

AUSTRALIAN BOND EXCHANGE HOLDINGS LIMITED
> ACN 629 543 193.

For the Offer of up to 16,000,000 Shares at an issue price of \$0.65 per Share to raise a minimum of \$5.2 million up to a maximum of \$10.4 million



abe^x
AUSTRALIAN BOND EXCHANGE

Joint Lead Managers

Stock Market Place™



PULSE
MARKETS

IMPORTANT INFORMATION:

This is an important document and it should be read in its entirety. If after reading this Prospectus, you do not fully understand it or the rights attaching to the Shares offered by it, you should consult an accountant, solicitor or other professional adviser for assistance. The Shares offered by this Prospectus should be considered speculative.

PROSPECTUS

Important Notices

The Offer

This Prospectus is issued by Australian Bond Exchange Holdings Limited ACN 629 543 193 (**Company**) for the purposes of Chapter 6D of the Corporations Act 2001 (Cth) (**Corporations Act**).

The Offer contained in this Prospectus is an initial public offering to acquire fully paid ordinary shares in the Company (**Shares**). See Section 6 for further information on the Offer.

This Prospectus is an important document. You should read it carefully. It is important that you consider the risk factors (see Section 4) before deciding on your course of action as these could affect the financial performance of the Company and its subsidiaries (together, **ABE**).

Lodgement and allotment of securities

This Prospectus is dated 22 October 2021.

A copy of this Prospectus was lodged with ASIC on 22 October 2021. The Company will apply to the Australian Securities Exchange (**ASX**) within seven days after the date of the Prospectus, for admission of the Company to the Official List and quotation of its Shares on ASX. If granted admission to the ASX, quotation of the Shares will commence as soon as practicable after holding statements are dispatched.

Neither ASIC nor ASX, nor any of their respective officers, take any responsibility for the contents of this Prospectus. The fact that the ASX may admit the Company to its official list is not to be taken in any way as an indication of the merits of the Company or the Shares offered under this Prospectus.

The Company does not intend to issue any Shares unless and until ASX confirms to the Company that it will admit the Company to the Official List on terms and conditions acceptable to the Company. If this confirmation is not received before the end of three months after the date of this Prospectus or such longer period permitted by the Corporations Act or with the consent of ASIC, all application monies received under the Prospectus will be refunded without interest to applicants in full within the time prescribed by the Corporations Act.

You can only apply for Shares using the Application Form included in this Prospectus. The Application Form must not be distributed to any person unless it is attached to this Prospectus.

No person is authorised to provide information or make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company in connection with this Prospectus.

Expiry date

No applications for Shares will be accepted nor will any Shares be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Exposure Period

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of 7 days from the date of lodgement of this Prospectus with ASIC (**Exposure Period**). This period may be extended by ASIC for a further period of 7 days. The purpose of the Exposure Period is to allow this Prospectus to be examined by market participants prior to the acceptance of the Applications. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section

724 of the Corporations Act. Any Applications received prior to the expiration of the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Specific risks

You should carefully consider the risk factors that affect the Company, specifically and generally, in the industry in which it operates.

You may lose the entire value of your investment.

Details of the risk factors of which you should be aware are described in more detail in Section 4 of this Prospectus.

Statements of past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance information is given for illustrative purposes only and should not be relied upon as being indicative of future performance. Actual results could differ materially from the past performance information contained in this Prospectus.

Financial Information and Independent Limited Assurance Report

Section 7 sets out in detail the Statutory Historical and Pro Forma Historical Financial Information (together the **Financial Information**) referred to in this Prospectus and the basis of preparation of that Financial Information.

All financial amounts contained in this Prospectus are expressed in Australian dollars, unless otherwise stated. Any discrepancies between totals and sums of components in tables, figures and components contained in this Prospectus are due to rounding.

Section 8 sets out the Independent Limited Assurance Report on the Financial Information provided by KrestonSW Audit Pty Ltd in its capacity as the Investigating Accountant.

The scope of the Investigating Accountant as instructed by the Directors does not include a review of forecast financial information, forward-looking statements or any other matters that may be contained elsewhere in the Prospectus.

Investors are urged to read the Independent Limited Assurance Report in full for details of the scope and other matters relevant to the review of the Financial Information in conjunction with the information set forth in Section 7.

Forecast Financial Information

There are significant uncertainties/insufficient reasonable grounds associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company operates, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financial information is not included in this Prospectus.

Forward-looking Statements

Various statements in this Prospectus constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward-looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or impliedly portrayed in this Prospectus. Forward-looking statements may be identified by words such as 'anticipates', 'may', 'should', 'could', 'likely', 'believes', 'estimates', 'expects', 'targets', 'predicts', 'projects', 'intends', 'guidance', 'plan', 'test', 'hypothesis' and other similar words that involve risks and uncertainties.

Notwithstanding the above, to the extent that there may be matters discussed in this Prospectus that are forward looking, such statements are only predictions and actual events, or results, may differ materially.

The Company does not undertake to, and does not intend to, update or revise any forward-looking statements, or publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The risk factors set out in Section 4, as well as other matters as yet not known to the Company or not currently considered material by the Company, may cause actual results or events to be materially different from those expressed, implied or projected in any forward-looking statements. Any forward-looking statement contained in this Prospectus is qualified by this cautionary statement.

Disclaimer – No investment advice

The information contained in this Prospectus is not investment or financial product advice and does not take into account your investment objectives, financial situation and particular needs. It is important you read this Prospectus in its entirety before deciding to invest in the Company. In particular, in considering the prospects for the Company, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser before deciding whether to invest. Some risk factors that you should consider are outlined in Section 4. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

No person is authorised to give any information or to make any representation in connection with the Offer and issue of the Shares described in this Prospectus, which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with the Offer. You should rely only on information in this Prospectus.

Neither the Company nor any of its Directors or any other party associated with the preparation of this Prospectus guarantee that any specific objective of the Company and its subsidiaries and, where the context requires, the business conducted by those entities will be achieved or that any particular performance of ABE or of the Company's Shares, including those offered by this Prospectus, will be achieved.

Disclaimer

The Joint Lead Managers have acted as lead managers to the Offer. The Joint Lead Managers, together with their related bodies corporate, shareholders and affiliates and their respective officers, directors, employees, partners, affiliates, agents and advisers (each a **Joint Lead Manager Party**) have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus, and do not make or purport to make any statement in this Prospectus, and there is no statement in this Prospectus which is based on any statement made by a Joint Lead Manager Party.

To the maximum extent permitted by law, each Joint Lead Manager Party expressly disclaims any and all liabilities (including, without limitation, any liability arising out of fault or negligence for any direct, indirect, consequential or contingent loss or damage) in respect of, and makes no representations or warranties (express or implied) regarding, and takes no responsibility for, and has not independently verified, any part of this Prospectus or the Offer (other than references to their name) and makes no representation or warranty as to the currency, accuracy, reliability, completeness or fairness of this Prospectus. The Joint Lead Manager Parties make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer, and you represent, warrant and agree that you have not relied on any statements made by a Joint Lead Manager Party in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.

Unless specifically noted in Section 11.9, statements made by, attributed to or based on statements by third parties have not been consented to for the purpose of section 729 of the Corporations Act and are included in this Prospectus by the Company on the basis of ASIC Corporations (Consents to Statements) Instrument 2016/72 relief from the Corporations Act for statements used from books, journals or comparable publications and trading data from prescribed financial markets or approved foreign exchanges.

Jurisdiction

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. This Prospectus has not been, nor will it be, lodged, filed or registered with any regulatory authority under the securities laws of any country other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and any person into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or the Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia.

This Prospectus may not be distributed to, or relied upon by, persons in the United States. The New Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States, unless the New Shares have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act and any other applicable US state securities laws is available. See Section 11.6 for more detail on selling restrictions that apply to the Offer in jurisdictions outside Australia.

Electronic Prospectus

This Prospectus will be issued in electronic form, which may be viewed online at the Company's website at www.bondexchange.com.au/investor-relations.

The website and its contents do not form part of this Prospectus and are not to be interpreted as part of, nor incorporated into, this Prospectus.

The Offer is available to persons receiving an electronic version of this Prospectus in Australia. The Prospectus is not available to persons in other jurisdictions in which it may not be lawful to make such an invitation or offer. If you access the electronic version of this Prospectus, you should ensure that you download and read the Prospectus in its entirety.

Applications for Shares may only be made during the Offer Period on an Application Form attached to or accompanying this Prospectus.

The Corporations Act prohibits any person from passing an Application Form on to another person, unless it is attached to, or accompanied by, a complete and unaltered version of this Prospectus.

During the Offer Period, any person may obtain a hard copy of this Prospectus free of charge by contacting ABE by telephone on +61 2 8076 9343.

Refer to Section 6 for further information.

Industry and market data

This Prospectus, including the Industry Overview in Section 2, contains statistics, data and other information relating to markets, market sizes, market shares, market segments, market positions and other industry data pertaining to the Company's business and markets. The Company has obtained significant portions of this information from market research prepared by third parties.

Investors should note that market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. The Company has not independently verified, and cannot give any assurances to the accuracy or completeness of, this market and industry data or the underlying assumptions used in generating this market and industry data.

Estimates involve risks and uncertainties and are subject to change based on various factors.

Privacy

ABE collects information about you from the Application Form for the purposes of processing the application and if the application is successful to administer your shareholding in the Company.

By submitting an Application Form, you agree that ABE may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers including its mailing house, ASIC and other regulatory authorities.

If you become a shareholder in the Company, the Company is required to include information about you (including your name, address and details of your shareholding) in its public register. This information must remain in the register even if you cease to be a shareholder in the Company. Information contained in the Company's registers is also used to facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that ABE may wish to communicate to its security holders) and compliance by ABE with legal and regulatory requirements.

Under the Privacy Act 1988 (Cth) you may require access to your personal information that is held by or on behalf of ABE and/or the Share Registry. You can request access to your personal information or obtain further details about the Company's privacy policies by contacting ABE or the Offer Information Line on 1300 395 841 (within Australia) or +61 3 9415 4393 (outside Australia) between 8:30am and 5:00pm (Sydney Time), Monday to Friday.

