AUSTRALIAN BOND EXCHANGE ANNUAL REPORT 2024

AUSTRALIAN BOND EXCHANGE HOLDINGS LIMITED
> ACN 629 543 193.

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Surpassed
$2 billion
in private client trading volume since 2017

99%
Client retention

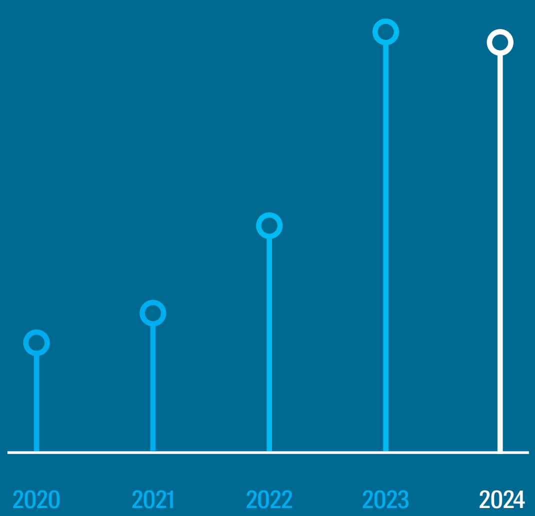
↑18%
Active Private clients
On FY23

$55m
in face value of market-linked products sold

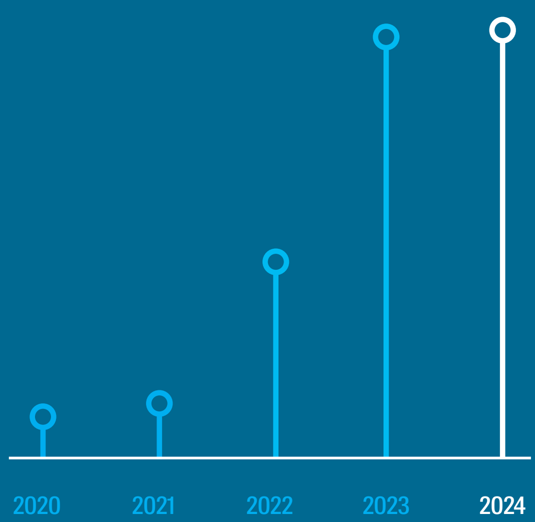
Investments per private client portfolio
↑13% on FY23

$4.1m
Revenue
↓13% on FY23

FY24 PRIVATE CLIENT REVENUE



FY24 TRANSACTION 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.

We solved four main problems

That now has provided opportunities

Identify Popular Products	Ensure Investor Protection	Source Liquidity	Reduce Transaction Costs
Commenced B2C broking business to obtain direct feedback.	Created 'Quotation Rules' based on Credit Risk and investor appropriateness.	Leveraged existing relationships with global financial institutions to ensure market access.	Designed transaction and settlement process that's profitable at retail trade sizes.
We now structure products specific to the needs of investors.	We developed an A.I. credit tool that filters for safety.	We now are a major participant in the institutional OTC market in Australia.	We are a leader in transaction processing by utilising the latest technology available.

CEO'S REPORT

On behalf of the Board of Directors, I am pleased to present the Annual Report for the financial year ended 30 June 2024.

Since the inception of ABE, our vision has remained steadfast – to provide equal access to financial products and markets for all investors. We continue to believe that for financial markets to remain an attractive proposition for Australian investors, they must evolve. ABE is committed to playing a key role in this evolution, ensuring that financial products and markets are more inclusive, transparent, and accessible.

As with any transformative journey, challenges are inevitable. This year presented us with significant hurdles, prompting us to undertake a rigorous review of our expense structure and operational drivers. This introspective process led to difficult, yet necessary, decisions regarding expenditure, which were essential to align the business with its long-term strategic goals. While these short-term measures impacted our financial performance, we are confident that ABE is now better positioned to realise its vision. Some of the costs incurred were one-off in nature but critical to enhancing business efficiencies and charting a path toward profitability.

At the same time, we remain focused on developing new growth opportunities. ABE is uniquely positioned to offer over-the-counter (OTC) products, enhanced connectivity, and price transparency, enabling our clients to access global financial markets with confidence. Investor demand has been a key driver of our expansion, with several new products admitted for trading in FY24, reinforcing our commitment to innovation.

Market Context and Strategic Priorities

The financial markets continue to experience rapid changes, influenced by global economic uncertainty, regulatory developments, and shifts in investor behaviour. Despite these headwinds, ABE remains resilient and adaptable. We are closely monitoring market trends, and our streamlined operations now allow us to be more agile in responding to both opportunities and challenges.

Looking ahead to FY25, we are focused on driving revenue growth, leveraging our unique product offering, and expanding our client base. Innovation will remain central to our strategy, as we seek to introduce more client-centric solutions and broaden investor access to financial markets. Our continued investment in technology will enhance customer experience, while our expanded product portfolio will cater to the growing demand for innovative financial products.

FY24 Financial Performance

The strategic emphasis on improving ABE's business efficiency inevitably impacted our financial results for the year. Revenue for the reporting period stood at $4.1 million, predominantly derived from trading and commission revenues. The result represents a 13% year-on-year decrease, largely reflecting the effects on revenues from a reduction in marketing and client acquisition expenditure as management prioritized efficiency over revenue growth. However, despite the decrease in marketing spend, the number of active clients grew by 11% year-on-year, underscoring the resilience of our client acquisition strategy and product innovation.

The Group reported a consolidated loss of $5.6 million for FY24. This result was largely influenced by one-off costs associated with streamlining our business operations. While these efforts took longer than anticipated, they were crucial to improving our cost structure and aligning the business with our long-term mission. Importantly, these changes have set the foundation for future profitability and enhanced shareholder value.

FY24 saw the Group launch its first unregistered managed investment scheme, Australian Credit Opportunities Fund (ACOF) in September 2023. ABE Investment Management Pty Ltd was appointed as the investment manager of the fund on establishment. October 2024 brings new opportunities for ACOF as a new ABE Group entity, ABE Guardian Pty Ltd takes over as the trustee of the fund.

In Q4 FY24, further advisory and structuring opportunities have been presented to the Group. The Group expects these opportunities to be capitalised on in FY25.

Operations and Technology

ABE completed the first successful transaction on ANZ's PayTo service for Billers. PayTo, an alternative to direct debit, enables real-time payments, immediate confirmation of transfers, and better reconciliation, improving operational efficiencies and giving clients more visibility and control.

PayTo moves us closer to near real-time settlement of transactions enhancing trust and security in the payment process.

We also reached the final stage of 'beta testing' of our credit reporting tool, Credit Analysis AI tool (CAIT). Developed in conjunction with UC Berkley California and Bond University the system is designed to deliver near instant credit scores by analysing both financial and non-financial data, replicating the accuracy of top ratings agencies. CAIT will offer applications in credit reporting, loan approvals, financing, and risk analysis.

Ongoing enhancement of our client facing systems, including the client and advisor self service portal and streamlined onboarding processes have led to measurable improvements in client experience and operational efficiencies.

Our technology advances demonstrate ABE's commitment to empowering Australian investors by delivering innovative tools and actionable insights that enable more informed and confident financial decisions.

CEO'S REPORT

Risk Management and Sustainability

Managing risk has been a core focus of ABE, particularly in this period of transformation. We have implemented a series of operational and financial controls to ensure that the business remains resilient to market fluctuations. Our strengthened cost structure and disciplined approach to managing expenses provide greater stability moving forward.

In addition, we recognise the increasing importance of environmental, social, and governance (ESG) factors in the business landscape. As part of our broader corporate responsibility, ABE remains committed to fostering sustainable business practices. We are actively reviewing ways to incorporate more sustainable and ethical principles into our operations and product offerings, ensuring we contribute to a more inclusive and sustainable financial ecosystem.

Enhancing Shareholder Value

We remain steadfast in our commitment to delivering long-term value to our shareholders. The decisions taken in FY24 were essential to align the business toward sustainable growth, and we believe the foundations we have laid will enable us to unlock future profitability. Our path forward includes a sharpened focus on revenue generation, client growth, and product expansion, all of which will contribute to enhancing shareholder value.

Acknowledgements

Finally, I would like to express my gratitude to the Board, management team, and staff for their hard work and dedication throughout the year. The challenges we faced were significant, but their resilience and commitment to ABE's mission made all the difference. I would also like to extend my sincere thanks to our shareholders for their continued trust and to our clients for their ongoing loyalty and support.

As we enter the next financial year, we remain focused on executing our strategy, enhancing our client offering, and delivering sustainable value. I am confident that ABE is well-prepared to capitalise on the opportunities that lie ahead.

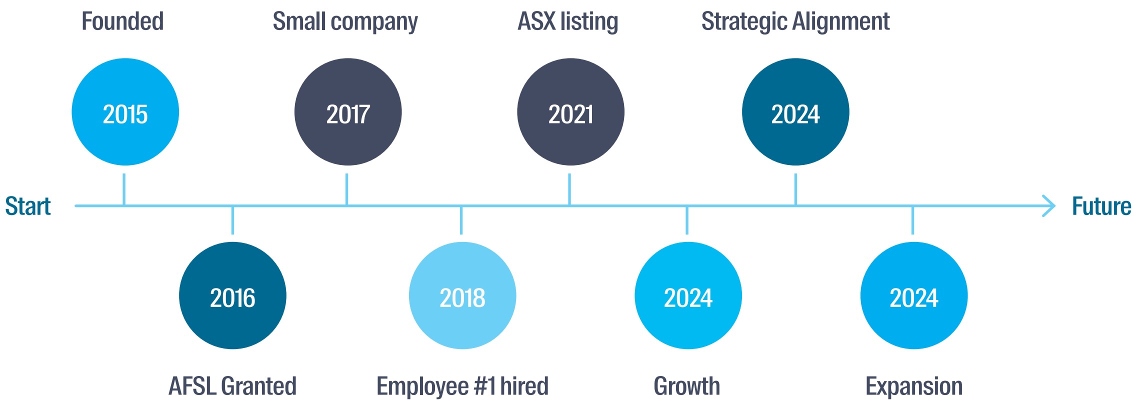
Sincerely,

Bradley McCosker
Managing Director and Chief Executive Officer
Australian Bond Exchange

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 focused 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, including our unregistered managed investment scheme, Australian Credit Opportunities Fund (ACOF) which was launched in September 2024;

— Grow client numbers, by providing education to investors new to fixed income securities and engaging in active sales and marketing strategies that target new markets and increase take-up in current markets; and

— Leverage multiple distribution channels including digital channels and professional distribution networks, including financial planner groups and brokers.

