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## **Australian Bond Exchange FY2023 Results Presentation**

**Thursday 7 September 2023**

**Australian Bond Exchange Holdings Limited (ASX: ABE) (“Australian Bond Exchange” or “ABE” or “the company”) hosted an online FY2023 market briefing.**

Please find attached the presentation and a recording of the briefing will be made available on our website later today.

### **Authorised by**

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Company Secretary

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

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

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

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

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



# FY 2023 Results Investor Presentation 7 September 2023

Australian Bond Exchange  
Holdings Limited

# Disclaimer

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# Agenda

- FY2023 Key Highlights
- Business Overview
- FY2023 Financial Results
- FY24 Priorities
- Long Term Strategic Priorities



Bradley McCosker  
Managing Director &  
CEO



# FY2023 Key Highlights

# FY2023 Key Highlights

\$4.7M

Total Revenue  
↑ 131% YoY

77%

Active clients  
↑ YoY

Client retention  
rate  
99%

Completed  
transactional CBDC  
pilot with the  
DFCRC and RBA

\$5.9M

Cash and cash  
equivalents

Investments per  
Client Portfolio  
↑ 21%

\$77M+

Of Market Linked  
products issues  
In FY2023

Successful  
completion of NPP  
ANZ pilot



# Business Overview & Strategy



# Who we are



## **Our Mission:**

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

## **Our Strategy:**

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

## **What we do today:**

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