If you do not provide the information required on the Application Form, ABE may not be able to accept or process your Application Form.

Defined terms and abbreviations

Terms and abbreviations used in this Prospectus are defined in Section 12 or are defined in the context in which they appear.

Unless otherwise stated or implied, references to times in this Prospectus are to Sydney, Australia time. Unless otherwise stated or implied, references to dates or years are calendar year references.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person endorses this Prospectus or that assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in graphs, charts and tables is based on information available as at the date of this Prospectus.

Use of trademarks/logos

This Prospectus may contain trademarks and trade names of third parties, which are the property of their respective owners. Third party trademarks and trade names used in this Prospectus belong to the relevant owners and use is not intended to represent sponsorship, approval or association by or with the Company or the Joint Lead Managers.

Company website

Any references to documents included on the Company's website at www.bondexchange.com.au are for convenience only, and none of the documents or other information available on the Company's website form part of this Prospectus or are otherwise incorporated into this Prospectus by reference.

Questions

If after reading this Prospectus, you do not fully understand it or the rights attaching to the Shares offered by it, you should consult an accountant, solicitor or other professional adviser for assistance. ABE is unable to advise you on the suitability or otherwise of an investment in the Company.

If you have any questions about how to apply for Shares, call your Broker or the Offer Information Line on 1300 395 841 (within Australia) or +61 3 9415 4393 (outside Australia) between 8:30am and 5:00pm (Sydney Time), Monday to Friday.

Instructions on how to apply for Shares are set out in Section 6 of this Prospectus and on the back of the Application Form.

This document is important and should be read in its entirety.

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KEY OFFER INFORMATION

Key Offer statistics

	Minimum Subscription (\$5.2 million)	Maximum Subscription (\$10.4 million)
Offer Price		\$0.65
Existing shares on issue		101,433,956
Total number of Shares offered under this Prospectus	8,000,000	16,000,000
Total value of Shares offered under this Prospectus	\$5,200,000	\$10,400,000
Total number of Shares on Completion of the Offer	109,433,956	117,433,956
Gross Proceeds from the Offer	\$5,200,000	\$10,400,000
Indicative market capitalisation at the Offer Price ¹	\$71,132,071	\$76,332,071

Indicative Key Dates²

Prospectus lodged with ASIC	22 October 2021
Chairperson's List, Broker Firm Offer and Retail Offer opens ³	1 November 2021
Chairperson's List, Broker Firm Offer and Retail Offer closes	19 November 2021
Settlement of the Offer	26 November 2021
Issue and allotment of Shares (Completion)	29 November 2021
Expected dispatch of holding statements	30 November 2021
Expected commencement of trading on ASX on a normal settlement basis ⁴	6 December 2021

1. Market capitalisation based on the Offer Price is defined as the Offer Price multiplied by the total number of Shares on issue on Completion of the Offer. Shares may not trade at the Offer Price after listing.

2. The Directors reserve the right to vary the Offer dates, extend the Offer Period, to close the Offer Period at an earlier date, accept late Applications or withdraw the Offer (in each case without notifying any recipient of the Prospectus or any Applicant). The above dates are indicative only.

3. Assumes 7 day exposure period. The allocation of Shares between the Broker Firm Offer, the Chairperson's List Offer and the Retail Offer will be determined by agreement between the Company and the Joint Lead Managers having regard to the allocation policy described in Sections 6.8, 6.9 and 6.10.

4. Subject to ASX approval.

MESSAGE FROM THE CHAIRPERSON

Australian Bond Exchange – Australia’s technology-driven bond transaction and settlement engine for all investors

Dear Investor,

On behalf of the Board, I am pleased to invite you to participate in the Offer to become a shareholder (**Shareholder**) in Australian Bond Exchange Holdings Limited (**Company**) as an entity to be listed on the Australian Securities Exchange (**ASX**).

The Company and its subsidiaries (together, **ABE**) have developed a financial technology business that offers bond trading, settlement and custodial services in Australia. ABE has made strong progress since its incorporation in 2015, developing our unique technology-driven bond trading exchange and marketplace.

In parallel, ABE has delivered notable trading performance through our over-the-counter (OTC) bond trading and brokerage operations, to predominantly wholesale clients using traditional broking methods, generating A\$9.31 billion gross bond turnover in FY2021, making ABE a significant market participant. The Total Addressable Market (TAM) in which ABE operates is estimated to be A\$8.8 billion in revenue p.a.

ABE is seeking growth capital to drive user uptake of its technology under its ‘disruptive’ business model.

The Directors believe that three things make ABE an outstanding investment opportunity:

1. **Efficient transactions and seamless connectivity.** ABE has designed a system and method for facilitating fast and efficient transaction and settlement of bonds, virtually instantaneously (patent pending) and which brings investors transparency. Software company Iress, a platform extensively used in equities broking globally, and Australian Money Market, term deposit platform, have integrated their respective online order routing platforms with ABE’s transaction and settlement system. Our broker and other partners include DNX

Solutions, Taylor Collison, Shaw and Partners, Perpetual and ANZ. These partnerships present a significant opportunity to efficiently scale the business.

2. **Access for everyone.** ABE’s online portal for private investors to directly access Australian denominated bonds traded OTC. Historically, bonds have presented private investors limited accessibility, high minimum capital entry requirements and higher fees. Through its technology, ABE is able to eliminate many of the barriers to entry for private investors, thereby providing private investors with improved access, the ability to trade bonds and lower transaction costs.
3. **Market timing.** Bonds have long been under-represented as an investment class by Australian private and institutional investors. In an era of low yielding bank deposits, investors are looking for investment opportunities that are higher yielding but offer some capital protection. Corporate bond supply is also expected to increase, increasing investment opportunities in bonds. ABE sees opportunity for corporates to increase their use of bond financing and intends to continue to assist companies to originate additional bonds.

The Australian bond market – underutilised and limited access

With over A\$1 trillion in corporate bonds outstanding, less than 2% of corporate bonds are held by self-directed or private investors (compared with 22.3% of corporate bonds being held by private investors in the USA), yet Australia has a burgeoning SMSF sector surpassing A\$800 billion. Furthermore, Australian superannuation funds hold only 15.2% of their assets in bonds compared to an OECD average of 44.2%.

ABE therefore considers there to be a significant opportunity to provide private investors and superannuation funds with efficient, cost-effective access to bond trading services through its trading and settlement engine. For example, SMSF investors, including retirees, will have seamless ability to balance their investment portfolios with Australian government and corporate bonds.

Public listing (IPO) on the ASX and capital raise

The Company is seeking to raise between A\$5.2 million (**Minimum Subscription**) and A\$10.4 million (**Maximum Subscription**) by way of the issue of Shares.

The funds raised under the Offer will predominantly be used to:

- fund activities directed at increasing our sales and marketing presence;
- fund the costs of seeking patent protection for the trading and settlement engine and fund continued development of the technology; and
- fund working capital, sales and marketing and other operational expenses.

The leadership team at ABE comprises leading industry professionals. Amongst four co-founders, Bradley McCosker is Chief Executive Officer and Managing Director of ABE and brings over 25 years' experience in financial markets in Sydney, London and New York and previously worked at the ASX and APRA, giving him rare international experience in the Australian bond market. Michael Vanderdonk, Co-founder and Chief Technical Officer, brings over 25 years of IT design and implementation experience. In addition to the Board, ABE is served by a highly experienced and engaged independent Product Advisory Board (outlined in Section 5.3).

Near term horizon. ABE is focused on increasing private investor participation in the bond market. This will result in driving liquidity onto ABE's trading and settlement engine and the Australian bond market more broadly, simultaneously providing significantly improved transparency through this technology.

ABE's transaction and settlement engine is operational and interconnected with the aforementioned market participants. ABE is ready to drive user uptake.

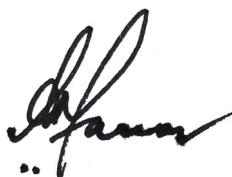
Beyond. A subsequent phase of technology development will see ABE drive down settlement times (currently T+2 across the sector), reducing risk and avoiding the need for clearing. This will uniquely bring down ABE's working capital costs and increase gross margins compared to other industry participants who continue to transact through traditional methods.

Longer term, ABE sees opportunity in replicating its technology model in additional jurisdictions and additional financial products.

This Prospectus contains important information regarding the Company and I encourage you to read it in its entirety. Like any venture that aims to revolutionise an industry, an investment in the Company involves significant risks which you must consider before investing. These risks are described in Section 4.

On behalf of the Directors, I invite you to consider this opportunity to invest in ABE and join us on our exciting journey. I look forward to welcoming you as a Shareholder.