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 2024

AUSTRALIAN BOND EXCHANGE HOLDINGS LIMITED
> ACN 629 543 193.

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Directors' Report
30 June 2024

Information on directors

The directors present their report, together with the financial statements of the Group (or “ABE”), being Australian Bond Exchange Holdings Limited (the "Company") and its controlled entities for the financial year ended 30 June 2024.

General information

Directors

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

Names	Position	
Bradley McCosker	Managing Director	
Michael Vanderdonk	Executive Director	
Anthony Hartman	Non-Executive Director	Appointed on 19 January 2024
Allan Farrar	Non-Executive Chairman	Resigned on 19 January 2024
Nina Vanneck	Non-Executive Director	Resigned on 19 January 2024

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

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. Steven resigned as Company Secretary with effect from 28 February 2024.

Vicki Grey was appointed as Co-Company Secretary on 19 January 2024. Upon the resignation of Steven Alperstein on 28 February 2024, Vicki became the sole Company Secretary of the Company.

Vicki is the General Counsel of the Australian Bond Exchange Group and is recognised as an experienced financial services regulation lawyer, having previously been a senior equity partner of Gadens Lawyers, Sydney (now part of the international law firm Dentons Lawyers), where she led the Compliance, Regulation and Taxation Practice Group and at Kemp Strang Lawyers where she was a member of the Board and led the Corporate and Commercial Practice Group.

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 Group operates through three main entities: Australian Bond Exchange Pty Ltd ("ABEPL"), ABE Distribution Pty Ltd (“ABE Distribution”) and ABE Capital Management Pty Ltd (“ABE Capital Management”), 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.

Directors' Report
30 June 2024

General information (cont'd)

Principal activities and significant changes in nature of activities (cont'd)

ABEPL holds Australian Financial Services License No. 484453 issued by the Australian Securities and Investments Commission (ASIC) to provide general 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. Novus Capital Pty Ltd has appointed subsidiaries, ABE Distribution Pty Ltd as a Corporate Authorised Representative (No. 1307088) and ABE Capital Management Pty Ltd as a Corporate Authorised Representative (No.1307093).

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 making corporate bonds and other fixed income securities accessible to retail clients, ABE continues to bring new investment opportunities to its client base, enabling these clients to make investments with as little as $10,000.

To this end, ABE deals directly with investors and is also focusing on developing its networks with financial advisers and broking firms in order to enable these firms to diversify their clients' investment portfolios through the addition of fixed income securities to complement investments in equities and managed investment schemes.

To complement its underlying strategic vision, ABE has expanded its product offering with the launch of the Australian Credit Opportunities Fund (ACOF) alongside BG Funds Management Pty Ltd, an unregistered managed investment scheme, with a broad investment mandate which enables it to take advantage of alpha generating opportunities by virtue of market inefficiencies and credit mispricing.

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

Information on Directors

Allan Farrar	Non-Executive Chairman (resigned 19 January 2024)
Qualifications	Diploma in Accountancy, Diploma of Financial Services, FAICD
Experience	Allan co-founded ABE in March 2015 and was 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.
Interest in Shares and Options	1,000 ordinary shares held directly and 7,553,347 ordinary shares held indirectly at the time of resignation
Special Responsibilities	Member of the Compliance, Audit & Risk Committee.

Directors' Report
30 June 2024

Information on Directors (cont'd)

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.
Interest in Shares and Options	51,919,996 ordinary shares held indirectly
Special Responsibilities	Chief Executive Officer
Michael Vanderdonk	Executive 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 at CSC Australia, KPMG Consulting and Credit Suisse.
Interest in Shares and options	7,417,142 ordinary shares held indirectly
Special Responsibilities	Chief Technology Officer, Chair of the Compliance, Audit & Risk Committee.
Nina Vanneck	Non-Executive Director (resigned 19 January 2024)
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).
Interest in Shares and Options	154,000 ordinary shares held indirectly at the time of resignation
Special Responsibilities	Member of the Compliance, Audit & Risk Committee
Anthony Hartman	Non-Executive Director (appointed 19 January 2024)
Qualifications	B.Comm, LLB, FAICD
Experience	Anthony has qualifications in finance and law, and has over 20 years of experience in financial services in Australia, NZ, UK, EU, HK and North America. He has held senior positions with such firms as JP Morgan Investment Management, Citigroup Inc and Macquarie Group Ltd. In financial services, Anthony's experience has been primarily in listed markets in sales, discretionary portfolio management and structured situations. He has also been involved in Private Equity in listed and unlisted companies in a variety of diverse industries.
Interest in Shares and Options	None

No Director held a position of a listed company as at the date of this report or at any time in the 3 years prior.

Directors' Report
30 June 2024

Board and 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.

	Board of Directors		Compliance, Audit & Risk 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	8	8	3	3	-	-
Bradley McCosker	10	10	n/a	n/a	-	-
Michael Vanderdonk	10	10	4	4	n/a	n/a
Nina Vanneck	8	8	3	3	-	-
Anthony Hartman	2	2	1	1	n/a	n/a

* The Remuneration Committee ceased on 19 January 2024 and duties of the Remuneration Committee have since been undertaken by the Board of Directors.

Operating Results and Review of Operations for the Year

Operating results

The consolidated loss after income tax of the Group amounted to $5,605,229 (2023: loss of $5,034,582).

Review of operations

Overall the positive impact on business activities is reflected below:

- Face value sales of market linked instruments specifically designed for Australian private investors totalled over $55 million
- Active client numbers increased by approximately 11% compared to FY23
- Number of investments per private client portfolio increased by 13% over FY24
- Total client holdings increased by 22% compared to FY23
- Cost rationalisation during the second half of the period saw a reduction in the run rate going forward on a comparative basis with the prior year

The Group has added several new market linked products to its offering during FY24 in response to growing client demand for products tailored specifically for Australian private investors, such as market linked securities denominated in Australian Dollars (Notes). Additionally, ABE sourced competitive products in the secondary market, which enabled us to continue to ensure greater choice for Australian private investors. The market linked products continue to supplement the traditional sales and trading activity in the OTC bond market in which ABE operates.

As part of ABE’s commitment to enabling private investor access to financial markets, the Australian Credit Opportunities Fund (“The Fund”) was established in September 2023 in which ABE acts as investment manager. The Fund is an unregistered, and open-ended managed investment scheme structured as a unit trust which is open to ‘wholesale investors. As at 30 June 2024, the investment in the Fund surpassed $8 million. The Fund seeks to achieve a return over a of the RBA Official Cash Rate plus 3.5% per annum (after costs but before tax) over a rolling three year basis. The Fund is an actively managed portfolio that invests directly or indirectly in Australian and foreign fixed income securities and other credit opportunities. ABE received management fees for the funds’ performance.

Directors' Report
30 June 2024

Operating Results and Review of Operations for the Year (cont'd)

Review of operations (cont'd)

The total cost base increased marginally by 0.04% to $10.3 million in FY24. Significant one-off costs were incurred due to the streamlining of the Group. The main cost increases were related to legal and professional expenses, information technology related expenses, custody and other operating expenses.

Advertising and marketing costs have returned to more regular levels during the year following the successful campaign to increase brand awareness and increase our client base. Employee benefit expenses reduced during the year due to reduced headcount in the second half of the reporting period.

Non-cashflow related expenses in relation to depreciation, amortisation and impairment of non-current assets increased. Depreciation on right of use assets (our current office premises) increased reflective of a full year's depreciation charge in FY24. Intangibles amortisation and impairment expenses increased due to new development being released into production, replacing earlier systems, modernising our technology, enhancing operational efficiency and the impairment of certain software development no longer being pursued.

Advancing Technology

ABE continues to progress its technology capabilities during FY24. This included the first native New Payments Platform for billers transaction (PayTo) by a major Australian bank. This transaction technology is one part of the settlement process efficiency which is one of ABE's longer-term strategic priorities, 'T+0 transactions' and is important in providing all Australians clear and transparent access to the global financial markets, such as corporate bonds.

ABE also implemented new, streamlined client onboarding technology. This reduces onboarding times and complexity, enhancing client experience for clients wishing to gain access to the bond market directly. The new technology also capitalises on automation, driving down processing times and reducing operational costs.

AI development also continued in FY24 with the 'production version' of ABE's risk assessment tool in closed beta testing.

Financial Review

Financial position

The net assets of the Group as at 30 June 2024 are $2,714,636 (2023: $8,322,968). The decrease in net assets reflects the impact of the current year losses that included one-off costs associated with streamlining our business operations.

At the end of the financial year, the Group's balance sheet had a total cash, corporate bonds and bond-linked securities and trade settlements receivables balances of $2.5 million (2023: $6.4 million).

Financing Activities

ABE has received $1.5 million from the issue of Convertible Notes during FY24 as part of a larger commitment of $3.5 million to be staged over second half FY24 and first half FY25. The funds raised from the issue will provide additional liquidity towards the funding of trading, bond and credit fund development and working capital for the Group. $0.5 million has been received subsequent to year-end, with the remaining $1.5 million in commitments expected to be received during the first half of FY25. The Convertible Notes demonstrate the strong ongoing support of ABE and represents a flexible funding instrument for ABE.

