



Australian Bond Exchange Holdings Ltd.  
Level 19, 15 Castlereagh Street, Sydney 2000  
P.O. Box R445, Royal Exchange NSW 1225  
ABN 11 629 543 193 | AFSL 484 453

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

## Australian Bond Exchange Q2 FY23 Quarterly Activity Report

**30 January 2023**

**Australian Bond Exchange Holdings Limited (ASX: ABE) (“Australian Bond Exchange” or “the company”) releases its Appendix 4C Quarterly Cash Flow Report and Business Update for the quarter ended 31 December 2022 (Q2 FY23).**

### Highlights

- **Private client revenue reached another quarter record high of \$1.28 million, an increase of 15% over the prior quarter and up 181% compared to the same period last year.**
- **Growth was again achieved through increased contributions from all private client revenue sources.**
- **Launched the Under Armour and Dell Computers AUD denominated Bond Linked Securities further adding to ABE’s suite of unique bond products.**
- **Client numbers continue to grow in line with marketing activity, increasing by 14% over the quarter.**
- **Strong debt-free balance sheet with available net cash of \$6.59 million**

Australian Bond Exchange Holdings Limited (“ABE” or “the company”), an innovative financial technology and services company providing access to the OTC bond market for private investors, is pleased to report another quarter of strong private client revenue growth in Q2 FY23. ABE continues on its path to make bonds more accessible to Australian private investors and service this largely untapped market in Australia.

Australian Bond Exchange CEO Bradley McCosker said “We are very pleased to report another quarterly record high with ABE’s private client revenue exceeding \$1 million for a second consecutive quarter. With uncertainty in current markets investors are looking for alternative investment options and bonds represent an attractive stable investment delivering consistent returns.”

The growth in revenue was achieved through increased contributions across brokerage revenue and trading margin:

- Private Client Brokerage revenue was 146% higher compared to Q2 FY2022
- Private Client Trading revenue up 206% versus Q2 FY2022
- Arrangement Fee Revenue up 156% versus Q2 FY2022

To better align management and financial reporting for its growing business, ABE reclassified what was previously reported as Bond Product Origination Revenue into Arrangement Fee Revenue (fees that are invoiced as part of origination and arranging services) and Trading Revenue (any transaction margin revenue generated as part of origination and arranging activity). All commentary is made on a like for like basis for the present revenue classification.

Net operating cash flow for the quarter was negative \$1,639,000 which was largely the result of a one-off office rental deposit as the company moved to new premises to facilitate growth, as well as timing differentials caused by prepayments and staff onboarding costs that are necessary to grow the business. We anticipate cash outflow to begin to return to more sustainable levels during the next quarter.

### Operational Activities

The company continued to focus on driving client acquisition through targeted sales and marketing efforts also benefiting from an expanded team to drive these efforts which has resulted in over 20 new adviser dealer groups being onboarded over the quarter.

During the period ABE continued to launch new products including the Under Armour AUD denominated 6.0% Bond Linked Security with a face value of \$5 million and the Dell AUD denominated 6.0% Bond Linked Security with a face value of \$7 million. In addition, due to high client demand the Marks & Spencer issue originally launched in the last quarter, was increased by \$5 million to bring the total outstanding to \$12 million. The previously launched Jaguar Land Rover issue was also increased by \$7 million to bring the total outstanding to \$27 million.

The Bond linked securities are all Australian dollar denominated and linked to large multinationals such as Xerox Corporation, Goodyear Tire and Rubber, Jaguar Land Rover, Rolls Royce, Marks & Spencer, Under Armour, and Dell totalling \$89 million in face value. They bring the ability for regular investors to diversify their portfolio into stable international companies without any currency exchange.

### Use of Funds

In accordance with ASX Listing Rule 4.7C.2, Australian Bond Exchange Holdings Limited provides the following update on its use of funds (unaudited) below.

| Use of Funds   | Use of funds as per Prospectus (\$AUD'000) | Expenditure Quarter ended 31 Dec 2022 (\$AUD'000) | Total Actual Expenditure (\$AUD'000) |
|--|--|---|--------------------------------------|
| Sales and Marketing  | 6,592                                      | 1,233   | 4,634                                |
| Further Development of ABE technology and Intellectual Property protection | 450  | 120   | 738                                  |
| Operational Expenses   | 700  | 202   | 701                                  |
| Working Capital  | 2,000                                      | 0   | 0                                    |
| Inventory and Liquidity Funding  | 4,347                                      | 0   | 4,347                                |
| Expenses of the Offer  | 1,583                                      | 13  | 1,804                                |
| <b>Total</b>   | <b>15,672</b>                              | <b>1,568</b>                                      | <b>12,224</b>                        |

## **Related party payments**

In accordance with ASX Listing Rule 4.7C.3, and as noted in Item 6 of the Appendix 4C, Australian Bond Exchange Holdings Limited notes that \$19,000 was paid to related parties during the quarter ended 31 December 2022. These payments related to payments to Lannali Pty Ltd, whose advisers are related parties.

Steve Alperstein  
Company Secretary

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

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

Registered office: RBW, Level 5, 83 York Street, Sydney NSW 2000  
Contact address: Level 19, 15 Castlereagh Street, Sydney 2000  
Phone: +61 2 8076 9343  
Website address: [www.bondexchange.com.au](http://www.bondexchange.com.au)

## **About Australian Bond Exchange Holdings**

Australian Bond Exchange Holdings (ASX: ABE) is an Australian financial services company that uses its proprietary technology to provide Australian Investors with access to the global financial markets. ABE has developed a direct, efficient and cost-effective system and method for facilitating the transaction and settlement of financial instruments that provides a transparent trading experience for investors, brokers and advisers. This is coupled with advanced investor protections, provide an attractive venue for private investors, financial advisers, and investment professionals to access the global financial markets.

Through our innovative technology, we're eliminating barriers to entry to the bond market, providing improved access, more efficient trading, lower transaction costs, and introducing new levels of transparency.