Yours faithfully,



Allan Farrar
Non-Executive Chairperson
Australian Bond Exchange Holdings Limited

\$9.3bn

Transaction volume

↑58% on FY20

(\$346k)

Loss NPAT

↑66% on FY20

\$5.3m

Gross Revenue

↑79% on FY20

\$21.8bn

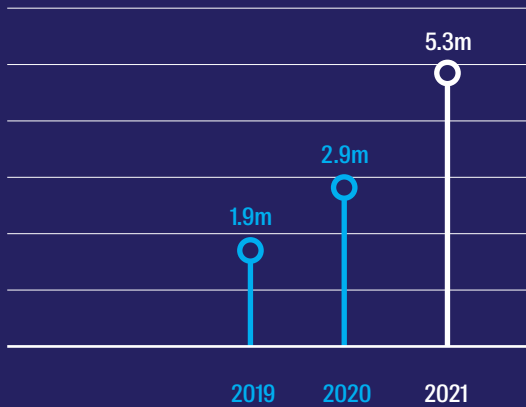
Transactions

Since 2017

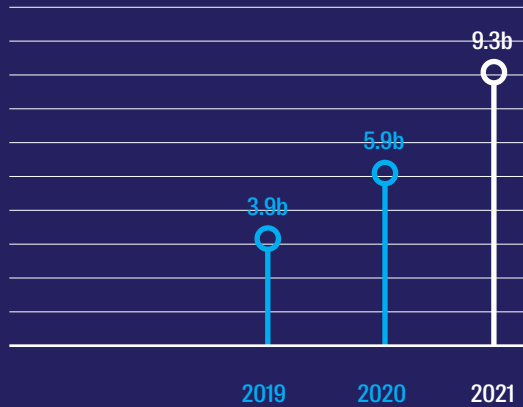
ABE SNAPSHOT >

WE'VE BUILT A SIMPLER,
MORE EFFICIENT WAY TO
ACCESS THE CORPORATE
BOND MARKET

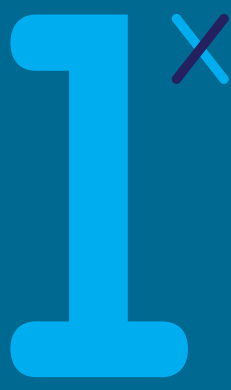
GROSS REVENUE



VOLUME



ABE'S TECHNOLOGY
 BENEFITS MULTIPLE
 STAKEHOLDERS
 SIMULTANEOUSLY,
 PROVIDING ABE WITH
 WHAT WE BELIEVE TO
 BE A SUSTAINABLE
 COMPETITIVE
 ADVANTAGE GOING
 FORWARD.



The information in this Section 1 is a summary only. It should be read in conjunction with the information set out in the remainder of this Prospectus.

1.1 INTRODUCTION TO THE COMPANY

Topic	Details	Where to find more information
Who are we?	ABE operates a financial technology business that offers bond trading, settlement and custodial services.	Sections 3.1 and 3.3
What is our history?	<p>The main operating subsidiary, Australian Bond Exchange Pty Ltd (ABE PL), was incorporated in 2015 and the Company (as a holding company) was incorporated in 2018. ABX Operations Pty Ltd, BX Provider Services Pty Ltd and ABE Settlements Pty Ltd, which manage the operations, broking services and settlements activities respectively, were incorporated in 2018. A further fully owned subsidiary, ABE Capital Markets Pte Ltd, was incorporated in Singapore in 2021 to support trading activity outside of Australia.</p> <p>ABE PL was granted an Australian Financial Services Licence (AFSL) in 2016, under which it is licensed as a financial adviser and dealer focused on Australian denominated bonds traded over-the-counter (OTC).</p> <p>In 2018, ABE designed a system and method for facilitating the transaction and settlement of a financial instrument virtually instantaneously, in respect of which it has applied for a patent (currently pending). As a first step to commercialising this technology, ABE has completed a significant I.T. development programme with Iress to develop a trade execution service using the patent pending transaction and settlement system and method. ABE has also entered a similar agreement with AMM, a term deposit portal for Australian investors. ABE also will operate as an online portal for self-directed investors to directly access OTC markets.</p>	Sections 3.1 and 3.2
What industry and market do we operate in?	ABE currently operates in the Australian financial markets in which OTC bonds are traded.	Section 2.1
Why is the Offer being conducted?	<p>The Offer is being conducted to:</p> <ul style="list-style-type: none"> — provide the Company with funding to execute its growth strategy. This includes: <ul style="list-style-type: none"> • to fund activities directed at increasing its sales and marketing presence; • continuing to fund development of its patent pending system and method for facilitating the transaction and settlement of bonds; and • to fund working capital and other operational expenses, including the costs associated with operating ABE's business and the Listing; — provide the Company with a liquid market for its Shares and an opportunity for others to invest in the Shares; — provide the Company and its Shareholders with the benefits that flow from being a listed company on ASX; and — provide an environment for the Company to potentially access further capital for future funding needs. 	Section 6.6

1.2 KEY FEATURES OF OUR BUSINESS MODEL

Topic	Details	Where to find more information
What is the nature of our business?	ABE is an Australian financial services company that uses its proprietary technology to provide Australian Bond Investors with access to the global financial markets. ABE is in its growth stage of development. ABE is currently in the business of providing advice and transaction execution services on OTC traded bonds. ABE has developed a direct, efficient and cost-effective system and method for facilitating the transaction and settlement of financial instruments in respect of which ABE has lodged an application to patent. This technology may be deployed across multiple trading platforms. ABE and Iress have connected ABE's patent pending technology with Australian brokers on the Iress order routing system in order to facilitate trading of OTC bonds on the Iress system and its over 500,000 users. ABE is also connected with Australian Money Market (AMM) to facilitate trading of OTC bonds on the AMM platform and their financial planners, with over \$5 billion in funds under management in over 30,000 deposits.	Sections 3.1 and 3.3
Who are our clients?	ABE's client base includes Bond Investors such as individuals, SMSFs, and institutional investors, such as fund managers, financial advisers, and large local and global financial institutions.	Section 3.1
How do we make our money?	ABE generates revenue by: <ul style="list-style-type: none"> — charging a trading spread on each transaction; — charging clients brokerage on transactions as part of its financial advice and dealing services division; and — charging issuers an origination fee for product origination. 	Sections 3.1 and 3.4
Who are our competitors?	For the bond trading application of the transaction and settlement technology, ABE competes with traditional bond brokerage firms that receive orders over the telephone. ABE is also subject to indirect competition through alternative financial products available to investors, such as funds, equities, peer-to-peer lending and direct loans.	Section 2.4
What is our growth strategy?	ABE's growth strategy is to gain market share and grow its client base. Through market education, increased penetration through its platform partnerships and analysing its trading data, ABE proposes to grow its client base and create a wider product distribution network over time. By building stronger industry relationships and demonstrating long-term added value through technology, business intelligence, and efficient, cost-effective transaction methods, we can increase our client base, offerings, and lower costs which in turn allows for further innovation. This includes: <ul style="list-style-type: none"> — activities directed at increasing market education and penetration; — ongoing product development and innovation to increase its market share; — exploring opportunities to expand the business and partnerships beyond Australia once its operations in Australia have been established; — developing ways for ABE to monetise its data; and — exploring opportunities to integrate ABE's technology with existing API technology in other financial services firms and businesses. 	Section 3.8

How do we expect to fund our growth strategy?	ABE does not currently have any debt funding in place. ABE expects to use the funds raised under the Offer to fund its growth strategy.	Sections 3.10 and 6.6
What are our significant dependencies?	<p>ABE is dependent on:</p> <ul style="list-style-type: none"> — the use and protection of its patent pending transaction and settlement technology, and the development and exploitation of any other intellectual property and technology created by ABE; — its ability to increase its client and investor base, particularly at this stage through the launch of the self-service online trade facility and further onboarding of users via the Iress and AMM trading platforms; and — material partners and service providers, including Iress and AMM (with whom ABE is providing connectivity between their respective transaction platforms with the ABE transaction and settlement technology), and our technology infrastructure providers such as AWS and Perpetual Corporate Trust Limited (which provides ABE with safe custody for trades). 	Section 3.9

1.3 FINANCIAL INFORMATION

Topic	Details	Where to find more information																																										
What is the historical financial performance of ABE?	<p>A summary of the combined historical income statements of ABE are set out below:</p> <table border="1"> <thead> <tr> <th></th> <th colspan="5" style="text-align: center;">\$'000</th> </tr> <tr> <th></th> <th colspan="3" style="text-align: center;">Statutory historical</th> <th colspan="2" style="text-align: center;">Pro forma historical</th> </tr> <tr> <th></th> <th></th> <th></th> <th></th> <th style="text-align: center;">Minimum Subscription</th> <th style="text-align: center;">Maximum Subscription</th> </tr> <tr> <th></th> <th style="text-align: center;">FY2019</th> <th style="text-align: center;">FY2020</th> <th style="text-align: center;">FY2021</th> <th style="text-align: center;">FY2021</th> <th style="text-align: center;">FY2021</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td style="text-align: right;">1,292</td> <td style="text-align: right;">2,137</td> <td style="text-align: right;">4,031</td> <td style="text-align: right;">4,031</td> <td style="text-align: right;">4,031</td> </tr> <tr> <td>Loss before income tax</td> <td style="text-align: right;">(3,534)</td> <td style="text-align: right;">(1,022)</td> <td style="text-align: right;">(346)</td> <td style="text-align: right;">(719)</td> <td style="text-align: right;">(713)</td> </tr> <tr> <td>Loss</td> <td style="text-align: right;">(3,590)</td> <td style="text-align: right;">(1,022)</td> <td style="text-align: right;">(346)</td> <td style="text-align: right;">(719)</td> <td style="text-align: right;">(713)</td> </tr> </tbody> </table>		\$'000						Statutory historical			Pro forma historical						Minimum Subscription	Maximum Subscription		FY2019	FY2020	FY2021	FY2021	FY2021	Revenue	1,292	2,137	4,031	4,031	4,031	Loss before income tax	(3,534)	(1,022)	(346)	(719)	(713)	Loss	(3,590)	(1,022)	(346)	(719)	(713)	Sections 7.1.2 and 7.1.3.
	\$'000																																											
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Is ABE expected to have sufficient working capital?	If ABE raises at least \$5.2 million (Minimum Subscription) under the Offer, ABE expects that it will have sufficient working capital to carry out its stated objectives (as detailed in this Prospectus).	Section 7.8.6																																										
Where can I find financial information in relation to the Company?	See Section 7 and the Investigating Accountant's Independent Limited Assurance Report in Section 8.	Sections 7 and 8																																										