# Unique Position in Evolving Landscape



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

# Our strategy for growth



# FY2023 Financial Results



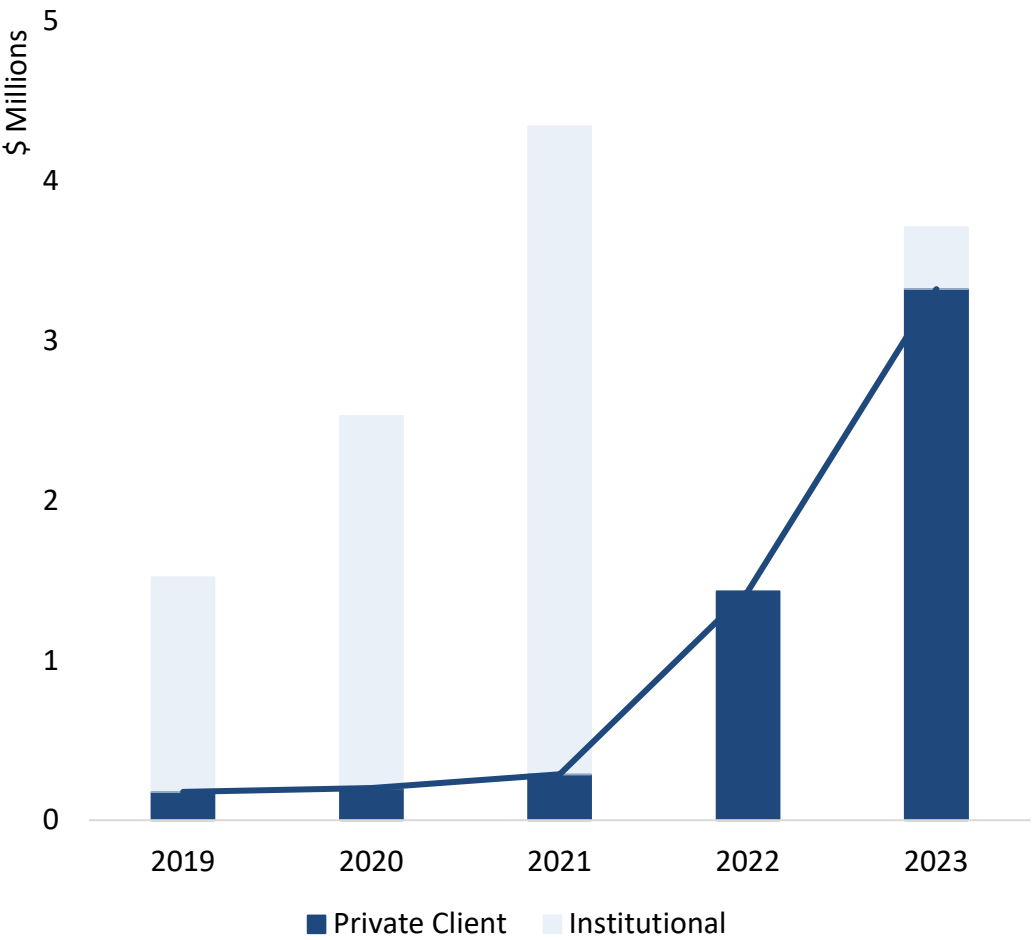
# Results Summary

	FY23	FY22	% difference
<b>Revenue</b>	<b>\$4.7million</b>	<b>\$2.0million</b>	<b>+ 131%</b>
Other income	\$0.6million	\$0.5million	+ 40%
Total expenses	\$10.3million	\$6.1million	+ 62%
Net loss	(\$5million)	(\$3.6million)	- 38%
Earnings per share	(4.38) cps	(3.51) cps	- 25%
<b>Operating cash flow</b>	<b>(\$2.3million)</b>	<b>(\$5.7million)</b>	<b>+59%</b>
Closing net cash	\$5.9million	\$9million	-35%

- 131% growth in revenue
- Significant improvement of 59% in operating cash flow
- The total expense increase of 62% is in part due to an increase in revenue generating activity expenses

# FY 2023 Revenue

Private Client Revenue Growth over time



Desirable Business Features	Private Clients
Shown long tern Revenue Growth	✓
Resistant to different economic cycles	✓
Stable Income Stream	✓
Repeat Business	✓
Significant Growth Opportunity	✓
Competitive Advantage	✓

# Cash flows


	FY23	FY22	% difference
<b>Cash flow from operating activities</b>	<b>(\$2.3million)</b>	<b>(\$5.7million)</b>	<b>+59%</b>
- Receipt from customers	\$156.0million	\$106.6million	+46%
- Payments to suppliers & employees	(\$159.0million)	(\$112.6million)	+30%
<b>Cash flow investing activities</b>	<b>(\$0.7million)</b>	<b>(\$0.6million)</b>	<b>+23%</b>
<b>Cash flow financing activities</b>	<b>(\$0.1million)</b>	<b>\$13.9million</b>	<b>-101%</b>
<b>Change in cash &amp; cash equivalents</b>	<b>(\$3.1million)</b>	<b>\$7.6million</b>	
<b>Cash &amp; Cash Equivalents at 30 June</b>	<b>\$5.9million</b>	<b>\$9million</b>	<b>-29%</b>

- Significant improvement of 59% in operating cash flow
- Driven by strengthened controls over cash and inventory to maximise ABE's position