Directors' Report
30 June 2024

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Group during the year.

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 15 July 2024, ABE incorporated ABE Guardian Pty Ltd ("ABE Guardian") and executed an agreement with the existing trustee, BG Funds Management Pty Ltd ("BGFM"), to appoint ABE Guardian as the new trustee of ACOF and remove BGFM. This agreement is effective 15 October 2024. The Group is considering whether the effects of the executed agreement result in ABE having control over ACOF. An estimate of the financial effect is impracticable at this time.

Except for the above, no other matters or circumstances have arisen since the end of the financial 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.

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; and
- 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

Directors' Report
30 June 2024

Likely developments in operations and expected future results

The Company's Directors are confident that the Group is well positioned to continue its growth in accordance with its strategic vision as it is capitalising on future opportunities and progress along the path of profitability. The Group anticipates further operational efficiencies through technological advancements including the area of Artificial Intelligence.

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 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 Compliance, Audit & Risk ("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

Directors' Report
30 June 2024

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	1,233,333

* included in these were options granted as remuneration to Key Management Personnel. Refer to the Remuneration Report and Note 21 of the consolidated financial statements for details of options granted to Key Management Personnel.

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	Repayment Date	Exercise Price	Number of Loan Shares
9 May 2022	9 May 2028	0.3768	1,195,223

The value of the loans for shares granted under the ELFSP total $450,360 (2023: $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 19(b) and 21(c) 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 2024 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.

Directors' Report
30 June 2024

Indemnification and Insurance of Officers and Auditors (cont'd)

Under ABEH's Constitution, ABEH may indemnify 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:

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

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

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 the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

Details of the amounts paid or payable to the auditor (KrestonSW Audit Pty Ltd and its related parties) for audit and non-audit services during the year are disclosed in Note 28: Auditors' Remuneration.

There were no fees paid to the external auditors for non-audit services during the year (2023: $nil).

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 2024 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 the Company and its other Key Management Personnel ("KMP") of the Group for the financial year ended 30 June 2024.

Directors' Report
30 June 2024

Remuneration Report (Audited) (cont'd)

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.

This report covers the following Directors and Key Management Personnel:

Non-Executive Directors

- Anthony Hartman (appointed on 19 January 2024)
- Allan Farrar – Chairperson (resigned on 19 January 2024)
- Nina Vanneck (resigned on 19 January 2024)

Executive Directors

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

Key Management Personnel

- Nick Baber - Managing Director ABE Capital Markets (resigned on 31 May 2024)
- Kevin Hall - Chief Operating Officer (position made redundant 9 March 2024)
- Simon McCarthy - General Manager, Policy and Operations (resigned 21 July 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. The Remuneration Committee ceased on 19 January 2024 and the duties of the Committee have since been undertaken by the Board.

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.

Directors' Report
30 June 2024

Remuneration Report (Audited) (cont'd)

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.

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 ("STIs") are provided in the form of cash compensation and long-term incentives ("LTIs") 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.

Australian 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.

Share based payments include the grant of options and the vesting of the ELFSP shares. All STIs and LTIs are performance related and at the discretion of the Board.

Share based compensation

Options granted

In the previous financial year, ABE granted 3,700,000 options to Kevin Hall, former 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 were 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 were as follows:

Option grant date	Expiry date	Vesting date	Name of KMP	Number of options granted	Exercise price ($ per option)	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	Forfeited*	Kevin Hall	**1,233,333**	**0.41**	**219,533**
8 February 2023	8 February 2028	Forfeited*	Kevin Hall	**1,233,334**	**0.41**	**233,717**

* The terms of the agreement were such that if Mr Hall ceased to be employed by the Group before the vesting period, he would no longer be entitled to the options. Mr Hall's position was made redundant on 9 March 2024 and accordingly the second and third tranches were forfeited.

Directors' Report
30 June 2024

Remuneration Report (Audited) (cont'd)

Share based compensation (cont'd)

Options granted (cont'd)

In accordance with Australian accounting standards, a share-based payments expense of $40,152 was recognised in the consolidated statement of profit or loss and other comprehensive income representing the net amount vested for the year ended 30 June 2024 (2023: $162,731).

Employee Loan Funded Share Plan ("ELFSP")

The Group has adopted an Employee Loan Funded Share Plan ("ELFSP") to attract high quality talent and foster an ownership culture within ABE and to motivate senior management and Directors to achieve performance targets of the Company. The ELFSP is governed by rules of the kind usually adopted by a public company.

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 ("Participants")	Any permanent, part-time or casual employee or consultant of ABE and any Director of the Company.
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.

Directors' Report
30 June 2024

Remuneration Report (Audited) (cont'd)

Restrictions on securities	The shares cannot be traded, disposed of or encumbered: • until a three 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 ELFSP 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.

There were no shares issued under the ELFSP to KMP as a form of remuneration during the years ended 30 June 2024 or 2023.

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:

ELFSP grant date	Expiry date	Name of KMP	Number of shares issued under the plan	Exercise price ($ per share)	Fair value at grant date ($)
9 May 2022	9 May 2028	Simon McCarthy	200,000	0.3768	45,992

In accordance with Australian accounting standards, a share based payments expense of $28,492 (2023: $233,329) 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 current financial year by KMP is set out below:

Name of KMP	Balance at 1 July 2023	Granted	Exercised	Expired/ forfeited/other	Balance at 30 June 2024
Simon McCarthy*	200,000	-	-	(200,000)	-
	200,000	**-**	**-**	**(200,000)**	**-**

* Mr McCarthy resigned during the 2024 financial year, however retained his shares given a waiver of the forfeiture terms by the Board. This is shown as a reduction as Mr McCarthy is no longer a member of KMP.

Directors' Report

30 June 2024

Remuneration Report (Audited) (cont'd)

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:

Name	Non-Recourse Loans Balance 30 June 2024 $	Non-Recourse Loans Balance 30 June 2023 $
Simon McCarthy*	-	75,360

* This balance is shown as $nil as Mr McCarthy is no longer KMP.

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 2024 financial year, Mr McCarthy, former General Manager, Policy and Operations, resigned and during the 2023 financial year, Mr Foltman, former Financial Controller, resigned. Both Mr McCarthy and Mr Foltman were members of KMP until resignation and participants in the EFLSP. As Mr McCarthy and Mr Foltman ceased their employment and thereby did not meet the vesting conditions of shares granted to them under the ELFSP, ordinarily a forfeiture of their 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 their ELFSP shares, allowing them to retain the shares granted with all other terms and conditions remaining unchanged including that of the non-recourse loan.

In accordance with Australian 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 of resignation.

Service Agreements with Key Management Personnel

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

Directors' Report
30 June 2024

Remuneration Report (Audited) (cont'd)

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 (see note below). Either party may terminate the employment agreement by providing 12 months notice without cause.
Name	Michael Vanderdonk
Title	Chief Technology Officer
Terms 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 (see note below). Either party may terminate the employment agreement by providing 12 months notice without cause.
Name	Kevin Hall
Title	Chief Operating Officer
Terms of agreement	Position made redundant 9 March 2024
Details	A total base salary of $400,000 per annum plus superannuation effective from 8 February 2023, which includes any salary sacrifice arrangements (see note below). Either party may terminate the employment agreement by providing 4 weeks notice without cause. Mr Hall ceased employment on 9 March 2024.
Name	Nick Baber
Title	Managing Director – ABE Capital Markets
Terms of agreement	Resigned 31 May 2024
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. Mr Baber ceased employment on 31 May 2024.
Name	Simon McCarthy
Title	General Manager, Policy & Operations
Terms of agreement	Retired 21 July 2023
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. Mr McCarthy resigned on 21 July 2023.

Directors' Report
30 June 2024

Remuneration Report (Audited) (cont'd)

On 10 October 2023, the Group announced to the market that the Board and C-Suite had been subject to a 33.33% reduction in directors' fees with effect from 1 October 2023. Effective 1 May 2024, the full amount of directors' fees was reinstated for the remaining directors. Accordingly, accrued salary and fees of $156,139 have been recognised for the period 1 October 2023 to 30 April 2024 and are disclosed within the Remuneration table below as there is an expectation these amounts will be paid upon certain conditions being met.

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 had the following arrangements in place for Non-Executive Directors:

- Allan Farrar (Chairman) at $130,000 per annum
- Nina Vanneck at $90,000 per annum
- Anthony Hartman at $50,000 plus GST per annum

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 2024 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.

	Short term benefits			Post employment benefits	Long term benefits			
2024	Salary and Fees $	Cash bonus $	Other short term benefits $	Superannuation $	Long service leave $	Share based payments $	Total Remuneration $	Proportion of remuneration performance related (%)
Non-Executive Directors								
Anthony Hartman (i)	9,167	-	-	-	-	-	9,167	-
Allan Farrar (ii)	53,816	-	-	5,920	-	-	59,736	-
Nina Vanneck (ii)	40,362	-	-	4,440	-	-	44,802	-
Executive Directors								
Bradley McCosker	515,744	-	33,855	28,219	5,139	-	582,957	-
Michael Vanderdonk	275,000	-	-	24,368	2,691	-	302,059	-
Other Key Management Personnel								
Kevin Hall (iii)	264,418	-	60,800	26,156	-	40,512	391,886	10
Nick Baber (iv)	415,414	-	-	-	-	-	415,414	-
Simon McCarthy (v)	21,691	-	-	2,292	-	28,492	52,475	54
Total	1,595,612	-	94,655	91,395	7,830	69,004	1,858,496	

Directors' Report
30 June 2024

Remuneration Report (Audited) (cont'd)

Remuneration of Key Management Personnel (cont'd)

	Short term benefits			Post employment benefits	Long term benefits			
2023	Salary and Fees $	Cash bonus $	Other short term benefits $	Superannuation $	Long service leave $	Share based payments $	Total Remuneration $	Proportion of remuneration performance related (%) $
Non-Executive Directors								
Allan Farrar (ii)	117,647	-	-	12,353	-	-	130,000	-
Nina Vanneck (ii)	81,448	-	-	8,552	-	-	90,000	-
Executive Directors								
Bradley McCosker	528,000	-	7,270	55,440	30,444	-	621,154	-
Michael Vanderdonk	275,000	-	-	28,875	15,103	-	318,978	-
Other Key Management Personnel								
Kevin Hall (iii)	158,333	-	-	16,625	-	162,731	337,689	48
Nick Baber (iv)	437,805	-	-	-	-	-	437,805	-
Simon McCarthy (v)	189,678	-	-	19,916	-	15,316	224,910	7
Peter Foltman (vi)	207,774	-	-	18,703	-	218,013	444,490	49
	1,995,685	**-**	**7,270**	**160,464**	**45,547**	**396,060**	**2,605,026**	

(i) Appointed 19 January 2024 and remuneration commenced 1 May 2024.
(ii) Resigned on 19 January 2024.
(iii) Appointed on 8 February 2023 and position made redundant on 9 March 2024.
(iv) Resigned on 31 May 2024.
(v) Resigned 21 July 2023. Mr McCarthy's share-based payments expense for 2024 includes the remaining fair value of the ELFSP shares amounting to $28,492 which were no longer subject to vesting conditions given the Board's waiver of forfeiture on his resignation.
(vi) 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. The total share-based payments expense recognised for the year was $218,013.