1.4 KEY RISKS

Topic	Details	Where to find more information
Profitability and funding	ABE is not currently profitable and may never achieve profitability. Other than funds raised under the Offer, there is no assurance that ABE will be able to raise additional funds should it require further funding or to exploit other opportunities to develop and commercialise its products, which could have a material adverse effect on ABE's business, financial condition, operating and financial performance or growth.	Section 4.2 (a)
Business strategy execution	ABE's future growth and financial performance is dependent on its ability to successfully execute its business strategy to further develop its trading and settlement system and method and its commercialisation via transaction platforms. There are risks that transaction platforms may not operate as intended or take longer than anticipated to launch, that uptake of the transaction platforms may be slower than expected, or that competing offerings may surpass the ABE technology. The Company's future performance is also dependent on its ability to successfully scale its business, primarily by increasing transaction volumes and the number of Bond Investor clients using its technology to drive revenue and profits. There is no assurance that ABE will be able to successfully execute any or all of its initiatives, which could have a material adverse effect on ABE's business, financial condition, operating and financial performance or growth.	Section 4.2(b)
Intellectual property	ABE's trading and settlement system and method is subject to a patent application. If the patent is not granted, competitors will be able to exploit or improve on the technology, which could make ABE's technology less viable and attractive to users, which could have a material adverse effect on ABE's business, financial condition, operating and financial performance or growth.	Section 4.2(c)
Technology	<p>ABE is reliant on and uses information technology to conduct its business. Service interruptions or technology breaches could materially adversely affect ABE's business operations and ABE may suffer financial and reputational damage or incur penalties (such as where there is unauthorised use or disclosure of confidential information).</p> <p>ABE's technology may also require substantial investment to update the technology if it becomes obsolete or is surpassed by superior technology offered by competitors, which could have a material adverse impact on ABE's financial performance and business operations.</p>	Sections 4.2(d), (e), (f), (g) and (s)
New issuance	ABE's current OTC bond trading and settlement business depends on the availability of corporate bonds in the Australian market. If ABE is not successful in sourcing sufficient (both in quantity and quality) new bond issues or other products to meet client demands, this may deter clients from using ABE's services, which could have a material adverse impact on ABE's business, financial condition, operating and financial performance or growth.	Section 4.2(i)
Regulatory	ABE operates in a regulated industry, with regulations covering the AFSL licensee, privacy, anti-money laundering and various other regulations. If ABE breaches any laws or regulations applying to it, ABE may suffer financial and reputational damage or incur penalties.	Sections 4.2(f), (n), (o) and (s)

COVID-19	The future effects (and extent of such effects) on the Company's business arising from COVID-19 will depend on future developments which are highly uncertain and cannot be predicted, including (among others) the geographic spread of the virus, the measures that may be taken by various governmental authorities in response to contain any outbreaks (such as quarantines and travel restrictions) and the possible further impacts on the Australian economy, as well as the global economy, all of which could have a material adverse effect on the business, financial condition and results of the Company.	Section 4.2(v)
Other risks	There are a number of other risks relating to an investment in the Company and generally to an investment in Shares. Some of these are set out in Section 4.	Section 4

1.5 BOARD AND MANAGEMENT

Topic	Details	Where to find the information
Who are the Directors?	<p>The Company has an experienced Board with expertise in financial markets and technology:</p> <ul style="list-style-type: none"> — Allan Farrar – Non-executive Chairperson — Bradley McCosker – Chief Executive Officer and Managing Director — Michael Vanderdonk – Chief Technology Officer and Executive Director — Nina Vanneck – Non-executive Director 	Section 5.1
Who are the senior management?	<p>The Company has an experienced senior management team with expertise in financial markets and technology:</p> <ul style="list-style-type: none"> — Bradley McCosker – Chief Executive Officer and Managing Director — Michael Vanderdonk – Chief Technology Officer — Peter Foltman – Financial Controller and Company Secretary — Simon McCarthy – General Manager – Policy and Operations — Steve Alperstein – Company Secretary — Nick Baber – Managing Director (ABE Capital Markets Pte Ltd) 	Section 5.2

1.6 SIGNIFICANT INTERESTS OF KEY PEOPLE AND RELATED PARTY TRANSACTIONS

Topic	Details	Where to find the information																																																						
What is the capital structure of the Company at the date of this Prospectus and at Completion?	<p>Details of the type and number of securities on issue in the Company as at the date of this Prospectus, and expected to be on issue at Completion of the Offer, are shown in the table below.</p> <table border="1"> <thead> <tr> <th rowspan="3">Type</th> <th colspan="2">Securities in the Company at the date of this Prospectus</th> <th colspan="4">Securities in the Company on Completion of the Offer</th> </tr> <tr> <th colspan="2"></th> <th colspan="2">Minimum Subscription</th> <th colspan="2">Maximum Subscription</th> </tr> <tr> <th>Number of securities on issue</th> <th>Percentage of total securities on issue</th> <th>Number of securities on issue</th> <th>Percentage of total securities on issue</th> <th>Number of securities on issue</th> <th>Percentage of total securities on issue</th> </tr> </thead> <tbody> <tr> <td>Shares</td> <td>101,433,956</td> <td>97.97%</td> <td>109,433,956</td> <td>96.99%</td> <td>117,433,956</td> <td>96.15%</td> </tr> <tr> <td>Options¹</td> <td>2,100,000</td> <td>2.03%</td> <td>3,400,000</td> <td>3.01%</td> <td>4,700,000</td> <td>3.85%</td> </tr> <tr> <td>Total securities</td> <td>103,533,956</td> <td>100.00%</td> <td>112,833,956</td> <td>100.00%</td> <td>122,133,956</td> <td>100.00%</td> </tr> </tbody> </table> <p>Notes:</p> <p>1. The Options have an exercise price of \$1.95, vest on 15 January 2024 and expire five years after the date of Listing.</p>	Type	Securities in the Company at the date of this Prospectus		Securities in the Company on Completion of the Offer						Minimum Subscription		Maximum Subscription		Number of securities on issue	Percentage of total securities on issue	Number of securities on issue	Percentage of total securities on issue	Number of securities on issue	Percentage of total securities on issue	Shares	101,433,956	97.97%	109,433,956	96.99%	117,433,956	96.15%	Options ¹	2,100,000	2.03%	3,400,000	3.01%	4,700,000	3.85%	Total securities	103,533,956	100.00%	112,833,956	100.00%	122,133,956	100.00%	Section 6.6.1														
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Who are the Company's substantial shareholders and what will be their interests post-Completion?	<p>As at the date of this Prospectus, the following shareholders of the Company hold at least 5% of the Shares in the Company. On Completion of the Offer, their shareholdings (on a fully diluted basis) will be as set out in the table below:</p> <table border="1"> <thead> <tr> <th rowspan="3">Shareholders</th> <th colspan="2">Shares in the Company at the date of this Prospectus</th> <th colspan="4">Shares in the Company on Completion of the Offer</th> </tr> <tr> <th colspan="2"></th> <th colspan="2">Minimum Subscription</th> <th colspan="2">Maximum Subscription</th> </tr> <tr> <th>Number of Shares held</th> <th>Percentage of Shares held</th> <th>Number of Shares held</th> <th>Percentage of Shares held⁵</th> <th>Number of Shares held</th> <th>Percentage of Shares held⁵</th> </tr> </thead> <tbody> <tr> <td>Fieldrock Pty Limited¹</td> <td>51,919,996</td> <td>50.15%</td> <td>51,919,996</td> <td>46.02%</td> <td>51,919,996</td> <td>42.51%</td> </tr> <tr> <td>Lannali Pty Limited²</td> <td>7,417,142</td> <td>7.16%</td> <td>7,417,142</td> <td>6.57%</td> <td>7,417,142</td> <td>6.07%</td> </tr> <tr> <td>Toach Pty Limited³</td> <td>7,417,142</td> <td>7.16%</td> <td>7,417,142</td> <td>6.57%</td> <td>7,417,142</td> <td>6.07%</td> </tr> <tr> <td>Anex Industrial Corporation Pty Ltd⁴</td> <td>7,546,347</td> <td>7.29%</td> <td>7,546,347</td> <td>6.69%</td> <td>7,546,347</td> <td>6.18%</td> </tr> <tr> <td>Total Shares held by Existing Substantial Shareholders</td> <td>74,300,627</td> <td>71.76%</td> <td>74,300,627</td> <td>65.85%</td> <td>74,300,627</td> <td>60.84%</td> </tr> </tbody> </table> <p>Notes:</p> <p>1. This substantial shareholder is controlled by Chief Executive Officer and Managing Director, Bradley McCosker. 2. This substantial shareholder is controlled by co-founder, Markus Mueller and Allison Mueller. 3. This substantial shareholder is controlled by Chief Technology Officer and executive Director, Michael Vanderdonk. 4. This substantial shareholder is controlled by Non-executive Director, Allan Farrar. 5. Percentages shown on a fully diluted basis. The substantial Shareholders set out above have advised ABE that they will not be subscribing for Shares in the Offer.</p>	Shareholders	Shares in the Company at the date of this Prospectus		Shares in the Company on Completion of the Offer						Minimum Subscription		Maximum Subscription		Number of Shares held	Percentage of Shares held	Number of Shares held	Percentage of Shares held ⁵	Number of Shares held	Percentage of Shares held ⁵	Fieldrock Pty Limited ¹	51,919,996	50.15%	51,919,996	46.02%	51,919,996	42.51%	Lannali Pty Limited ²	7,417,142	7.16%	7,417,142	6.57%	7,417,142	6.07%	Toach Pty Limited ³	7,417,142	7.16%	7,417,142	6.57%	7,417,142	6.07%	Anex Industrial Corporation Pty Ltd ⁴	7,546,347	7.29%	7,546,347	6.69%	7,546,347	6.18%	Total Shares held by Existing Substantial Shareholders	74,300,627	71.76%	74,300,627	65.85%	74,300,627	60.84%	Section 6.6.2
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What significant benefits are payable to Directors connected with the Company or the Offer and what significant interests do they hold?	The table below sets out the significant interests of, and significant benefits payable to, the Directors:	Section 5.4																															
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	<p>Notes:</p> <ol style="list-style-type: none"> These Shares are held through substantial shareholder, Fieldrock Pty Limited. These Shares are held through substantial shareholder, Toach Pty Limited. These Shares are held through substantial shareholder, Anex Industrial Corporation Pty Ltd and in his personal capacity. Including Director fees but excluding superannuation. 																																
What significant benefits are payable to other persons connected with the Company or the Offer and what significant interests do they hold?	The table below sets out the significant interests of, and significant benefits payable to, other persons connected with the Company or Offer:	Section 5.4.4																															
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	<p>Notes:</p> <ol style="list-style-type: none"> Calculated on a fully diluted basis. At the date of this Prospectus SMP holds 2,100,000 Options. The Options have an exercise price of \$1.95, vest on 15 January 2024 and expire five years after the date of Listing. The Options to be issued to SMP, Pulse (and their supporting brokers, depending on the introduction of subscribers) on Completion of the Offer will have an exercise price of \$1.95, vest on 15 January 2024 and expire five years after the date of Listing. 																																
Will any Shares be subject to restrictions on disposal following Completion?	As a condition of admitting the Company to the Official List, the ASX may classify certain Existing Shares as restricted securities in accordance with the ASX Listing Rules, which will restrict the transfer of effective ownership or control of any restricted securities. As at the date of this Prospectus, the Company believes that up to 77,791,933 Shares (including 73,915,012 Shares held by Directors and founders) representing approximately 63.69% of Shares on issue on Completion of the Offer (assuming Maximum Subscription calculated on a fully diluted basis) may be subject to some form of restriction arrangement for up to 24 months under the ASX Listing Rules. No New Shares issued under this Offer will be subject to escrow.	Section 11.5																															
Is ABE involved in any related party transactions?	The only related party agreements are Directors' appointments and executive services agreements with executive Directors.	See Section 5.4.1																															

