474**	-	**145,129**	-	**158,603**	**-**
Total contractual outflows			**951,034**	568,748	**1,936,564**	-	**2,887,598**	**568,748**

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Credit risk

The Group's credit risk arises from cash and cash equivalents, corporate bonds and market-linked securities, deposits with banks and credit exposures to wholesale and retail customers, including outstanding receivables from unsettled transactions.

The Group has the following credit risks:

	2023	2022
	$	$
Cash at bank		
AA	**5,863,053**	9,046,931
Corporate bonds and market-linked securities		
Not rated	**301,850**	1,631,866

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

21 Financial Risk Management (cont'd)

Financial risk management policies (cont'd)

Credit risk (cont'd)

The following ageing analysis details the Group's trade and other receivables exposed to credit risk. Receivables that are past due are assessed for impairment and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

	2023 $	2022 $
Neither past due nor impaired	**273,928**	539,947
Past due but not impaired	**-**	-
Past due and impaired	**-**	-
Total	**273,928**	539,947

The Group's management considers that all the above financial assets are not impaired nor are there any expected credit losses for the reporting date.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty. Based on historic information on customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be of good credit quality.

The credit quality of financial assets can be assessed by reference to external credit ratings. These credit ratings are only available for cash assets and non-exchange traded derivative financial assets.

In respect to bond transactions, the settlement is executed as delivery versus payment. Therefore, there is limited exposure to risk of debtor non-performance.

22 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.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:
- The products sold and/or services provided by the segment;
- The type or class of customer for the products or services; or
- Any external regulatory requirements

Performance is measured based on segment profit before income tax as included in the internal financial reports.

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

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

23 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

24 Tax assets and liabilities

(a) Deferred tax assets

	Opening Balance	Charged to Income	Charged directly to Equity	Closing Balance
	$	$	$	$
Tax losses	547,357	752,312	-	1,299,669
Employee benefit	45,342	27,791	-	73,133
Accrued expenses	12,791	9,838	-	22,629
Capital raising costs	28,395	92,514	-	120,909
Set-off of deferred tax liabilities	(337,078)	(143,997)	-	(481,075)
Deferred tax assets not recognised	(296,807)	(738,458)	-	(1,035,265)
Balance at 30 June 2022	-	-	-	-
Tax losses	**1,299,669**	**1,395,309**	**-**	**2,694,978**
Employee benefit	**73,133**	**72,788**	**-**	**145,921**
Accrued expenses	**22,629**	**18,194**	**-**	**40,823**
Capital raising costs	**120,909**	**(35,557)**	**-**	**85,352**
Lease liabilities	**-**	**484,919**	**-**	**484,919**
Set-off of deferred tax liabilities	**(481,075)**	**(634,319)**	**-**	**(1,115,394)**
Deferred tax assets not recognised	**(1,035,265)**	**(1,301,334)**	**-**	**(2,336,599)**
Balance at 30 June 2023	**-**	**-**	**-**	**-**

(b) Deferred tax liabilities

	Opening Balance	Charged to Income	Charged directly to Equity	Closing Balance
Property, plant and equipment	2,364	1,719	-	4,083
Prepaid expenses	35,995	33,601	-	69,596
Intangible assets	298,719	108,677	-	407,396
Set-off of deferred tax liabilities	(337,078)	(143,997)	-	(481,075)
Balance at 30 June 2022	-	-	-	-
Property, plant and equipment	**4,083**	**19,583**	**-**	**23,666**
Prepaid expenses	**69,596**	**(5,387)**	**-**	**64,209**
Intangible assets	**407,396**	**119,027**	**-**	**526,423**
ROU asset	**-**	**501,095**	**-**	**501,095**
Set-off of deferred tax liabilities	**(481,075)**	**(634,319)**	**-**	**(1,115,394)**
Balance at 30 June 2023	**-**	**-**	**-**	**-**

