

16 December 2024

## **Australian Bond Exchange Holdings Limited – Notice in accordance with Listing Rule 18.7**

Australian Bond Exchange Holdings Ltd ACN 629 543 193 (ASX:ABE) (**ABE** or **the Company**) provides the following responses to the Appendix 4C query made by the ASX on 11 December 2024.

### **Background:**

ABE released its Appendix 4C Quarterly cash flow report for Quarter ended 30 September 2024. In that report, in item 8.5 ABE reported it had an estimated number of quarters of funding available of 2. Due to a rounding operation in the reporting function, this rounded the actual number of 1.951417. Because of this difference of 0.048583 quarters of estimated funding available, the ASX has requested that ABE provide answers to a number of questions. ABE's responses are set out below.

These answers are addressed below.

- 1) *Does ABE expect that it will continue to have negative operating cash flows for the time being and, if not, why not?*

ABE operates on the global financial markets that are, by their very nature, uncertain. While ABE manages its costs diligently and seeks to grow underlying revenues, the small size of ABE and the uncertain underlying global financial markets in which it operates means that ABE cannot commit to making a statement of positive operating cash flows in the short term.

- 2) *Has ABE taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe they will be successful?*

At its Annual General Meeting held in November 2023, ABE obtained shareholder approval to raise up to \$10 million via unsecured convertible notes. ABE secured funding via the issue of \$3.5 million in unsecured convertible notes in February 2024. A total of \$2 million has been drawn down to date and the remaining \$1.5 million in commitments is still expected to be made in the near term.

Further, ABE confirms that it obtained consent from its shareholders at the Annual General Meeting held in November 2024 to raise additional capital via the issue of up to \$10 million of unsecured convertible notes.

The funds raised from this additional convertible note issue will provide additional cash to fund its operations.

- 3) *Does ABE expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

The Board of ABE confirms that it expects to be able to continue its operations and to meet its business objectives.

As announced to the market in the CEO's Report delivered at the November 2024 Annual General Meeting, over 2024 ABE took steps to streamline the business. These steps fell under the following four work streams:

- (a) we delayed the organisation;
- (b) we performed a work redesign;

- (c) we commenced the verticalization process; and
- (d) we undertook a systematic change.

The positive impact of these steps will continue to flow through to ABE's operations over time and are designed to better position ABE to expand on the over \$6.2 billion in securities traded on behalf of clients since inception and, in particular, support the following ABE business opportunities:

- (a) continue product innovation by identifying products that are attractive to Australian private investors;
- (b) ensure Australian investors benefit from our 'Investor Protection' process that is underscored by our artificial intelligence (AI) corporate credit tool;
- (c) leveraging our existing relationships in the global financial markets both in Australia and offshore to ensure ABE clients benefit from improved liquidity flow; and
- (d) reduce transaction costs for investors in the OTC market via our in-house transaction technology to provide investors with a faster and more efficient transaction lifecycle.

The above business activities, coupled with the ability to raise more capital following the successful shareholder resolution at the Annual General Meeting held in November 2024 as answered in question 2 above, provide the Board with the basis to form this view.

- 4) *Please confirm that ABE is complying with the Listing Rules and, in particular, Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.*

ABE considers that it is complying with the Listing Rules. As at the date of this letter, the Board considers that there is no information that should be given to the ASX about its financial condition that has not already been released to the market in accordance with Listing Rule 3.1.

This announcement was authorised for release by the Board of Australian Bond Exchange Holdings Limited.

Ms Vicki Grey  
Company Secretary

**For further information please contact:**

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**About Australian Bond Exchange Holdings**

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

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

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

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



11 December 2024

Reference: 102905

Ms Vicki Grey  
General Counsel & Company Secretary  
Australian Bond Exchange Holdings Limited  
Level 19  
15 Castlereagh Street  
Sydney NSW 2000

By email

Dear Ms Grey

**Australian Bond Exchange Holdings Limited ('ABE'): Appendix 4C Query**

ASX refers to the following:

ABE's Appendix 4C quarterly report for the period ended 30 September 2024 lodged with the ASX Market Announcements Platform and released to the market on 31 October 2024 (the 'Appendix 4C').

ASX notes that ABE reported the following in its Appendix 4C:

- negative net operating cash flows for the quarter of \$1,482,000;
- cash at the end of the quarter of \$1,392,000; and
- financing facilities available at quarter end of \$1,500,000.

It is possible to conclude, based on the information in the Appendix 4C, that if ABE were to continue to expend cash at the rate indicated by the Appendix 4C, ABE may not have sufficient cash to continue funding its operations for the next two quarters.

**Request for Information**

In light of the information contained in the Appendix 4C, ASX asks ABE to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does ABE expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has ABE taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does ABE expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that ABE is complying with the Listing Rules and, in particular, Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that ABE's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ABE with delegated authority from the board to respond to ASX on disclosure matters.

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Please also provide any other information that ABE considers may be relevant to ASX forming an opinion on whether ABE is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEDT Monday, 16 December 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ABE's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require ABE to request a trading halt immediately.

Your response should be sent to me by e-mail at [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Trading Halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in ABE's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in ABE's securities under Listing Rule 17.3.

### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to ABE's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that ABE's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

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**Release of correspondence between ASX and entity**

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Kind regards

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ASX Compliance

CC: Bradley McCosker, ABE