1.7 OVERVIEW OF THE OFFER

Topic	Details	Where to find the information																																												
What is the Offer?	<p>The Offer is an initial public offer of a minimum of 8,000,000 Shares up to a maximum of 16,000,000 Shares at an issue price of \$0.65 per Share to raise a minimum of \$5.2 million and maximum of \$10.4 million.</p> <p>All Shares issued under this Prospectus will be fully paid and will rank equally in all respects with the Shares already on issue.</p>	Sections 6.1 and 6.7																																												
Who is the issuer of this Prospectus?	Australian Bond Exchange Holdings Limited.	Section 6.1																																												
What is the proposed use of the funds raised under the Offer?	<p>ABE will apply the Offer proceeds as set out in the table below. If an amount less than the Maximum Subscription (but more than the Minimum Subscription) is raised, the Company will scale back its allocation of funds towards working capital which includes its bond trading activity.</p> <table border="1"> <thead> <tr> <th rowspan="2">Use of Funds</th> <th colspan="2">Minimum Subscription (\$5.2 million)</th> <th colspan="2">Maximum Subscription (\$10.4 million)</th> </tr> <tr> <th>Amount</th> <th>%</th> <th>Amount</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Sales and marketing</td> <td>\$1.0 million</td> <td>19.23%</td> <td>\$4.0 million</td> <td>38.46%</td> </tr> <tr> <td>Further development of ABE technology and intellectual property protection</td> <td>\$0.4 million</td> <td>7.69%</td> <td>\$0.5 million</td> <td>4.81%</td> </tr> <tr> <td>Operational expenses</td> <td>\$0.5 million</td> <td>9.62%</td> <td>\$1.0 million</td> <td>9.62%</td> </tr> <tr> <td>Working capital</td> <td>\$1.63 million</td> <td>31.35%</td> <td>\$2.3 million</td> <td>22.11%</td> </tr> <tr> <td>Inventory and liquidity funding</td> <td>\$0.75 million</td> <td>14.42%</td> <td>\$1.33 million</td> <td>12.79%</td> </tr> <tr> <td>Expenses of the Offer</td> <td>\$0.92 million</td> <td>17.69%</td> <td>\$1.27 million</td> <td>12.21%</td> </tr> <tr> <td>TOTAL</td> <td>\$5.2 million</td> <td>100.0%</td> <td>\$10.4 million</td> <td>100.00%</td> </tr> </tbody> </table> <p>The Minimum Subscription is sufficient to meet the Company's stated objectives.</p>	Use of Funds	Minimum Subscription (\$5.2 million)		Maximum Subscription (\$10.4 million)		Amount	%	Amount	%	Sales and marketing	\$1.0 million	19.23%	\$4.0 million	38.46%	Further development of ABE technology and intellectual property protection	\$0.4 million	7.69%	\$0.5 million	4.81%	Operational expenses	\$0.5 million	9.62%	\$1.0 million	9.62%	Working capital	\$1.63 million	31.35%	\$2.3 million	22.11%	Inventory and liquidity funding	\$0.75 million	14.42%	\$1.33 million	12.79%	Expenses of the Offer	\$0.92 million	17.69%	\$1.27 million	12.21%	TOTAL	\$5.2 million	100.0%	\$10.4 million	100.00%	Sections 6.6 and 7.8.6
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How is the Offer structured?	<p>The Offer comprises:</p> <p>(a) the Broker Firm Offer, which is open to Australian resident retail clients of Brokers who have received a firm allocation from their Broker;</p> <p>(b) the Chairperson's List Offer which is open to selected investors in eligible jurisdictions who have received an invitation from the Chairperson to acquire Shares under the Offer; and</p> <p>(c) the Retail Offer, which is open to the general public in Australia who may apply for Shares under the Offer using the Application Form.</p> <p>The allocation of Shares between the Broker Firm Offer, the Chairperson's List Offer and the Retail Offer will be determined by agreement between the Company and the Joint Lead Managers having regard to the allocation policy described in Sections 6.8.4, 6.9.6 and 6.10.6.</p>	Sections 6.2, 6.8, 6.9 and 6.10																																												
What is the Minimum Subscription?	The Minimum Subscription under the Offer is \$5.2 million.	Section 6.3																																												
What is the Maximum Subscription?	The Maximum Subscription under the Offer is \$10.4 million.	Section 6.4																																												

Is the Offer underwritten?	The Offer is not underwritten.	Sections 6.7 and 6.12
Who are the Joint Lead Managers of the Offer?	The Company has appointed Stock Marketplace Pty Limited and Pulse Markets Pty Limited as Joint Lead Managers of the Offer.	Sections 6.5 and 6.7
Will the Shares be quoted on the ASX?	<p>The Company will apply to ASX within seven days of the Prospectus Date, for its admission to the Official List, and quotation of Shares by ASX (under the code "ABE").</p> <p>If approval for admission is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest), as soon as practicable in accordance with the requirements of the Corporations Act.</p>	Sections 6.7 and 6.13
What is the allocation policy?	<p>The allocation of Shares between the Broker Firm Offer, the Chairperson's List Offer and the Retail Offer will be determined by agreement between the Company and the Joint Lead Managers having regard to the allocation policy described in Sections 6.8.4, 6.9.6 and 6.10.6.</p> <p>Other than firm commitments, ABE reserves the right to scale back and authorise the issue of a lesser number of Shares than those for which an Application has been made, or to reject any Application.</p>	Section 6.7
What are the tax implications of investing in the Shares?	The tax consequences of any investment in Shares will depend on your personal circumstances. Prospective investors should obtain their own tax advice before deciding to invest.	Sections 6.7 and 10
Can the Offer be withdrawn?	The Company may withdraw the Offer at any time before Completion. If the Offer, or any part of it, does not proceed, all relevant application monies will be refunded (without interest) as soon as practicable.	Section 6.7

1.8 APPLICATIONS

Topic	Details	Where to find more information
How do I apply for Shares?	<p>You can apply for Shares by completing and submitting a valid Application Form accompanying this Prospectus after the expiry of the Exposure Period, together with your application money.</p> <p>Please lodge your online application by visiting the Company's website at www.bondexchange.com.au to complete the online Application Form accompanying the electronic version of this Prospectus. You must make your Application payment by BPAY® before 5:00pm on the Closing Date.</p> <p>Applicants making an online payment must use the specific biller code and the unique customer reference number (CRN) generated by the online Application.</p> <p>Online Application Forms not accompanied by a BPAY® payment will be rejected.</p> <p>Cheques may be accepted. They must be in Australian currency and made payable to "Australian Bond Exchange Holdings Limited" and crossed "Not Negotiable".</p> <p>You should return your completed Application Form together with your cheque (if your payment is not made by Bpay®) for the Application money to:</p> <p>ABE Share Offer c/- Computershare Investor Services Pty Limited GPO BOX 52 Melbourne VIC 3001</p>	Application Form
What is the Exposure Period?	<p>The Exposure Period is a period during which no Applications may be processed.</p> <p>The Exposure Period is a 7 day period commencing on the lodgement date of this Prospectus, and may be extended by ASIC by up to a further 7 days.</p>	Key Dates
How will my Application Money be held?	All Application Money will be held on trust in a separate bank account that has been opened only for this purpose until the Shares to be issued under each Application are issued and allotted under the Offer, or the Application Money is refunded if you are unsuccessful in your Application.	Sections 6.8.5, 6.9.5 and 6.10.5
What is the minimum application under the Offer?	<p>Applications must be for:</p> <ul style="list-style-type: none"> — at least 4,000 Shares; or — a greater number, in multiples of 1,000 Shares. <p>The Offer Price of \$0.65 per Share is payable in full on Application.</p>	Sections 6.7, 6.8.2, 6.9.3 and 6.10.3
Are there additional costs payable by the Applicant?	No brokerage, commission, stamp duty or any other costs are payable by you on acquisition of the Shares under the Offer.	Section 6.7
When will I receive confirmation that my Application has been successful?	A holding statement confirming your allocation under the Offer will be sent to you if your Application is successful.	Application Form
What happens if I do not complete my Application Form correctly?	If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be treated as valid. The Company's decision as to whether to treat an Application as valid, and how to construe, amend or complete it, will be final. The Company's decision on the number of Shares to be allocated to an Applicant will also be final.	Application Form

2x

2.1 WHAT INDUSTRY DOES ABE OPERATE IN?

ABE operates in the financial markets, which identify and drive capital to the best ideas and enterprises. Coupled with the free flow of capital, innovation is an integral component to a country for supporting job creation, economic development and prosperity. Financial markets facilitate the transfer of funds from those who seek a return on their assets to those who need capital and credit to expand.