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 2023	Acquired/ Converted	Received as Compensation	Disposed/ held at resignation	Held at 30 June 2024
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
Anthony Hartman	-	-	-	-	-

Directors' Report
30 June 2024

Remuneration Report (Audited) (cont'd)

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

Other than those already noted in respect of Mr Simon McCarthy's ELFSP shares, no 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 year, there were no shares issued as a consequence of the exercise of options previously granted as remuneration.

Analysis of share-based payments granted as compensation

No shares were issued to Non-Executive Directors in lieu of Directors fees.

Other transactions with Key Management Personnel

There were no other transactions with Key Management Personnel during the year (2023: none).

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:	Director: ....
Bradley McCosker	Michael Vanderdonk

Dated this 30th day of September 2024

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 2024, 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
30 September 2024

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 2024

	Note	2024 $	2023 $
Revenue	5	**4,100,092**	4,687,837
Other income	5	**659,559**	618,405
Employee benefits expense		**(4,903,081)**	(5,532,968)
Brokerage expenses		**(407,121)**	(552,163)
Finance expenses		**(135,530)**	(64,388)
Depreciation, amortisation and impairment expense	6	**(820,642)**	(363,734)
Other expenses	6	**(4,078,388)**	(3,827,571)
Loss before income tax		**(5,585,111)**	(5,034,582)
Income tax expense	7	**(20,118)**	-
Loss after income tax expense for the year		**(5,605,229)**	(5,034,582)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**12,829**	2,330
Other comprehensive income, net of income tax		**12,829**	2,330
Total comprehensive expense for the year		**(5,592,400)**	(5,032,252)
Loss for the year is attributable to:			
Members of the parent entity		**(5,620,317)**	(5,034,582)
Non-controlling interest		**15,088**	-
		(5,605,229)	(5,034,582)
Total comprehensive expense is attributable to:			
Members of the parent entity		**(5,607,488)**	(5,032,252)
Non-controlling interest		**15,088**	-
		(5,592,400)	(5,032,252)
Basic and diluted earnings per share (cents)	34	**(4.99)**	(4.47)

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As At 30 June 2024

	Note	2024 $	2023 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	**2,481,858**	5,863,053
Trade and other receivables	9	**346,266**	629,990
Financial assets	10	**-**	301,850
Other assets	11	**552,260**	492,611
TOTAL CURRENT ASSETS		**3,380,384**	7,287,504
NON-CURRENT ASSETS			
Property, plant and equipment	12	**139,713**	168,804
Intangible assets	13	**2,147,472**	2,063,921
Right-of-use assets	18	**1,558,964**	2,004,380
Other assets	11	**354,833**	354,833
TOTAL NON-CURRENT ASSETS		**4,200,982**	4,591,938
TOTAL ASSETS		**7,581,366**	11,879,442
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	**973,929**	888,904
Borrowings	15	**1,531,614**	13,474
Current tax liabilities	25	**20,118**	-
Lease liabilities	18	**339,883**	332,477
Employee benefits	17	**531,869**	451,529
TOTAL CURRENT LIABILITIES		**3,397,413**	1,686,384
NON-CURRENT LIABILITIES			
Borrowings	15	**101,407**	116,144
Lease liabilities	18	**1,213,333**	1,607,199
Employee benefits	17	**53,377**	45,547
Provisions	16	**101,200**	101,200
TOTAL NON-CURRENT LIABILITIES		**1,469,317**	1,870,090
TOTAL LIABILITIES		**4,866,730**	3,556,474
NET ASSETS		**2,714,636**	8,322,968
EQUITY			
Issued capital	19	**21,329,562**	21,329,562
Reserves	20	**747,566**	753,169
Accumulated losses		**(19,380,080)**	(13,759,763)
Total equity attributable to equity holders of the Company		**2,697,048**	8,322,968
Non-controlling interest		**17,588**	-
TOTAL EQUITY		**2,714,636**	8,322,968

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2024

2024

	Note	Issued capital $	Accumulated losses $	Reserves $	Non-controlling interests $	Total $
Balance at 1 July 2023		**21,329,562**	**(13,759,763)**	**753,169**	**-**	**8,322,968**
Loss after income tax for the year		**-**	**(5,620,317)**	**-**	**15,088**	**(5,605,229)**
Other comprehensive income for the year		**-**	**-**	**12,829**	**-**	**12,829**
Total comprehensive income for the year		**-**	**(5,620,317)**	**12,829**	**15,088**	**(5,592,400)**
Transactions with owners in their capacity as owners						
Share based payments: Options	21(b)	**-**	**-**	**40,152**	**-**	**40,152**
Share based payments: Employee Loan Funded Share Plan	21(c)	**-**	**-**	**(58,584)**	**-**	**(58,584)**
Contribution of equity from non-controlling interest		**-**	**-**	**-**	**2,500**	**2,500**
Balance at 30 June 2024		**21,329,562**	**(19,380,080)**	**747,566**	**17,588**	**2,714,636**

2023

	Note	Issued capital $	Accumulated losses $	Reserves $	Non-controlling Interests $	Total $
Balance at 1 July 2022		21,329,562	(8,725,181)	278,572	-	12,882,953
Loss after income tax for the year		-	(5,034,582)	-	-	(5,034,582)
Other comprehensive income		-	-	2,330	-	2,330
Total comprehensive income for the year		-	(5,034,582)	2,330	-	(5,032,252)
Transactions with owners in their capacity as owners						
Share based payments: Options	21(b)	-	-	162,731	-	162,731
Share based payments: Employee Loan Funded Share Plan	21(c)	-	-	309,536	-	309,536
Balance at 30 June 2023		21,329,562	(13,759,763)	753,169	-	8,322,968

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2024

	Note	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**136,064,083**	156,047,000
Payments to suppliers and employees		**(140,638,279)**	(158,933,676)
Interest received		**310,172**	200,338
Finance costs		**(10,664)**	(2,960)
Grants received		**305,601**	345,044
Net cash used in operating activities	32	**(3,969,087)**	(2,344,254)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for intangible assets		**(429,633)**	(560,891)
Payments for property, plant and equipment		**-**	(163,480)
Net cash used in investing activities		**(429,633)**	(724,371)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of convertible notes		**1,500,000**	-
Proceeds from borrowings		**-**	129,618
Repayment of borrowings		**(24,581)**	-
Payment of lease liabilities		**(454,738)**	(235,695)
Net cash provided by/(used in) financing activities		**1,020,681**	(106,077)
Net decrease in cash and cash equivalents held		**(3,378,039)**	(3,174,702)
Cash and cash equivalents at beginning of year		**5,863,053**	9,046,931
Effects of exchange rate changes on cash and cash equivalents		**(3,156)**	(9,176)
Cash and cash equivalents at end of financial year	8	**2,481,858**	5,863,053

The accompanying notes form part of these consolidated financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2024

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 proprietary 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.

The financial report was authorised for issue on 30 September 2024 by the board of directors.

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 financial assets.

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

2 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 $5,605,229 (2023: $5,034,582) for the year ended 30 June 2024 and incurred net cash outflows from operating and investing activities of $4,398,720 (2023: $3,068,625). As at 30 June 2024 the Group had cash and cash equivalents of $2,481,858 (2023: $5,863,053) and net current liabilities of $17,029 (2023: net current assets of $5,601,120).

Based on assumptions in Management's cash flow forecasts, assessing the Group's financial performance, cash flows and financial position as part of its management and monitoring of the Group's operations 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, the Group expects to have sufficient cash flows and liquidity for at least 12 months from the date of signing of the financial report. Accordingly, the directors have concluded it appropriate to prepare the financial report on a going concern basis. In forming this view, the Directors have had regard to the following:

- Management and Directors continue to closely monitor operating expenses and operating cash flows. Activities to streamline the business which commenced during the year will continue with a focus on eliminating or further reducing costs to a more sustainable level;

- 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 expected date of 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;

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Going concern (cont'd)

- In preparing these forecasts, Management and Directors considered and, where required made assumptions, as follows:
  - the Group has cash and cash equivalents of $1,408,043 at the date of this report;
  - the Group secured and received $2 million ($1.5 million already received in FY24) from the issue of unsecured convertible notes as part of a larger commitment of $3.5 million of funding. $500,000 was received post year end and the remaining $1.5 million is expected to be received in full by 30 November 2024;
  - anticipated expansion of new revenue opportunities introduced in FY24, including the corporate advisory business and the engagement of new affiliate partners;
  - projected continuing growth in financial product sales volumes to both existing and new clients from the implementation of initiatives underpinning the Group's strategy;
  - the Group's ability to continue sales and client acquisition growth rates consistent with that achieved and from the implementation of initiatives underpinning the Group's strategy;
  - the ability to complete the successful development and commercialisation of its technological projects in a manner that generates sufficient operating cash inflows;
  - funding capital and marketing spend that would be required to execute the Group's strategy on client acquisition and brand awareness;
  - continuing to closely manage costs and improving operating cash flows;
  - 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.