Notes to the Financial Statements

For the Year Ended 30 June 2023

24 Tax assets and liabilities (cont'd)

(c) Deferred tax assets not recognised

	2023	2022
	$	$
Unused tax losses for which no deferred tax asset has been recognised	**9,346,396**	4,141,060
Potential tax benefit @ 25% (2022: 25%)	**2,336,599**	1,035,265

No income tax benefit was recognised in respect of unused tax losses. This income tax benefit arising from tax losses will only be realised if:

i. the Group derives future assessable income of a nature and an amount sufficient to enable the Group to benefit from the deductions for the losses to be realised;

ii. the Group continues to comply with the conditions for deductibility imposed by tax legislation; maintains the continuity of ownership test and has carried on the same business since the tax loss was incurred; and

iii. no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

The Group has adopted the small business tax rate for the Australian entities, being 25.0% (2022: 25.0%). The Group meets the small business eligibility criteria set by the Australian Taxation Office.

25 Dividends

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

26 Key Management Personnel Remuneration

The total key management personnel remuneration paid or payable for the year is shown below:

	Note	2023	2022
		$	$
Short-term employee benefits	(a)	**2,002,955**	1,389,201
Post-employment benefits		**160,464**	123,920
Long-term employee benefits		**45,547**	-
Share-based payments		**396,060**	43,040
		2,605,026	1,556,161

(a) Included in key management personnel remuneration, in Short-term employee benefits, is $215,683 (2022: $181,498) that has been capitalised as part of Development costs in Intangible assets for the year. Refer to Note 12.

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

27 Auditors' Remuneration

	2023 $	2022 $
Remuneration of the auditor KrestonSW Audit Pty Ltd for:		
- auditing or reviewing the financial statements	**157,857**	86,147
- other services	**-**	48,614
Total	**157,857**	134,761

Other services relate to advisory services in relation to the initial public offering and listing of Australian Bond Exchange Holdings Limited on the Australian Stock Exchange (ASX).

28 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2023	Percentage Owned (%)* 2022
Subsidiaries:			
Australian Bond Exchange Pty Ltd	Australia	**100**	100
ABE Settlements Pty Ltd	Australia	**100**	100
BX Provider Services Pty Ltd Australia **	Australia	**100**	100
ABX Operations Pty Ltd Australia **	Australia	**100**	100
ABE Capital Markets Pte Ltd	Singapore	**100**	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

**These entities are subsidiaries of Australian Bond Exchange Pty Ltd.

(b) Significant restrictions relating to subsidiaries

There are no significant restrictions to access or use the assets and settle the liabilities of the Group.

29 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 value of the lease incentive at initial recognition is $1,064,497. The condition of receiving the lease incentive is that the Group must continue to meet its obligations under the lease agreement. Should the Group fail to meet its obligations, the incentive would be suspended until such time the breach is remedied and this could impact the value of the lease liability resulting in additional repayments being due of up to $282,978 over the lease term.

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

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

30 Related Parties

(a) The Group's main related parties are as follows:

i. Key management personnel - Disclosure relating to Key management personnel are set out in Note 26.

ii. Subsidiaries- refer to Note 28.

iii. Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

The following transactions occurred with related parties:

i. The corporate bond and market-linked instrument transactions with related parties represent the amounts that key management personnel and other related parties have paid or been paid for bonds they had purchased or sold as clients of the Group.

	2023	2022
	$	$
Purchases	1,484,070	4,231,037
Sales	2,022,872	698,727

ii. Brokerage paid or payable to related parties was $101,983 (2022: $105,094). These amounts are included in Brokerage costs in the statement of profit or loss and other comprehensive income. The balance payable at 30 June 2023 was $5,248 (2022: $13,596).

(c) Loans to/from related parties

There were no loans to or from related parties during the year.