Participants in capital markets include not just individual investors but also institutional investors, governments and corporations. Capital, raised through equity and debt, can be used to grow businesses, finance investments in new plant, equipment and technology and fund infrastructure projects. This creates jobs and flows money into the economy. Additionally, individuals and businesses can invest in securities to generate wealth.

The financial products that are traded can include “physical products” (such as shares, bonds, commodities and precious metals) or “derivative” products (such as futures contracts, swaps and other market linked securities) which have their price derived from the price of an underlying physical product.

ABE currently operates in the part of the capital markets that is usually referred to as the global over-the-counter (OTC) bond market.

In financial product markets financial products may be traded:

1. on a formalised exchange; or
2. between two counterparties without using a formalised exchange. This type of transaction is called an over-the-counter (OTC) transaction.

Financial exchanges and clearing and settlement facilities are formalised trading institutions that give rights to trade directly to a limited number of members. Financial exchanges also collect and disseminate pricing information and facilitate centralised settlement of transactions. They also facilitate post-trade risk management between exchange participants. Historically, most equity trading has taken place through financial exchanges while most bond trading has taken place in the OTC market.

As technology has evolved, there has been an increase in trades taking place outside of the equity market facilities while still predominantly settling through the clearing and settlement systems. OTC transactions allow both the buyer and seller to negotiate all the contractual details of

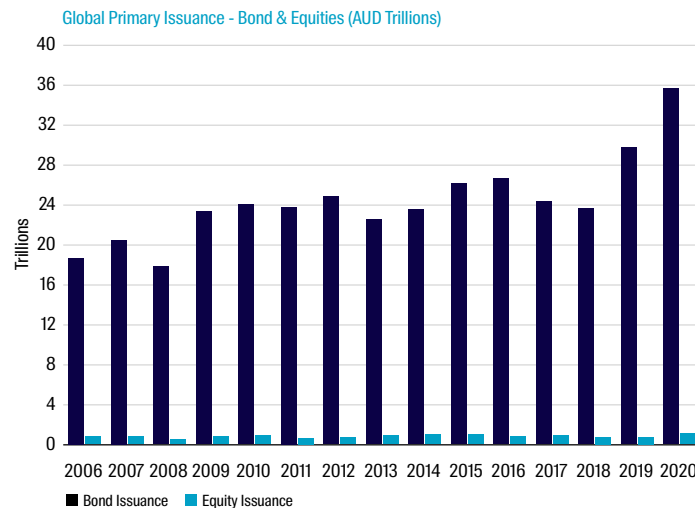
the trade between themselves, which produces an outcome specific to their respective needs. Historically, OTC markets were established at a physical location where buyers and sellers of a product could approach established dealers. Modern OTC markets often rely on telephones and computers to link buyers and sellers with market dealers and can also include trading platforms for market participants to share their buy and sell quotes with others. While OTC markets have the advantage of tailoring transactions to suit both parties, they also have significant barriers to entry that prevent private investors from participating.

2.1.1 Size of Global Financial Markets

The global financial markets have grown significantly over the past 20 years. The scale and magnitude of the global financial markets today reflects, in part, the globalisation of the economy, the increased development and innovation of financial products and the efficiency gains and processing speed improvements made possible by advances in technology.

The size of the global OTC bond market is significantly larger than the global equity market, as shown below in Figure 2.1.⁵

Figure 2.1: Global debt and equity issuance over time⁶

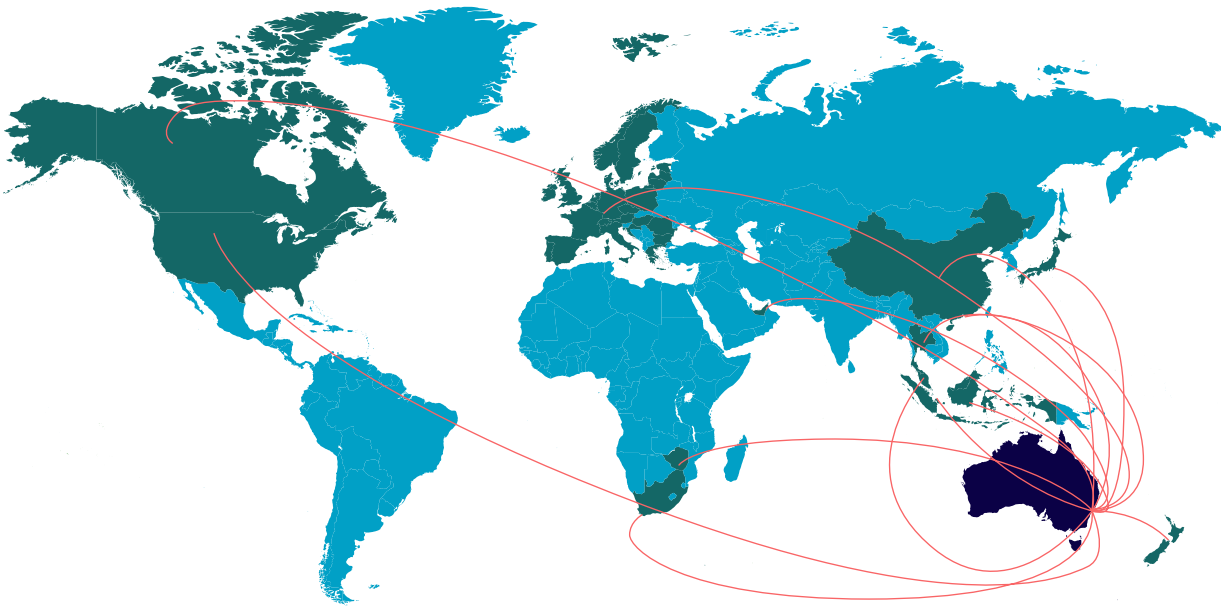


Due to its nature of global connectivity, the global OTC bond market often sees trades between counterparties that are in different countries. In the years since we commenced trading, we have established strong trading relationships across the globe providing us with direct access to the major trading hubs in the OTC bond market.

5. Converted from USD to AUD at 76.94.

6. <https://www.sifma.org/wp-content/uploads/2021/07/CM-Fact-Book-2021-SIFMA.pdf>

Figure 2.2: Our trading counterparties across the globe



2.1.2 Size of Australian Financial Markets

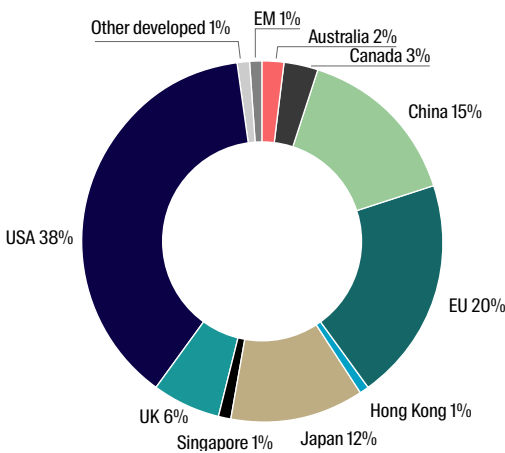
Australian financial markets

While we operate across multiple trading partnerships spanning the globe, our focus in the near term is to further establish our position in Australia. The Australian financial markets are well integrated in the global financial markets, with well-developed financial markets across major products, including money, debt, equities, foreign exchange and derivatives.

Size of Australian debt market

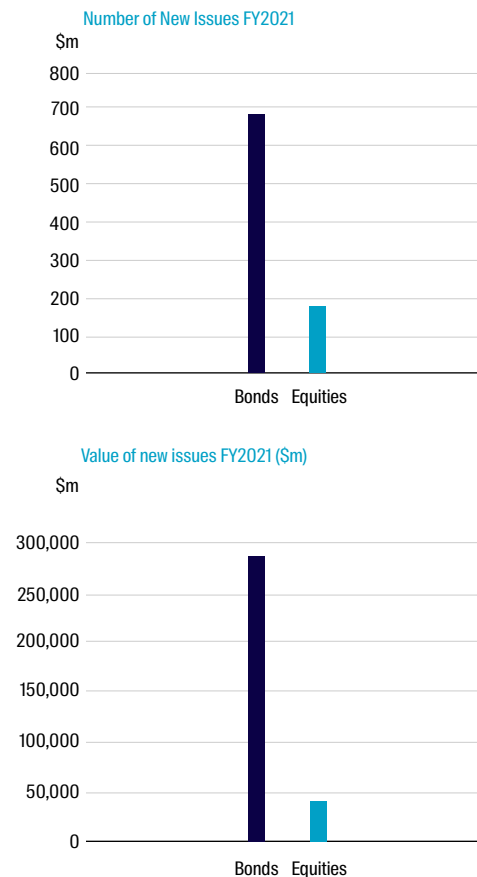
The Australian debt market is relatively small on a global scale making up approximately 2% of total bonds outstanding. The global debt market is dominated by the USA with 38% of the global debt market, the EU with 20%, China with 15% and Japan with 12% of the bonds outstanding in the global debt market.⁷

Figure 2.3: Bonds outstanding by economic zone as a percentage to the global total

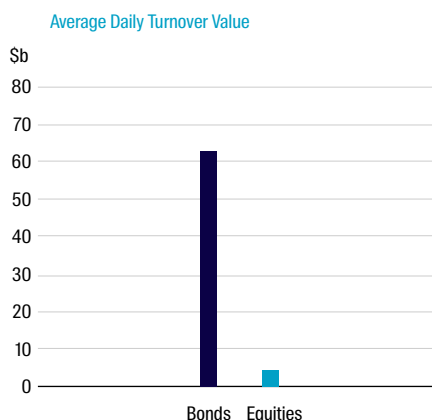


In dollar terms, Australia’s debt market is a significant local financial market. In FY2021, there were 689 new bond issuances totalling A\$286.35 billion with an estimated turnover of A\$62.52 billion per day. In comparison, in FY2021, there were 176 new equity issues with a total amount of new equity capital raised by listed entities on the ASX of A\$40.574 billion⁸, with an average daily turnover of A\$4.27 billion. The disparity between the two markets is shown graphically in Figure 2.4 below.