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.

Accordingly, the directors consider it is appropriate to prepare the consolidated financial statements on a going concern basis. In the event the Group is unable to achieve the matters set out above to enable the Group to have sufficient funding for ongoing operations, there is a material uncertainty that may cast significant doubt on whether the Group will be able to continue as a going concern and therefore, whether it will realise it assets and discharge its liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classifications of liabilities that may be necessary should the Group not be able to continue as a going concern.

Notes to the Financial Statements

For the Year Ended 30 June 2024

3 Material Accounting Policy Information

(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.

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.

(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.

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.

(c) Revenue and other income

(i) Revenue from contracts with customers

The core principles 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.

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

Commission revenue

The Group facilitates investments by its clients direct 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 revenue

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.

Other services revenue

Revenue from other services relates to corporate advisory services. The consideration is received monthly and recognised evenly in line with the performance obligation and benefit delivered to the customer.

Notes to the Financial Statements

For the Year Ended 30 June 2024

3 Material Accounting Policy Information (cont'd)

(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.

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. 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.

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.

(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.

Lessee accounting

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

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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

3 Material Accounting Policy Information (cont'd)

(e) Property, plant and equipment

Plant and equipment

Plant and equipment are measured using the cost model.

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

(f) 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)

Amortised cost

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

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.

Notes to the Financial Statements
For the Year Ended 30 June 2024

3 Material Accounting Policy Information (cont'd)

(f) Financial Instruments (cont'd)

Impairment of financial assets

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.

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

Trade receivables

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

Financial Liabilities

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

(g) 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 intangibles assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where the recoverable amount is less than the carrying value 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.

(h) Intangible assets

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 consolidated 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.

Notes to the Financial Statements
For the Year Ended 30 June 2024

3 Material Accounting Policy Information (cont'd)

(h) Intangible assets (cont'd)

Software and software development costs (cont'd)

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

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 is 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 intangible asset are shown below:

Asset class	Useful life
Software	8 -10 years

(i) 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 is 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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

3 Material Accounting Policy Information (cont'd)

(i) Share based payments (cont'd)

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 non-recourse 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.

(j) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 1 July 2023. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

The Group has adopted the amendments to AASB 101 *Presentation of Financial Statements* which require only the disclosure of material accounting policy information rather than significant accounting policies and therefore policy information which does not satisfy one of the following requirements has been removed from these financial statements:

- Relates to change in accounting policy
- Policy has been developed in the absence of an explicit accounting standard requirement
- Documents an accounting policy choice
- Relates to an area of significant judgement or estimation
- Relates to a complex transaction and is required to explain the treatment to the user.

Notes to the Financial Statements

For the Year Ended 30 June 2024

3 Material Accounting Policy Information (cont'd)

(k) 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 2024. 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.

4 Critical Accounting Estimates and Judgements

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 determines 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.

(b) Provisions

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.

(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. 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 13.

Notes to the Financial Statements

For the Year Ended 30 June 2024

5 Revenue and Other Income

	Note	2024 $	2023 $
Revenue from continuing operations - contracts with customers			
Revenue from contracts with customers has been disaggregated as follows:			
Type of contract			
- Commission revenue		**1,133,810**	815,984
- Arrangement revenue		**-**	159,370
- Other services		**190,500**	-
	(a)	**1,324,310**	975,354
Net income from financial instruments at fair value through profit or loss			
- Trading revenue		**2,775,782**	3,712,483
Total revenue		**4,100,092**	4,687,837
Other Income			
- R&D refundable tax rebate		**238,150**	336,389
- Interest received		**310,172**	200,338
- Other income		**111,237**	81,678
Total other income		**659,559**	618,405

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

6 Result for the Year

The result for the year includes the following specific expenses:

	2024 $	2023 $
Other expenses		
- Rent expense	**106,364**	294,246
- Advertising and marketing	**671,502**	879,479
- Administrative expenses	**1,015,102**	707,995
- Legal and professional fees	**846,375**	733,503
- Insurance expense	**421,885**	363,175
- Accounting and audit fees	**441,869**	349,080
- Research fees	**62,306**	115,411
- Information technology related expenses	**512,985**	384,682
	4,078,388	3,827,571
Depreciation, amortisation and impairment		
- Depreciation - property, plant and equipment	**29,144**	14,469
- Depreciation - right of use assets	**445,416**	222,709
- Amortisation - intangible assets	**211,189**	84,782
- Impairment - intangible assets	**134,893**	41,774
	820,642	363,734

Notes to the Financial Statements

For the Year Ended 30 June 2024

7 Income Tax Expense

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

	Note	2024 $	2023 $
Current tax expense			
Local income tax - current period	25(a)	**20,118**	-
Deferred tax expense			
Deferred tax expense	25(b)	**-**	-
Total income tax expense		**20,118**	-

(b) Reconciliation of income tax to accounting loss:

	2024 $	2023 $
Loss before tax for the year	**(5,585,111)**	(5,034,582)
Statutory taxation rate	**25.00%**	25.00%
	(1,396,278)	(1,258,645)
Add: Tax effect of non-deductible expenses:		
- R&D expenses	**153,969**	193,327
Less tax effect of non-assessable income:		
- Other income (refundable R&D tax offset)	**(67,234)**	(84,097)
Tax losses not recognised	**1,329,661**	1,149,415
Income tax expense	**20,118**	-

8 Cash and Cash Equivalents

	2024 $	2023 $
Cash at bank	**2,481,858**	5,863,053
	2,481,858	5,863,053

Cash and cash equivalents do not include the amount of $2,985,907 held in client trust accounts as at 30 June 2024 (June 2023: $12,398,461).

9 Trade and Other Receivables

	Note	2024 $	2023 $
CURRENT			
Trade receivables		**-**	271,742
Allowance for expected credit losses	(a)	**-**	-
		-	271,742
GST receivable		**51,562**	19,673
R&D tax rebate receivable		**268,937**	336,389
Other receivables		**25,767**	2,186
Total current trade and other receivables		**346,266**	629,990

Notes to the Financial Statements

For the Year Ended 30 June 2024

9 Trade and Other Receivables (cont'd)

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 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 are grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2024 is determined to be nil (2023: nil)

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. Accordingly, the Group has determined the expected loss rates to be 0% for all receivables (2023: 0%).

(b) Collateral held as security

The Group does not hold any collateral over any receivables balances.

10 Financial Assets

Financial assets at fair value through profit or loss

		2024 $	2023 $
CURRENT			
Corporate bonds		-	19,000
Market-linked instruments	(a)	-	282,850
		-	301,850

(a) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

10 Financial Assets (cont'd)

(a) Fair value estimation (cont'd)

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.

There were no financial assets held at fair value through profit or loss at June 2024 (2023: 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.

11 Other Assets

	Note	2024 $	2023 $
CURRENT			
Prepayments		**532,150**	483,759
Deposits		**20,110**	8,852
		552,260	492,611
NON-CURRENT			
Bank guarantee	(a)	**354,833**	354,833
		354,833	354,833

(a) Bank guarantees

A bank guarantee is held as security in favour of the lessor in respect of the office lease. As the deposit is secured under these terms, it is not accessible by the Group. The potential exposure is treated as a contingent liability. Further information is presented in Note 18 and Note 30.

Notes to the Financial Statements

For the Year Ended 30 June 2024

12 Property, Plant and Equipment

	2024 $	2023 $
Motor vehicles		
At cost	**127,332**	127,332
Accumulated depreciation	**(18,083)**	(3,616)
	109,249	123,716
Computer equipment		
At cost	**72,948**	72,895
Accumulated depreciation	**(42,484)**	(27,807)
	30,464	45,088
Total property, plant and equipment	**139,713**	168,804

(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 2024			
Balance at the beginning of year	**123,716**	**45,088**	**168,804**
Additions	**-**	**-**	**-**
Depreciation expense	**(14,467)**	**(14,677)**	**(29,144)**
Foreign exchange movements	**-**	**53**	**53**
Balance at the end of the year	**109,249**	**30,464**	**139,713**
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

Notes to the Financial Statements

For the Year Ended 30 June 2024

13 Intangible Assets

	2024 $	2023 $
Software		
Cost	**1,398,304**	1,228,100
Accumulated amortisation and impairment	**(500,686)**	(226,424)
	897,618	1,001,676
Software development costs		
Cost	**1,321,674**	1,062,245
Accumulated amortisation and impairment	**(71,820)**	-
	1,249,854	1,062,245
Total Intangible assets	**2,147,472**	2,063,921

The aggregate amount of research and development expenditure recognised as an expense during the year is $188,615 (2023: $212,416).

(a) Movements in carrying amounts of intangible assets

	Note	Software $	Software development costs $	Total $
Year ended 30 June 2024				
Balance at the beginning of the year		**1,001,676**	**1,062,245**	**2,063,921**
Additions		**-**	**429,633**	**429,633**
Transfers	(b)	**170,204**	**(170,204)**	**-**
Amortisation		**(211,189)**	**-**	**(211,189)**
Impairment	(c)	**(63,073)**	**(71,820)**	**(134,893)**
Closing value at 30 June 2024		**897,618**	**1,249,854**	**2,147,472**
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	(b)	561,797	(561,797)	-
Amortisation		(84,782)	-	(84,782)
Impairment	(c)	(41,774)	-	(41,774)
Closing value at 30 June 2023		1,001,676	1,062,245	2,063,921

(b) Transfers

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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

13 Intangible Assets (cont'd)

(c) Impairment

Impairment expenses relate to capitalised software development costs for projects which were 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.