Notes to the Financial Statements
30 June 2023

31 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2023	2022
	$	**$**
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	**61,427**	-
- share based payment expenses	**472,267**	53,899
- depreciation	**237,178**	6,474
- amortisation	**84,782**	60,938
- impairment	**41,774**	-
- other	**(439)**	-
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	**(2,344,254)**	(5,708,407)

32 Events Occurring After the Reporting Date

Subsequent to the year end, the following activities occurred:

On 26 July 2023, ABE Investment Management Pty Limited ("ABEIM") was incorporated, which is a wholly owned subsidiary of ABEH.

On 31 August 2023, The Australian Credit Opportunities Fund (ACOF/The Fund) was launched.

The Fund was created by ABE and the Boston Global Group as a new wholesale, unregistered, and open-ended pooled investment unit trust. The Fund will provide wholesale and sophisticated investors with exposure to fixed-income securities and credit opportunities.

The Fund is managed by the investment team from ABEIM (which will derive various management fees for its services). As Investment Manager, ABEIM will be able to facilitate the acquisition of fixed-income products once the fund raises its first AUD $5 million, with an initial focus on:

- Bonds related to ASX-listed financial institutions;
- Market-linked instruments (i.e. Deferred Purchase Agreements) related to foreign-denominated rated securities; and
- Corporate Bonds.

The Fund is expected to reduce lead times to market of financial products and improve the profile of the ABE bond inventory and servicing levels. An estimate of the financial effect cannot be made at this time.

Except for the above, no other matters or circumstances have arisen since the end of the year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Notes to the Financial Statements
30 June 2023

33 Earnings Per Share

	2023	2022
	$	$
Loss from continuing operations	**(5,034,582)**	(3,642,758)
	No.	**No.**
Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS	**112,668,115**	103,822,657

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 under the ELFSP.

34 Deed of Cross Guarantee

The wholly owned subsidiaries listed below became parties to a deed of cross guarantee on 13 June 2023, under which each company guarantees the debts of the others. Under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 the subsidiaries to the deed of cross guarantee are relieved from the *Corporations Act 2001* requirement to prepare and lodge a separate audited financial report and director's report.

The subsidiaries subject to the deed are:

- Australian Bond Exchange Pty Ltd (not eligible for reporting relief)
- ABE Settlements Pty Ltd
- BX Provider Services Pty Ltd
- ABX Operations Pty Ltd

These companies represent a closed group for the purposes of the instrument.

The consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position, comprising the closed group, after eliminating all transactions between parties to the deed of cross guarantee is the same as that disclosed in the primary statements of this financial report.

Notes to the Financial Statements

For the Year Ended 30 June 2023

35 Parent Entity

The following information has been extracted from the books and records of the parent, Australian Bond Exchange Holdings Limited ("ABEH") and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Australian Bond Exchange Holdings Limited has been prepared on the same basis as the financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Tax consolidation legislation

Australian Bond Exchange Holdings Limited and its wholly-owned Australian subsidiaries elected to form a tax consolidated group on 1 July 2018.

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These amounts are measured using the 'stand-alone-taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

	2023 $	2022 $
Statement of Financial Position		
Assets		
Current assets	**5,733,254**	12,892,686
Non-current assets	**9,388,617**	4,001,001
Total Assets	**15,121,871**	16,893,687
Liabilities		
Current liabilities	**309,148**	242,776
Total Liabilities	**309,148**	242,776
Equity		
Issued capital	**21,129,562**	21,129,562
Retained earnings	**(7,067,679)**	(4,757,223)
Reserve	**750,840**	278,572
Total Equity	**14,812,723**	16,650,911
Statement of Profit or Loss and Other Comprehensive Income		
Total loss for the year	**(2,310,456)**	(1,468,510)
Total comprehensive loss	**(2,310,456)**	(1,468,510)

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2023 or 30 June 2022.

Notes to the Financial Statements

For the Year Ended 30 June 2023

35 Parent Entity (cont'd)

Contractual commitments

The parent entity did not have any commitments as at 30 June 2023 or 30 June 2022.