Figure 2.4: Australian bond and equity market statistics 2021⁹

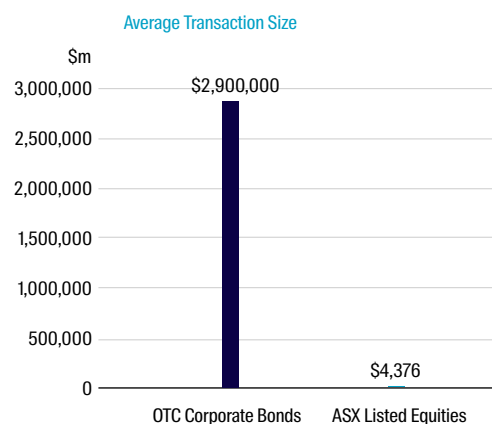


7. <https://www.sifma.org/wp-content/uploads/2021/07/CM-Fact-Book-2021-SIFMA.pdf>
 8. ASX FY2021 Annual Report



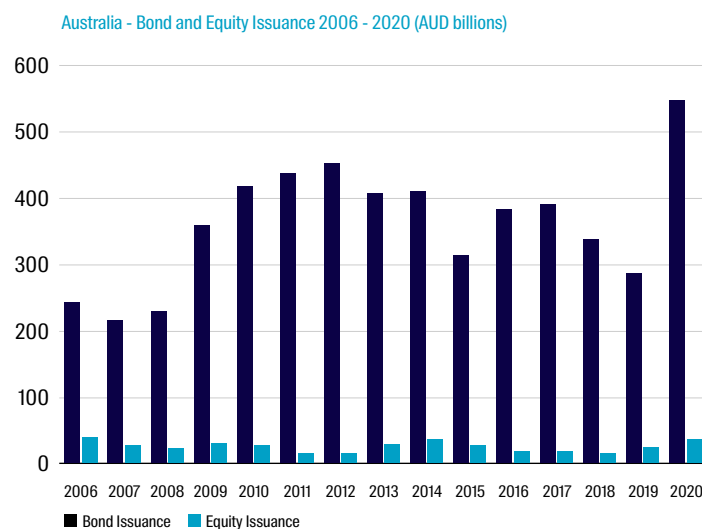
While the Australian bond market is in many metrics significantly larger than the Australian equity market, the historic barriers to entry have made it out of reach to the typical Australian private investor. As a result, the Australian OTC bond market is dominated by sophisticated financial institutions that can transact large trade sizes, particularly compared to the more accessible Australian equity market. This disparity between the two markets is reflected in the average transaction size of the Australian bond and equity market.

Figure 2.5: Average transaction size of Australian corporate bonds and ASX listed equities in FY2021



The significantly larger size of the bond market for 2021, while certainly impacted by recent government policy, reflects a broader trend in the growth of the Australian OTC bond market as shown in Figure 2.6 below. The new issuance of bonds dwarfs that of the equity market, thus creating a valuable tool for the efficient allocation of capital to companies. However, Australian private investors have been largely shut out of the market to date.

Figure 2.6: New equity and bond issuance in Australia time series



These barriers to entry to the bond market have been the subject of a number of regulatory attempts to promote broader access to the market and have also been the subject of a parliamentary inquiry into the Development of the Australian Corporate Bond Market in 2020. While regulatory focus is encouraged, many of the barriers to entry were by virtue of historical operational processes creating significant monetary and logistical barriers to entry.

This substantially larger market provides a significant total addressable market for the OTC bond market reaching the Australian individual investor, which is estimated to be A\$8.8 billion per annum.

9. ASX Annual Report, RBA Statistics

2.2 WHAT HAVE BEEN THE TRENDS IN THE INDUSTRY?

2.2.1 Regulatory changes

Following the global financial crisis (**GFC**), regulators around the world made significant regulatory changes intended to reduce the likelihood of a bank failure and, in the case of a bank failure, to reduce its impact on others in the banking sector. We consider that the challenges that financial intermediaries face in today's global financial markets are increasingly impacted by regulation in the financial markets globally.

A key change in the bond markets since the GFC is the diminished role of banks as principal traders and liquidity providers. Prior to the GFC, banks kept large inventories of corporate bonds and issued quotes to buy and sell them with customers in the market. The regulatory reforms adopted post-GFC changed this. Stricter capital reserve requirements by regulators and rules against proprietary trading by regulated banks both reduced the willingness of banks and bond dealers to finance inventories and in some cases changed their role in the marketplace from principal to that of simply an agent.

Some market commentators believe that while the banks are in a better state now, and there is less systemic risk in the financial system, the unintended consequence, however, has been a reduction of liquidity supply by the banks in corporate bond markets.¹⁰

Further, in addition to the increased regulation of markets, markets are still experiencing the negative effects of old OTC transaction processing. One example is the collateral settlement failures reported for DTCC-Euroclear that run at an industry average of 3% of total settlements¹¹. Further, the daily total US Treasury and Agency settlement failures averaged US\$33 billion¹² for the 12 months to September 2021 which attracted circa US\$665 million in direct fees over the period. This does not include the operational costs incurred by participants in resolving the failed trades.¹³

This is not a problem contained to only the USA.

The problem of settlement failures is experienced across the globe. In total it is estimated to cost the financial industry approximately US\$20 billion per year. Regulators see this as a cause for concern and are moving to act accordingly.

The Central Securities Depositories Regulation (CSDR) is expected to introduce new measures in 2022 to deal with the authorisation and supervision of EU Central Security Depositories (CSDs)¹⁵ and create a common set of prudential, organisational, and conduct of business standards at a European level. Part of this objective is expected to be met via the introduction of mandatory penalties in addition to other enforcement activity.¹⁶

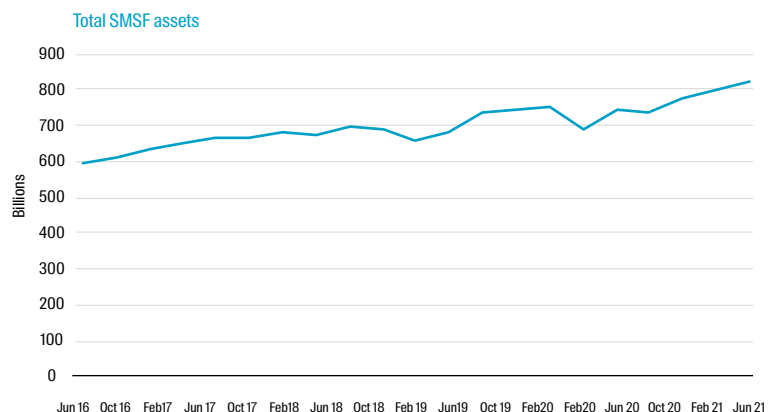
We believe the ABE transaction and settlement system and method can improve the outcomes for investors and financial intermediaries by providing a system that provides centralised price discovery and reduces settlement risk. The Directors also believe this assists the regulators by providing an efficient central technology for reporting and oversight.

2.2.2 Australian investment pool

We believe that there is a significant business opportunity in eliminating many of the current barriers to entry and thus providing access to the Australian OTC bond market to Australian direct investors via the broad adoption of our settlement technology. While the total personal investment market is significantly larger at over A\$11.3 trillion in assets¹⁷, the size of that opportunity can be benchmarked against the reported data surrounding the total investment allocations in the Australian self-managed superannuation fund (**SMSF**) investment pool.

The SMSF investment pool has grown significantly in the last decade. The total amount of SMSF assets in Australia is nearing A\$820 billion.

Figure 2.7: Total SMSF Assets in Australia between 2016 and 2021



10. <https://www.cnbc.com/2018/12/03/investors-worry-liquidity-crisis-might-loom-on-fixed-income-horizon.html>.

11. <http://www.dtcc.com/news/2016/march/24/the-true-cost-of-collateral-settlement-fails>.

12. <https://www.dtcc.com/charts/daily-total-us-treasury-trade-fails>

13. <https://www.dtcc.com/charts/daily-total-us-treasury-trade-fails>.

14. <https://www.thetradejournal.com/by-failing-to-prepare-you-are-preparing-to-fail/?layout=print>.

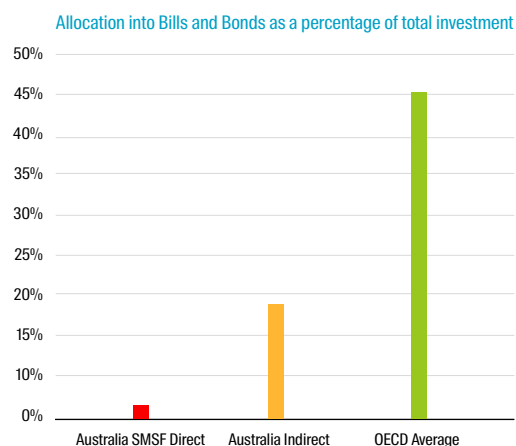
15. CSDs operate the infrastructure that enables the securities settlement systems.

16. <https://www.dtcc.com/csdr>.

17. <https://www.abs.gov.au/media-centre/media-releases/household-wealth-hits-record-high>.

In Australia, investment in debt securities such as bonds comprises only 1.46% of assets held by SMSFs. This is significantly lower than the portion of bonds held by pension funds in the USA (22.1%), the U.K. (36%), Japan (30.4%) and Germany (48.9%). Figure 2.8 shows the current direct bond investment of SMSFs as a portion of assets held by SMSFs, the total direct and indirect allocation of all retirement funds in Australia, and the OECD average allocation to bonds. Of note, the OECD Global Pension Statistics show that of the 84 countries that responded to the survey only Poland, Georgia, Malta and Sweden reported a lower allocation to bonds, either directly or indirectly, than Australia.