(d) Impairment testing

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 recoverable amount was last assessed at June 2024 and the following key assumptions were used in the VIU model.

i. Revenue growth rate of 104% in year one and 7% in each of years 2 to 5;

ii. Pre-tax discount rate of 20% (2023: 40%);

iii. Long term growth rate of 2% (2023: 2%) beyond five-year period for the CGU; and

iv. Operating costs and overheads based on current expenditure levels adjusted for inflationary increases.

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Revenue	Based on performance and management's expectations of market development.
Long-term growth rate	This is the growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
Pre-tax discount rates	Reflect specific risks relating to the Group. During the year, the Group considered its assumptions in respect of its cost of capital and other risks and arrived at a 20% pre-tax discount rate compared to 40% in the prior year.

Sensitivity

The directors have made judgements and estimates in respect of impairment testing of intangible assets. Should these judgements and estimates not occur the resulting intangible assets carrying amount may decrease. The sensitivities are as follows:

- Revenue growth rate in year one would need to decrease to 48% before intangible assets would need to be impaired, with all other assumptions remaining constant.

- Revenue growth rate in years 2 to 5 would need to decrease to -5.30% in each of the years before

Notes to the Financial Statements

For the Year Ended 30 June 2024

13 Intangible Assets (cont'd)

(d) Impairment testing (cont'd)

intangible assets would need to be impaired, with all other assumptions remaining constant.

- The pre-tax discount rate would need to increase to 101% before intangible assets would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of $23,500,000 intangible assets is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of intangible assets is based, this may result in an impairment charge for the intangible assets.

14 Trade and Other Payables

	2024 $	2023 $
CURRENT		
Trade payables	**632,614**	340,107
Other payables	**341,315**	548,797
	973,929	888,904

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.

15 Borrowings

	Note	2024 $	2023 $
CURRENT			
Convertible notes	(a)	**1,500,000**	-
Interest on convertible notes	(a)	**16,877**	-
Finance lease obligations	(b)	**14,737**	13,474
		1,531,614	13,474
NON-CURRENT			
Finance lease obligations	(b)	**101,407**	116,144
		101,407	116,144

Notes to the Financial Statements

For the Year Ended 30 June 2024

15 Borrowings (cont'd)

(a) Convertible notes

The Group issued 1,500,000 convertible notes during the year for total consideration of $1,500,000. The following terms apply to the convertible notes:

i. The convertible notes are unsecured and rank at least equally with all past and future unsubordinated and unsecured obligations of the Group.

ii. Interest accrues at a rate of 8% per annum, payable in cash quarterly or shares at the noteholders' election.

iii. The convertible notes mature three years from the date of issue, being 24 April 2027 for the first tranche of 500,000, 24 May 2027 for the second tranche of 500,000, and 24 June 2027 for the third tranche of 500,000.

iv. Conversion price is the lower of 80% of the 90-day volume weighted average price of the Company's shares at the time of conversion and $0.40, but not less than $0.07. This gives rise to a derivative financial liability with a fair value of $nil.

v. All notes are convertible at any time 12 months after the date of issuance, at the discretion of the noteholders.

vi. If the convertible notes have not converted prior to the maturity date, any outstanding amounts must be repaid by the Group to the noteholder.

(b) Finance lease obligations

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, being March 2028.

16 Provisions

	Note	2024 $	2023 $
NON-CURRENT			
Make good provision	18	**101,200**	101,200

(a) Lease make good provision

The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the lease term. More information on the Group's leases is presented in Note 18.

Notes to the Financial Statements

For the Year Ended 30 June 2024

17 Employee Benefits

	Note	2024 $	2023 $
CURRENT			
Leave obligations		**369,213**	436,616
Deferred salaries	(a)	**156,139**	-
Other employee benefits		**6,517**	14,913
		531,869	451,529
NON-CURRENT			
Leave obligations		**53,377**	45,547
		53,377	45,547

(a) Deferred salaries

On 10 October 2023, the Group announced to the market that the Board and C-Suite had been subject to a 33.33% reduction in directors' fees with effect from 1 October 2023. Effective 1 May 2024, the full amount of directors' fees was reinstated for the remaining directors. Accordingly, a provision of $156,139 has been recognised for the period 1 October 2023 to 30 April 2024 within 'Employee benefits expense' with respect to the expectations to repay salaries upon those recoupment conditions being met.

18 Right-of-use Assets and Lease Liabilities

(a) The Group as a lessee

The Group leases 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. As the deposit is secured under these terms, it is not accessible by the Group. The potential exposure is treated as a contingent liability. Further information is presented in Note 11 and Note 30.

The lease terms include an obligation to ‘make good’ the leased premises at the end of the lease term. Further information is presented in Note 16.

Right-of-use assets

	Buildings $	Total $
Year ended 30 June 2024		
Balance at beginning of year	**2,004,380**	**2,004,380**
Depreciation charge	**(445,416)**	**(445,416)**
Balance at end of year	**1,558,964**	**1,558,964**

Notes to the Financial Statements
For the Year Ended 30 June 2024

18 Right-of-use Assets and Lease Liabilities (cont'd)

Right-of-use assets (cont'd)

	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 Consolidated Statement Of Financial Position $
2024					
Lease liabilities	**440,856**	**1,311,660**	**-**	**1,752,516**	**1,553,216**
2023					
Lease liabilities	454,738	1,791,435	-	2,246,173	1,939,676

Lease liabilities included in the statement of financial position of $1,553,216 (2023: 1,939,676) incorporates a current liability of $339,883 (2023: $332,477) and non-current liability of $1,213,333 (2023: $1,607,199) as of 30 June 2024.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

	2024 $	2023 $
Interest expense on lease liabilities	**107,989**	61,427
Depreciation of right-of-use assets	**445,416**	222,709
Expenses relating to short-term leases	**106,364**	308,518
	659,769	592,654

Consolidated Statement of Cash Flows

	2024 $	2023 $
Total cash outflow for leases	**669,091**	605,640

Notes to the Financial Statements

For the Year Ended 30 June 2024

19 Issued Capital

	Note	2024	2023
		$	$
113,863,338 (2023: 114,858,561) ordinary shares	19(a)	**21,779,922**	22,154,922
Less: 1,195,223 (2023: 2,190,446) treasury shares	19(b)	**(450,360)**	(825,360)
Total		**21,329,562**	21,329,562

(a) Movement in ordinary shares

	Note	No	$
Opening balance at 1 July 2023		**114,858,561**	22,154,922
8 March 2024: Forfeiture of shares under ELFSP	19(c)	**(995,223)**	(375,000)
Balance as at 30 June 2024		**113,863,338**	21,779,922
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

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.

Restricted shares

There were no share restrictions as at 30 June 2024 (excluding treasury shares). 73,915,012 ordinary shares (excluding treasury shares) restricted from trading until 6 December 2023 were released from escrow during the year.

(b) Movement in treasury shares

	Note	No.	$
Opening balance at 1 July 2023		**(2,190,446)**	(825,360)
8 March 2024: Forfeiture of shares under ELFSP	19(c)	**995,223**	375,000
Balance as at 30 June 2024		**(1,195,223)**	(450,360)
Opening balance at 1 July 2022		**(2,190,446)**	(825,360)
Movement		**-**	-
Balance as at 30 June 2023		**(2,190,446)**	(825,360)

Treasury shares

Treasury shares relate to ELFSP shares, which are restricted until the associated loans have been fully repaid. 1,195,223 ordinary shares are restricted from trading until 9 May 2025, under the terms of the ELFSP.

Notes to the Financial Statements
For the Year Ended 30 June 2024

19 Issued Capital (cont'd)

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

Further information on the ELFSP is presented in Note 21(c).

(c) Explanation of Movements

On 8 March 2024, a former employee who was a participant of the ELFSP ceased being employed by the Group and thereby did not meet the vesting conditions of shares granted to him under the ELFSP. This resulted in a forfeiture of his shares and reversal of the related share-based payment expense recognised to date.

(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 30 June 2024, the Group had net debt, including cash and cash equivalents, lease liabilities and borrowings, of $704,379 (2023: net surplus of $3,793,759) and total equity of $2,714,636 (2023: $8,322,968).

20 Reserves

(a) Share-based payments reserve

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

Movement in share-based payment reserve

	Note	Options No.	ELFSP shares No.	Share-based payment $
Opening balance at 1 July 2023		7,618,051	2,190,446	750,839
Share based payments: ELFSP shares	21(c)	-	(995,223)	(58,584)
Share based payments: Options	21(b)	(2,466,667)	-	40,152
Balance at 30 June 2024		**5,151,384**	**1,195,223**	**732,407**
Opening balance at 1 July 2022		3,918,051	2,190,466	278,572
Share based payments: ELFSP shares	21(c)	-	-	309,536
Share based payments: Options	21(b)	3,700,000	-	162,731
Balance at 30 June 2023		7,618,051	2,190,466	750,839

Notes to the Financial Statements

For the Year Ended 30 June 2024

20 Reserves (cont'd)

(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 in foreign currency translation reserve:

	2024 $	2023 $
Opening balance at 1 July	**2,330**	-
Movement	**12,829**	2,330
Closing balance at 30 June	**15,159**	2,330

21 Share-Based Payments

(a) Lead manager options

During the previous financial 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. A share-based payment expense was recognised at grant date in full as there were no vesting conditions.

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

Fair Value Measurement

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

The model inputs for Lead Manager Options issued 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 8 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) Options issued to employees under employment terms

During the previous financial year, ABE granted 3,700,000 options to Kevin Hall on his appointment as 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.

Notes to the Financial Statements
For the Year Ended 30 June 2024

21 Share-Based Payments (cont'd)

(b) Options issued to employees under employment terms (cont'd)

The options granted were 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 were to 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.

The terms of the agreement were such that if Mr Hall ceased to be employed by the Group before the vesting period, he would no longer be entitled to the options. Mr Hall's position was made redundant on 9 March 2024 and accordingly the second two tranches totalling 2,466,667 options were forfeited.