36 Statutory Information

The registered office and principal place of business of the Company is:
Australian Bond Exchange Holdings Limited
Level 19, 15 Castlereagh St
Sydney NSW 2000

Directors' Declaration

The directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2023 are set out on pages 28 to 73 in accordance with the *Corporations Act 2001* including:

    a. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

    b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

4. As at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 34 will be able to meet any liabilities to which they are, or may become subject to, by virtue of the Deed of Cross Guarantee described in note 34.

The directors have been given the declaration required by section 295A of the *Corporations Act 2001.*

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

Director: ....
Bradley McCosker

Director: ....
Michael Vanderdonk

Dated: 29th day of September 2023

KRESTON STANLEY WILLIAMSON

KrestonSW Audit Pty Ltd

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Bond Exchange Holdings Limited (the Company) and its controlled entities (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the financial position of the Group as at 30 June 2023 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period.

These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

ADVISORS FOR YOUR FUTURE

CHARTERED ACCOUNTANTS AUSTRALIA + NEW ZEALAND

MEMBER OF THE FORUM OF FIRMS

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Key audit matter	How the matter was addressed in the audit
Impairment of non-financial assets Refer to Note 12 to the Financial Report The Group has intangible assets of $2,063,921 (2022: $1,629,586) which comprises intangible assets not yet available for use in the form of software development costs with a carrying value of $1,062,245 (2022: $1,063,151). The Group's policy is to test non-financial assets not yet available for use for impairment annually and all other non-financial assets where indicators of impairment exist. We considered this a key audit matter due to the financial significance of the intangibles balance and the inherent judgement and estimation uncertainty in the Group's assessment of the value in use of its single Cash Generating Unit (CGU). This includes the Group's judgements over future cash flows, and the terminal growth and discount rates applied to cash flow forecasts. The Group performed an annual impairment assessment over the balance of intangible assets not yet available for use, as required by Australian Accounting Standards, by: • Calculating the value in use for the CGU using a discounted cash flow model. The key assumptions in this model include cash flows (revenues, expenses and capital expenditure) for its CGU for five years and a growth rate to extrapolate cash flow projections beyond 5 years (terminal growth rate). The cash flows were discounted to a net present value using a discount rate determined to be appropriate by the Group; • Comparing the value in use of the CGU to its carrying value. The Group also performed a sensitivity analysis over the value in use calculations, by varying the assumptions used (terminal growth rate and discount rate) to assess the impact on the impairment assessment.	Our procedures included, amongst others: • Evaluating the design of the Group's relevant controls over the impairment assessment of its intangible assets having regard for the requirements of AASB 136 *Impairment of Assets*. • Evaluating the Group's cash flow forecasts and the process by which they were developed, including considering the mathematical accuracy of the underlying calculations in the discounted cash flow model (the model). • Assessing whether the value in use cash flow forecasts were consistent with previous performance, the Board-approved budgets, and whether significant assumptions in the budgets were subject to oversight by the directors. • Comparing the forecast cash flows and growth rates used in the Group's cash flow forecasts to historical results and economic and industry forecasts. • Assessing the reasonableness of the Group's disclosures in the financial report against the requirements of Australian Accounting Standards. • Evaluating the appropriateness of the value in use methodology based on the requirements of Australian Accounting Standards. • Assessing the appropriateness of the discount rate used in the model.
Going concern Refer to Note 3(e) to the Financial Report The Group's use of the going concern basis of accounting and the associated extent of judgement required in the Group's assessment of the going concern basis is a key audit matter.	We have challenged and analysed the Group's cash flow forecasts used to support the going concern basis for the preparation of the consolidated financial statements by conducting the following audit procedures:

Key audit matter	How the matter was addressed in the audit
The Group has prepared its consolidated financial statements on a going concern basis and expects to be able to realise its assets and meet its financial obligations in the normal course of business for the foreseeable future. During the year the Group has incurred a loss after tax of $5,034,582 (2022: $3,642,758) and incurred net cash outflows from operating and investing activities of $3,068,625 (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). Noting the above, the Directors' assessment of the appropriateness of the going concern basis of accounting in the preparation of the financial report is based on cash flow projections and other matters set forth in Note 3(e) of the financial report. The preparation of these projections and related considerations incorporated a number of assumptions and significant judgements and the Directors have concluded that the range of possible outcomes considered in arriving at this basis does not give rise to a material uncertainty relating to the Group being able to continue as a going concern. Accordingly, we considered the appropriateness of the going concern basis, the question as to whether there is materiality uncertainty and the adequacy of Management and Directors' disclosure to be a key risk.	• gaining an understanding of key assumptions used in the cash flow forecasts through discussions with Management; • evaluating the underlying data used to generate the forecasts. We looked for their consistency with the Group's intentions and their comparability to past performance and practices; • assessing the Group's cash inflow assumptions and judgements for feasibility and timing. We used our knowledge of the business, its industry, market and customer trends and conditions to evaluate the level of reasonableness and associated uncertainty; • assessing the planned levels of operating and capital expenditures for consistency with trends to the Group's actual results, results since year end and our understanding of the business and its strategy in respect of the planned cost reduction program as disclosed in Note 3(e); • assessing and challenging key assumptions such as sales volumes, growth rates and other relevant assumptions with reference to recent actual trading volumes, results and related performance measures; • performing stress tests for a range of reasonably possible scenarios on Management and Directors' cash flows forecasts. Assessing the resultant impact to the ability of the Group to pay debts as and when they fall due and continue as a going concern; • assessing the Group's ability to generate operating cash inflows from increased product offerings and related strategies, including the expected impact of the Australian Credit Opportunities Fund; • review of Directors' minutes and relevant correspondence to understand the Group's planned strategies; • evaluating the Group's going concern disclosures in the financial report by comparing them to our findings from the above procedures for consistency with the Group's plans and Accounting Standard requirements.

Other information

The directors are responsible for the other information. The other information comprises financial and non-financial information included in the Group's annual report for the year ended 30 June 2023 which is provided in addition to the financial report and the auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (*http://www.auasb.gov.au/Home.aspx*) at: *https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf*.

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion the Remuneration Report of Australian Bond Exchange Holdings Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Kreston SW Audit

KrestonSW Audit Pty Ltd

K Thakkar

Kamal Thakkar
Director
Sydney
29 September 2023

SHAREHOLDER INFORMATION

There were 114,858,561 ordinary shares held by 661 shareholders of which 34,876,182 are quoted on the ASX and 79,982,379 are currently restricted and held in escrow.

The following information was extracted from Australian Bond Exchange Holdings Limited's (Group) Register of Shareholders on 31 August 2023:

Top Holders (Grouped) as of 31 August 2023

Rank	Name	Number of shares	% Units
1	FIELDROCK PTY LIMITED <JBM FAMILY A/C>	51,919,996	45.20
2	ANEX INDUSTRIAL CORPORATION PTY LTD <FARRAR FAMILY A/C>	7,417,142	6.46
2	LANNALI PTY LIMITED <MUELLER INVESTMENT A/C>	7,417,142	6.46
2	TOACH PTY LIMITED <DONK FAMILY A/C>	7,417,142	6.46
5	PEARCE FAMILY (AUSTRALIA) PTY LTD	4,000,000	3.48
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,925,171	3.42
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,628,891	1.42
8	MR PETER FOLTMAN	1,041,377	0.91
9	ANDRAN PTY LTD	1,000,000	0.87
10	MR CHRIS SATCHI	995,223	0.87
11	TENWOOD PTY LTD <HODGKINSON SUPER FUND A/C>	800,000	0.70
12	STOCK MARKETPLACE PTY LTD	701,086	0.61
13	VIVIEN ENTERPRISES PTE LTD	550,000	0.48
14	BRALEM PTY LTD	500,000	0.44
14	MORBRIDE PTY LTD <MORBRIDE SUPER FUND A/C>	500,000	0.44
14	SELMAR INVESTMENTS PTY LTD <THE SPRING FAMILY A/C>	500,000	0.44
17	VALUEADMIN COM PTY LTD	339,000	0.30
18	CERTANE CT PTY LTD <L39 CAPITAL A/C>	308,000	0.27
19	ANIDAN SUPER PTY LTD <HENK AND TERESA S/F A/C>	307,000	0.27
20	ANIDAN SUPER PTY LTD <HENK & TERESA SUPER FUND A/C>	300,000	0.26
20	CRAIG STEPHEN WEIK	300,000	0.26
20	GRAEME WOOD <G A WOOD HOLDINGS A/C>	300,000	0.26
Totals: Top 22 holders of ORDINARY FULLY PAID SHARES (Total)		**92,167,170**	**80.24**
Total Remaining Holders Balance		**22,691,391**	**19.76**