# FY2024 key priorities



# Key priorities for FY2024



**Continue to grow  
revenue**

**Focus on cost  
management**

**Positive operating  
cash flow by end of  
CY2024**

# Revenue growth



Continue to grow  
sales volumes in  
both existing and  
new clients



Continue to  
identify and  
develop  
innovative  
financial  
products



Australian Credit  
Opportunity  
Fund

# Cost management



Implement cost  
reduction  
program across  
all aspect of the  
business



Reduce  
operating  
expenses and  
improve  
operating cash  
flows



Reduce  
dependency on  
third party  
agencies

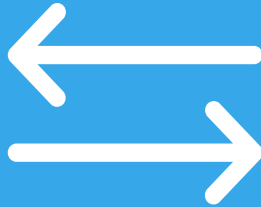
# Long term strategic priorities



# Key Global Themes



Artificial  
Intelligence



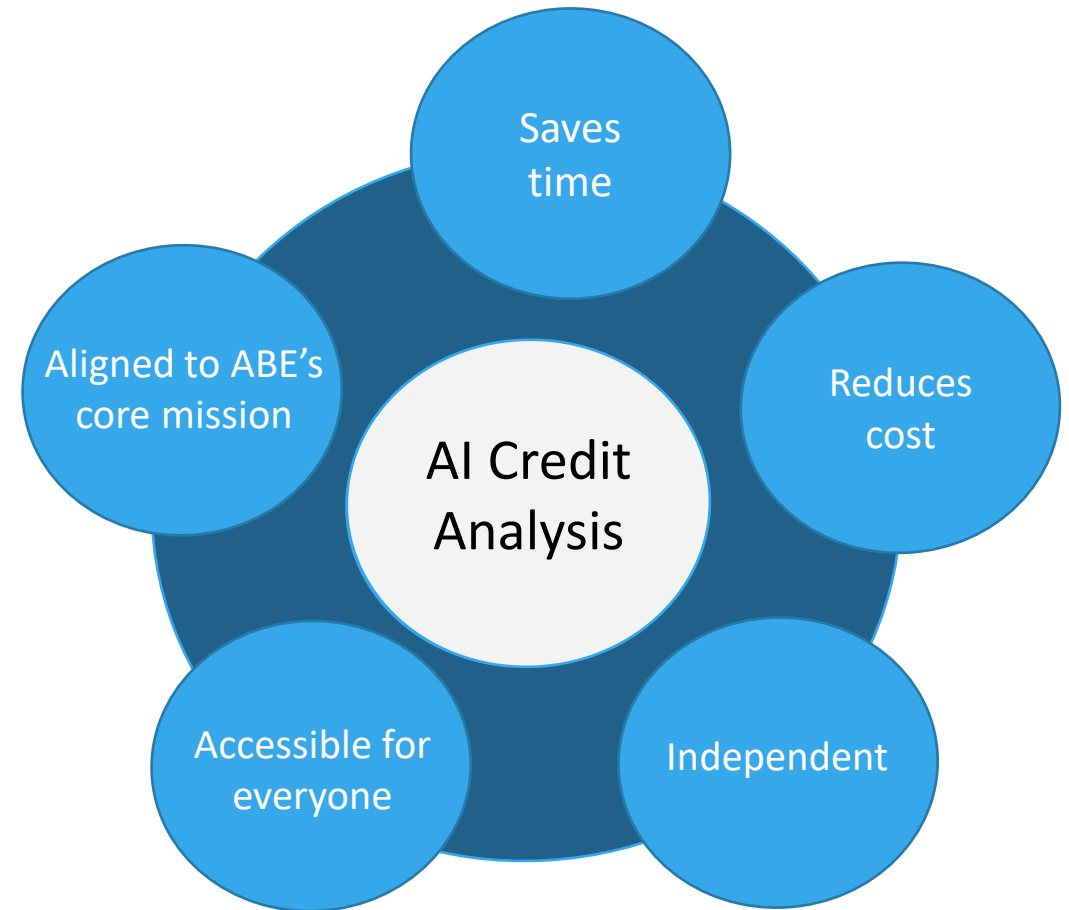
Transaction  
Technology



ESG

# ABE Credit Ratings leveraging AI

- We use AI for credit analysis on the products we offer
- Our technology produces a bond credit rating in a matter of minutes with accuracy
- We have been exploring the best way to monetise our AI credit rating capability
- There are multiple attractive revenue models with significant TAM



# Transaction Technology



## ABE's technology T+0 ready

- Matching & settlement within ABE's Global Asset Register eliminated clearing requirements



## NPP Trials Continue

- Instantaneous settlement significantly reduces barriers to entry to financial markets



## RBA CBDC Pilot Completed

- Currencies used by economies reflect the way transactions are performed. We live in a time of digital commerce.

# Long term strategic priorities

Our mission is to provide all investors equal access to financial markets



ABE's state-of-the-art AI and T+0 transaction technologies are increasing efficiencies and reducing barriers for all prospective investors



Bond trading is the foundation of our business which we continue to scale to grow revenue and reach profitability





# Questions