In accordance with Australian accounting standards, a share-based payments expense of $40,152 was recognised in the consolidated statement of profit or loss and other comprehensive income representing the amounts vested, and forfeited, for the year ended 30 June 2024 (2023: $162,731).

Fair Value Measurement

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

The model inputs used to determine the fair value of options granted 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

(c) Employee loan funded share plan (ELFSP)

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

Notes to the Financial Statements

For the Year Ended 30 June 2024

21 Share-Based Payments (cont'd)

(c) Employee loan funded share plan (ELFSP) (cont'd)

During the year, Mr Simon McCarthy, KMP and a participant in the ELFSP, retired. As Mr McCarthy 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 McCarthy'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. This resulted in a total expense of $28,492 being recognised in respect of Mr McCarthy's ELFSP shares for the year.

Other employees who are not members of Key Management Personnel may also be offered participation in the ELFSP. One participant in the ELFSP left the Group during the year, forfeiting their shares. This resulted in a reversal of expense amounting to $87,076 and a reduction to the number and value of treasury shares by 995,223 and $375,000 respectively.

A net reversal of a share-based payment of $58,584 (2023: expense of $309,536) has been recognised in the statement of profit or loss and other comprehensive income with a corresponding entry to the share-based payment reserve.

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 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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

21 Share-Based Payments (cont'd)

(d) 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	2024 $	2023 $
Share issued under ELFSP	21(b)	**(58,584)**	309,536
Options issued to employees under employment terms	21(c)	**40,152**	162,731
		(18,432)	472,267

22 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:

	2024 $	2023 $
Financial assets		
At amortised cost		
Cash and cash equivalents	**2,481,858**	5,863,053
Trade and other receivables	**25,767**	273,928
At fair value		
Financial assets at fair value through profit or loss	**-**	301,850
Total financial assets	**2,507,625**	6,438,831

Notes to the Financial Statements
For the Year Ended 30 June 2024

22 Financial Risk Management (cont'd)

	2024 $	2023 $
Financial liabilities		
At amortised cost		
Trade and other payables	**896,711**	605,083
Borrowings	**1,633,021**	129,618
Lease liabilities	**1,553,216**	1,939,676
Total financial liabilities	**4,082,948**	2,674,377

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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

22 Financial Risk Management (cont'd)

Price risk (cont'd)

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.

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

	2024		2023	
	+5.00%	-5.00%	+5.00%	-5.00%
ASX Index				
Impact on post-tax loss	-	-	15,093	(15,093)
Impact on equity	-	-	15,093	(15,093)

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	
	2024	2023	2024	2023	2024	2023	2024	2023
	%	%	$	$	$	$	$	$
Financial liabilities due for payment								
Trade and other payables	-	-	**896,711**	605,083	-	-	**896,711**	605,083
Lease liabilities	**6.00**	6.00	**440,856**	332,477	**1,311,660**	1,791,435	**1,752,516**	2,123,912
Finance lease obligation	**8.99**	8.99	**24,851**	24,851	**120,549**	145,129	**145,400**	169,980
Convertible notes	**8.00**	-	**1,516,877**	-	-	-	**1,516,877**	-
Total contractual outflows			**2,879,295**	962,411	**1,432,209**	1,936,564	**4,311,504**	2,898,975

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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

22 Financial Risk Management (cont'd)

Credit risk (cont'd)

The Group has the following credit risks:

	2024	2023
	$	$
Cash at bank		
AA	**2,481,858**	5,863,053
Corporate bonds and market-linked securities		
Not rated	**-**	301,850

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.

	2024	2023
	$	$
Neither past due nor impaired	**25,767**	273,928
Past due but not impaired	**-**	-
Past due and impaired	**-**	-
Total	**25,767**	273,928

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.

23 Operating Segments

Segment information

Identification of reportable operating 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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

23 Operating Segments (cont'd)

Identification of reportable operating segments (cont'd)

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.

24 Contracted Commitments

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

	2024 $	2023 $
Partnership agreements for research and marketing service	**194,165**	145,466
Public and investor relations	**-**	82,500
	194,165	227,966

Notes to the Financial Statements
For the Year Ended 30 June 2024

25 Tax assets and liabilities

(a) Current Tax Liability

	2024 $	2023 $
Income tax payable	**20,118**	-
Current tax liabilities	**20,118**	-

(b) Deferred tax assets

	Opening Balance $	Charged to Income $	Charged directly to Equity $	Closing Balance $
Tax losses	264,404	93,974	-	358,378
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)	(634,318)	-	(1,115,393)
Balance at 30 June 2023	-	-	-	-
Tax losses	**358,378**	**6,885**	**-**	**365,263**
Employee benefit	**145,921**	**7,594**	**-**	**153,515**
Accrued expenses	**40,823**	**28,383**	**-**	**69,206**
Capital raising costs	**85,352**	**(22,263)**	**-**	**63,089**
Lease liabilities	**484,919**	**(61,387)**	**-**	**423,532**
Set-off of deferred tax liabilities	**(1,115,393)**	**40,788**	**-**	**(1,074,605)**
Balance at 30 June 2024	**-**	**-**	**-**	**-**

Notes to the Financial Statements
For the Year Ended 30 June 2024

25 Tax assets and liabilities (cont'd)

(c) Deferred tax liabilities

	Opening Balance $	Charged to Income $	Charged directly to Equity $	Closing Balance $
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)	(634,318)	-	(1,115,393)
Balance at 30 June 2023	-	-	-	-
Property, plant and equipment	**23,666**	**(6,322)**	**-**	**17,344**
Prepaid expenses	**64,209**	**18,028**	**-**	**82,237**
Intangible assets	**526,423**	**58,860**	**-**	**585,283**
ROU asset	**501,095**	**(111,354)**	**-**	**389,741**
Set-off of deferred tax liabilities	**(1,115,393)**	**40,788**	**-**	**(1,074,605)**
Balance at 30 June 2024	-	-	-	-

(d) Deferred tax assets not recognised

	2024 $	2023 $
Unused tax losses for which no deferred tax asset has been recognised	**12,137,229**	9,346,396
Potential tax benefit @ 25% (2023: 25%)	**3,034,307**	2,336,599

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% (2023:25.0%). The Group meets the small business eligibility criteria set by the Australian Taxation Office.

26 Dividends

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

Notes to the Financial Statements

For the Year Ended 30 June 2024

27 Key Management Personnel Remuneration

The total Key Management Personnel remuneration paid or payable for the year is shown below:

	2024	2023
	$	$
Short-term employee benefits	**1,690,267**	2,002,955
Post-employment benefits	**91,395**	160,464
Long-term benefits	**7,830**	45,547
Share-based payments	**69,004**	396,060
	1,858,496	2,605,026

a) Included in Key Management Personnel remuneration, in Short-term employee benefits, is $116,612 (2023: $215,683) that has been capitalised as part of Development costs in Intangible assets for the year.

28 Auditors' Remuneration

	2024	2023
	$	$
Remuneration of the auditor KrestonSW Audit Pty Ltd, for:		
- Audit and review of financial statements	**229,629**	157,857
Total	**229,629**	157,857

29 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2024	Percentage Owned (%)* 2023
Subsidiaries:			
Australian Bond Exchange Pty Ltd	Australia	**100**	100
ABE Settlements Pty Ltd	Australia	**100**	100
BX Provider Services Pty Ltd **	Australia	**100**	100
ABX Operations Pty Ltd **	Australia	**100**	100
ABE Capital Markets Pte Ltd	Singapore	**100**	100
ABE Investment Management Pty Ltd (Incorporated 26 July 2023)	Australia	**75**	-
ABEX Asset Management Pte Ltd (Incorporated 25 October 2023)	Singapore	**100**	-
ABE Capital Management Pty Ltd (Incorporated 3 November 2023	Australia	**100**	-
ABE Distribution Pty Ltd (Incorporated 24 November 2023)	Australia	**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.

Notes to the Financial Statements
For the Year Ended 30 June 2024

30 Contingencies

The Group provides a bank guarantee to its lessor as security against loss or damage. The outstanding bank guarantee at 30 June 2024 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 $727,407 over the remaining lease term.

In the opinion of the Directors, the Company did not have any other contingencies at 30 June 2024 (30 June 2023: None).

31 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 27.

ii. Subsidiaries- refer to Note 29.

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.

	2024 $	2023 $
Purchases	455,075	1,484,070
Sales	-	2,022,872

ii. Brokerage paid or payable to related parties was $1,080 (2023: $ 101,983). These amounts are included in Brokerage costs in the statement of profit or loss and other comprehensive income. The balance payable at 30 June 2024 was $nil (2023: $5,248).

(c) Loans to/from related parties

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

Notes to the Financial Statements

For the Year Ended 30 June 2024

32 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2024	2023
	$	$
Loss for the year	**(5,605,229)**	(5,034,582)
Non-cash flows in loss:		
- lease finance costs	**107,989**	61,427
- share based (credit)/expenses	**(18,432)**	472,267
- depreciation	**474,560**	237,178
- amortisation	**211,189**	84,782
- impairment	**134,893**	41,774
- other	**6,705**	(439)
Changes in operating assets and liabilities:		
- decrease in trade and other receivables	**283,724**	299,810
- increase in other assets	**(59,649)**	(263,812)
- decrease in financial assets	**301,850**	1,330,016
- increase in trade and other payables	**85,025**	244,752
- increase in employee benefits	**88,170**	182,573
- increase in income taxes payable	**20,118**	-
Cashflows used in operating activities	**(3,969,087)**	(2,344,254)

33 Events Occurring After the Reporting Date

Subsequent to the year end, the following activities occurred:

On 15 July 2024, ABE incorporated ABE Guardian Pty Ltd ("ABE Guardian") and executed an agreement with the existing trustee, BG Funds Management Pty Ltd ("BGFM"), to appoint ABE Guardian as the new trustee of ACOF and remove BGFM. This agreement is effective 15 October 2024. The Group is considering whether the effects of the executed agreement result in ABE having control over ACOF. An estimate of the financial effect is impracticable at this time.