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 31 August 2023:

Distribution of shareholdings

Range	Number of holders	Number of shares	% Units
1 - 1,000	21	10,315	0.01
1,001 - 5,000	131	460,522	0.40
5,001 - 10,000	113	908,177	0.79
10,001 - 100,000	314	12,057,222	10.50
100,001 Over	82	101,422,325	88.30
Rounding			**0.00**
Total	**661**	**114,858,561**	**100.00**

Unlisted Options
At 31 August 2023, there were 7,618,051 unlisted options over ABE shares. Of these, 3,918,051 options have an exercise price of $1.95 per share and are exercisable at any time after 15 January 2024 and expiring 5 years from the date of Listing. The remaining 3,700,000 options have an exercise price of $0.41 per share and are subject to a vesting condition such that options shall be exercisable in three equal tranches, vesting over three years from the grant date. These 3,700,000 options shall expire in five years, being 8 February 2028.

Substantial Option Holders

Substantial option holders in the Company are set out below:

Substantial Option Holders	Holdings	% of total Options Issued
Kevin Hall	3,700,000	48.57%

Restricted Securities
As of 3 September 2023
Shares subject to ASX-imposed escrow restrictions:
73,915,012 ordinary shares currently on issue are subject to escrow.

Voting Rights
All fully paid ordinary shares carry one vote per ordinary share but in a general meeting a resolution put to the vote must be decided on a show of hands unless a poll is required by the Chair or is demanded where each ordinary share carries one vote.

Unlisted options have no voting rights.

Important dates for shareholders
The company will hold the Annual General Meeting on 24th November 2023 at 10:00am at ABE Registered Office at Level 19, 15 Castlereagh St, Sydney NSW 2000

Marketable parcels
As at 31 August 2023, using the last traded share price of $0.11 per share, there were 121 holdings totalling 317,544 shares, which were of less than a marketable parcel ($500).

Substantial shareholdings
The Company has four shareholders who hold relevant interest in excess of 5% of the Company's ordinary shares:

Rank	Name	Number of shares	% Units
1	FIELDROCK PTY LIMITED <JBM FAMILY A/C>	51,919,996	45.20
2	ANEX INDUSTRIAL CORPORATION PTY LTD <FARRAR FAMILY A/C>	7,417,142	6.46
2	LANNALI PTY LIMITED <MUELLER INVESTMENT A/C>	7,417,142	6.46
2	TOACH PTY LIMITED <DONK FAMILY A/C>	7,417,142	6.46

CORPORATE DIRECTORY

Board Members
Allan Farrar – Non-executive Chairperson
Bradley McCosker – Chief Executive Officer and Managing Director
Michael Vanderdonk – Chief Technology Officer and Executive Director
Nina Vanneck – Non-executive Director

Company Secretary
Steve Alperstein

Registered Office
Level 19, 15 Castlereagh St,
Sydney NSW 2000

Auditor
KrestonSW Audit Pty Ltd
Level 1, 34 Burton Street
Kirribilli NSW 2061

Share Registry
Computershare
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067

Phone: 1300 395 841 (within Australia)
or +61 3 9415 4393 (outside Australia)
between 8:30am and 5:00pm (Sydney Time),
Monday to Friday

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