No other matters or circumstances have arisen since the end of the financial 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

For the Year Ended 30 June 2024

34 Earnings Per Share

	2024	2023
	$	$
Loss from continuing operations	**(5,620,317)**	(5,034,582)
	No.	**No.**
Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive earnings per share	**112,668,115**	112,668,115

The 5,151,384 options outstanding (2023: 7,618,051) and convertible notes amounting to $1,500,000 (2023: nil) are not included in the calculation of diluted earnings per share because they are antidilutive for the year ended 30 June 2024. 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 1,882,336 (2023: 2,190,446) treasury shares.

35 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
- 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.

No wholly owned subsidiary who was party to this deed of cross guarantee will rely on the reporting relief available under this instrument (2023: none).

36 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.

Notes to the Financial Statements
For the Year Ended 30 June 2024

36 Parent Entity (cont'd)

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.

	2024 $	2023 $
Statement of Financial Position		
Assets		
Current assets	**1,758,012**	5,733,254
Non-current assets	**4,764,627**	9,388,618
Total Assets	**6,522,639**	15,121,872
Liabilities		
Current liabilities	**3,756,166**	309,148
Total Liabilities	**3,756,166**	309,148
Equity		
Issued capital	**21,129,562**	21,129,562
Accumulated losses	**(19,095,496)**	(7,107,921)
Reserves	**732,407**	750,840
Total Equity	**2,766,473**	14,772,481
Statement of Profit or Loss and Other Comprehensive Income		
Total loss for the year	**(12,006,008)**	(2,310,456)
Other Comprehensive Income	**-**	-
Total comprehensive expense	**(12,006,008)**	(2,310,456)

Guarantees

The parent entity has entered into a Deed of Cross-Guarantee with the effect that the Company guarantees debts in respect of certain subsidiaries.

Further details of the Deed of Cross-Guarantee and the entity subject to the deed are disclosed in Note 35.

Notes to the Financial Statements
For the Year Ended 30 June 2024

36 Parent Entity (cont'd)

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2024 or 30 June 2023.

Contractual commitments

The parent entity did not have any commitments as at 30 June 2024 or 30 June 2023.

37 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

Consolidated Entity Disclosure Statement
As at 30 June 2024

Entity name	Type of entity	Trustee, partner, JV participant	Country of incorporation	% ownership	Australian resident or foreign resident	Foreign jurisdiction of foreign residents
Australian Bond Exchange Holdings Limited	Body corporate	n/a	Australia	n/a	Australian	n/a
Australian Bond Exchange Pty Ltd	Body corporate	n/a	Australia	100	Australian	n/a
ABE Settlements Pty Limited	Body corporate	n/a	Australia	100	Australian	n/a
BX Provider Services Pty Ltd	Body corporate	n/a	Australia	100	Australian	n/a
ABX Operations Pty Ltd	Body corporate	n/a	Australia	100	Australian	n/a
ABE Capital Management Pty Ltd	Body corporate	n/a	Australia	100	Australian	n/a
ABE Distribution Pty Ltd	Body corporate	n/a	Australia	100	Australian	n/a
ABE Investment Management Pty Ltd	Body corporate	n/a	Australia	75	Australian	n/a
ABE Capital Markets Pte Ltd	Body corporate	n/a	Singapore	100	Foreign	Singapore
ABEX Asset Management Pte Ltd	Body corporate	n/a	Singapore	100	Foreign	Singapore

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of tax residency

Section 295 (3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Directors have applied the following interpretations:

- **Australian tax residency**

The Directors have applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

- **Foreign tax residency**

Where necessary, the Directors have used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the *Corporations Act 2001*).

Directors' Declaration

The directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2024 are set out on pages 28 to 69 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 2024 and of its performance for the financial year ended on that date.

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. Presenting a consolidated entity disclosure statement on page 70 that is true and correct.

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

5. As at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 35 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 35.

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 this 30th day of September 2024

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

Qualified 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 2024, 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 material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section, 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 2024 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

Included in the consolidated statement of financial position are intangible assets of $2,147,472 as disclosed in Note 13. In accordance with the requirements of AASB 136 *Impairment of assets*, the Group has undertaken an impairment assessment of its Intangible assets.

Due to the significant variability of the future cash flows of the assets, we were unable to satisfy ourselves as to the appropriateness and reliability of the forecast of future cashflows that was included in the impairment model. Therefore we were unable to obtain sufficient appropriate audit evidence about the carrying value of the Intangible assets as at 30 June 2024.

Consequently, we were unable to determine whether any adjustments to the carrying of the Intangible assets in the statement of financial position are necessary for the year ended 30 June 2024.

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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

ADVISORS FOR YOUR FUTURE

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CHARTERED ACCOUNTANTS AUSTRALIA + NEW ZEALAND

MEMBER OF THE FORUM OF FIRMS

Material uncertainty related to Going Concern

We draw attention to Note 2 in the financial report which describes the events or conditions which give rise to the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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.

In addition to the matters described in the *Basis of Qualified Opinion* and *Material uncertainty related to Going Concern* sections, we have determined there are no key audit matters to be communicated in our report.

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 2024 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 consolidated financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and

- the consolidated entity disclosure statement that is true and correct in accordance with *Corporation Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

- the consolidated financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

- the consolidated entity disclosure statement that is true and correct and is free of 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 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 2024.

In our opinion the Remuneration Report of Australian Bond Exchange Holdings Limited for the year ended 30 June 2024 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.

KrestonSW Audit

KrestonSW Audit Pty Ltd

Kamal Thakkar
Director
Sydney
30 September 2024

SHAREHOLDER INFORMATION

There were 113,863,338 ordinary shares held by 633 shareholders all of which are quoted on the ASX.

The following information was extracted from Australian Bond Exchange Holdings Limited's (Group) Register of Shareholders on 31 August 2024:

Top Holders (Grouped) as of 31 August 2024

Rank	Name	Number of shares	% Units
1	FIELDROCK PTY LIMITED <JBM FAMILY A/C>	51,919,996	45.60
2	ANEX INDUSTRIAL CORPORATION PTY LTD <FARRAR FAMILY A/C>	7,417,142	6.51
2	LANNALI PTY LIMITED <SUPERANNUATION FUND ACCOUNT>	7,417,142	6.51
2	TOACH PTY LIMITED <DONK FAMILY A/C>	7,417,142	6.51
5	PEARCE FAMILY (AUSTRALIA) PTY LTD	4,000,000	3.51
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,949,295	1.71
7	MR MARK STEPHEN O'LEARY	1,600,000	1.41
8	MR TIMOTHY KAIGHIN + MRS JOHANNA KATHERINE KAIGHIN <KAIGHIN FAMILY S/F A/C>	1,451,445	1.27
9	MS SUSAN CAROLYN GEORGE	1,196,762	1.05
10	MR PETER FOLTMAN	1,041,377	0.91
11	ANDRAN PTY LTD	1,000,000	0.88
12	TENWOOD PTY LTD <HODGKINSON SUPER FUND A/C>	800,000	0.70
13	ANIDAN SUPER PTY LTD <HENK AND TERESA S/F A/C>	730,000	0.64
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
14	WOODLEA PTY LTD <SUPERANNUATION FUND ACCOUNT>	500,000	0.44
17	RELIANZ COMMUNICATIONS PTY LTD	350,000	0.31
18	VALUEADMIN COM PTY LTD	339,000	0.30
19	CERTANE CT PTY LTD <L39 CAPITAL A/C>	308,000	0.27
20	MR HENK VANDERPLUYM	301,299	0.26
Totals:	**Top 20 holders of ORDINARY FULLY PAID SHARES (Total)**	**90,738,600**	**79.69**

The shareholder information set out below was applicable as at 31 August 2024:

Distribution of shareholdings

Range	Number of holders	Number of shares	% Units
1 - 1,000	20	9,915	0.01
1,001 - 5,000	116	420,863	0.37
5,001 - 10,000	104	842,689	0.74
10,001 - 100,000	314	12,067,759	10.60
100,001 Over	79	100,522,112	88.28
Total	**633**	**113,863,338**	**100.00**

Unlisted Options

At 31 August 2024, there were 5,151,384 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 1,233,333 options have an exercise price of $0.41 per share and will expire in five years, being 8 February 2028.

SHAREHOLDER INFORMATION

Substantial Option Holders

Substantial option holders in the Company are set out below:

Substantial Option Holders	Holdings	% of total Options Issued
Kevin Hall	1,233,333	23.94%

Restricted Securities

As of 31 August 2024
Shares subject to ASX-imposed escrow restrictions:
No 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 29th November 2024 at 11:00am at ABE Registered Office at Level 19, 15 Castlereagh St, Sydney NSW 2000

Marketable parcels

As at 31 August 2024, using the last traded share price of $0.031 per share, there were 314 holdings totaling 2,319,711 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	45.60
2	ANEX INDUSTRIAL CORPORATION PTY LTD <FARRAR FAMILY A/C>	7,417,142	6.51
2	LANNALI PTY LIMITED <MUELLER INVESTMENT A/C>	7,417,142	6.51
2	TOACH PTY LIMITED <DONK FAMILY A/C>	7,417,142	6.51

CORPORATE DIRECTORY

Board Members
Bradley McCosker – Chief Executive Officer and Managing Director
Michael Vanderdonk – Chief Technology Officer and Executive Director
Anthony Hartman – Non-Executive Directorr

Company Secretary
Vicki Grey

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 Investor Services Pty Ltd
Level 17, 221 St Georges Terrace
Perth WA 6000
Phone: 1300 850 505 (within Australia)
or +61 3 9415 4000 (outside Australia)
between 8:30am and 5:00pm (Sydney Time),
Monday to Friday

Website
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