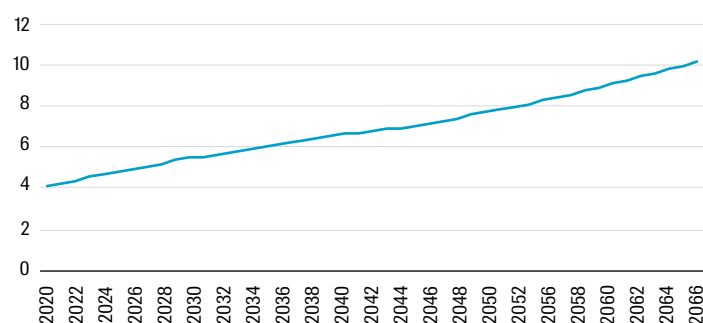
Figure 2.8: Australian direct bond investment as proportion of SMSF assets and total retirement investments vs OECD average investment in fixed income for retirement



We therefore believe there is an opportunity to provide private investors, including SMSFs, with greater access to Australian bonds. Each percentage increase in bond ownership by SMSFs equates to an increase of approximately A\$8.2 billion in bond purchases. With a target to bring SMSFs bond allocation on par with the OECD average allocation, this could equate to approximately A\$350 billion in bond investment.

As the investor population ages, the safety of bonds provides a compelling alternative to equities and real estate. The predictions on the Australian population could lead to an increase in market size over time as bonds are a good fit for the ageing population as they pay a defined stream of income to investors so may therefore be less volatile than other investments.

Figure 2.9: Australian Population 65+ projections over the next 30 years



2.3 HOW HAS TECHNOLOGY AFFECTED FINANCIAL MARKETS?

2.3.1 Historical advances of technology in financial transactions

Since the Information Technology (IT) advancements of the 1980s, there has been an ongoing shift away from physical exchange and settlement of tradable assets. Today, transactions both on exchanges and in the OTC market have moved to electronic asset registers and leveraged electronic funds transfers to settle transactions that increase transaction processing speed and reduce errors.

The adoption of electronic trading and settlement systems is enabled by:

- electronic funds transfer and direct debit payments, which have eliminated the need for cheques sent by mail;
- electronic sub-registers, which have eliminated the need to send physical share certificates;
- reduction in the time between transaction execution and settlement from five working days to two working days, which can reduce credit risk and result in increased liquidity;
- decimalisation of marketable parcels to lower trading spreads due to the increased processing power of computers, which has allowed more price points and made trading cheaper;
- electronic trading venues with direct market access for participants to provide centralised price discovery, which have eliminated the need for a physical trading floor and resulted in increased participation and transparency;
- standardisation of contracts to facilitate pricing and settlement efficiencies; and
- the rise of automated trading and automated financial advisory services, which have reduced the barriers to entry for smaller traders and investors.

These advances have improved transaction processing for the financial industry and its participants over time. As a result, the markets with greater automation have increased their liquidity, processing speed, volume and transparency. Investors in these markets are afforded more access to pricing data, more competitive pricing and better availability. Companies and investment product designers are also able to gain more direct access to their investors, equipping them with more information about their investors and their investment needs.

2.3.2 Current advances in financial technology

There are significant changes taking place inside and outside the financial services industry that are driving innovation within the industry. ABE has established a technology development framework that can utilise these advances in technology to enable rapid deployment of improvements in product and service delivery to the individual investor.

2.3.2.1 Application Programming Interfaces are becoming more common

An Application Programming Interface (**API**) is a way to enable computer systems to read and write data with a standardised and common language that both systems understand. An API is used to integrate different systems and applications together, in a structured, safe and secure manner. They are used to automate processes and procedures, such as requesting transaction history, querying customer information, and even executing trades, and making and receiving payments. APIs often use a standard messaging protocol such as SWIFT (payments) and FIX (financial order and reporting) to enable easy interoperability.

Today, APIs are integrating different business solutions for a single customer focused outcome. For example, if you were to hire a taxi today, the application you use on your phone connects to many APIs, including a mapping application to display the location of both you and the taxi, payment gateways to handle the payment once the trip is complete, and route optimisation tools to identify traffic flows, find the fastest route, estimate how long the trip will take and estimate costs. All these different functions are seamlessly hidden behind the application you are using.

APIs allow companies to focus on their core business, such as in the case of a ride service, matching a driver and passenger, by leaving the mapping, payments, etc. to other businesses that are experts in those areas.

Important new global API related initiatives are expected to result in significant change in the financial industry. ABE connects with and continues to develop connectivity to these APIs to present a seamless experience for clients that enables them

to trade OTC products more easily and quickly.

2.3.2.2 ISO 20022 Universal Financial Industry Message Scheme

ISO 20022 is an international standard to be used by global financial institutions. In Australia, the implementation of ISO 20022 is called the New Payment Platform (**NPP**) which was launched in February 2018. The NPP is an open access infrastructure for fast payments and is a system that allows banks, businesses, and individuals to make payments with near real-time funds transfer on a 24/7 basis.

NPP functionality slated for early 2022 will allow for near instant client authorised payments initiated by ABE that can replace the 'Direct Debit' ability currently available. ABE is currently, in collaboration with its banking partners, developing NPP and similar technology-based settlement processes that should significantly shorten the time delay between trade and settlement.

2.3.2.3 Trusted Digital Identity Framework

The Trusted Digital Identity Framework is a set of rules and standards developed by the Australian Government that allows for identity verification and exchange via an API. Currently used by myGovID with other companies being certified, this framework provides a safe, secure, consistent and reliable way to use government services online. The service allows for online facial recognition, document verification and identity management.

Along with ABE's existing Document Verification Service created in partnership with Australia Post which matches key details contained in Australian-issued identifying credentials, these services will significantly reduce the delays and expense associated with engaging Bond Investors, and compliance with Know Your Customer (**KYC**) and Anti Money Laundering (**AML**) requirements. This means a faster and easier client onboarding experience. It also means reduced compliance risk to ABE and increased operational efficiency which will in turn reduce operational costs.

2.3.2.4 Abundant connectivity

The proliferation of mobile internet connectivity is creating new consumer habits and expectations, resulting in new opportunities to directly reach individuals in more places and on more occasions than ever before. Utilising that connectivity to enable the broadest possible access to any market is now a relatively cheap and quick exercise.

This allows ABE to reach its Bond Investors clients at any time and anywhere. While this has provided a significant opportunity for companies to grow their businesses, it has also provided individuals with more power and authority when dealing with product merchants.

ABE's connectivity and settlement technology provides the infrastructure to create a market service that makes it easier for individuals to access market data and perform their investment strategies at times more convenient to the Bond Investor.

2.3.2.5 Payment choices

Technology is liberating commerce for consumers, allowing them to switch between payment channels such as credit card, direct transfer and "buy now, pay later" interest free loans. This allows consumers to browse and buy on the move and pay through various payment devices with ease.

With ABE able to offer multiple payment methods for settlement of trades, it gives the Bond Investor flexibility and ease in making the transactions in the easy and seamless ways to which they are becoming accustomed.

2.3.2.6 Big Data Analytics

With the rise of cloud computing, advances in digital storage and machine learning, the ability of businesses to leverage the data they collect from their customers has given rise to businesses being able to test and respond to customer needs almost in real time.

With our direct feeds into the OTC market, combined with integrated payment systems, identity platforms and our own Bond Investor data and market research we have the ability to analyse data gathered from broader Bond Investor activity which has in turn allowed ABE to drive innovation in areas such as operational efficiency, service personalisation, mitigating and avoiding fraud, supply chain and cost reduction.

Through its own Product Advisory Board, ABE has applied Artificial Intelligence machine learning to big data sets to create a fast corporate credit model. This provides personal investors and potential bond issuers with a useful tool for investment and funding decisions.

2.3.3 Transformation of investor behaviour

2.3.3.1 Lowering of transaction costs

The cost of executing and settling a financial transaction has reduced significantly over the past few decades. This has been primarily driven by increased computing power which has been the catalyst for the digitisation of securities and securities registers, electronic messaging and payments. This has allowed smaller transaction sizes to become economically viable to participants, the result of which is the opening up of markets to a broader set of Bond Investors.

2.3.3.2 Improved education of the end investor

As a result of lower transaction costs, a greater number of investors have been able to access markets. These investors, over time, have dramatically improved their understanding and investing competence when it comes to financial products. The broad reach of the Australian retail share ownership is only one example of this improvement.

2.3.3.3 Individual investors are more likely to embrace a seamless experience when considering new investments

Individual investors have demonstrated a willingness to engage in new technologies and change their traditional investment habits in order to satisfy their desires for a seamless, but safe, transaction experience. This is evidenced by the growth of online brokers, robo-advisers and other financial platform providers around the globe offering a multitude of investments. This demonstrates the propensity of the individual investor to change their traditional transaction processes.

2.3.3.4 Engaging a Global Market

Individual investor preferences are being extended through connectivity and the accessibility of the global marketplace. Individual investors are increasingly making transactions across borders, and on the move. These individual consumer trends may also be applicable to financial investment opportunities.

2.3.4 Transaction processing

The Directors believe that a combination of the technology and regulatory themes discussed in Sections 2.2 and 2.3 will contribute to the long-term growth of virtually instantaneous transaction to settlement processing across multiple financial products. These themes are:

- global adoption of standardised, real time gross settlement messaging (ISO 20022);
- changes in technology to reduce transaction costs to a point where products can be traded in significantly smaller transaction sizes, allowing broader market participation;
- recognition of both operational and credit risks associated with every financial transaction and therefore an incentive to reduce those risks; and
- consumers embracing direct access to markets as they become available.

Considering these developments, ABE is focused on providing Australian investors and SMSFs with access to its patent pending transaction and settlement technology to provide those end users with virtually instantaneous processing of transaction to settlement of Australian bond and other OTC securities trading.

As noted above, the Australian bond market is relatively underdeveloped compared to other developed countries, partly due to the limited access to the market for retail participants and the expensive and fragmented transaction process. The Directors believe that the ability to provide Australian investors with pre-trade price transparency, a positive user experience, cost effective transaction processing, post-trade reporting and ongoing portfolio reporting will encourage greater participation in the Australian bond market by individuals and SMSFs and beyond the limited number of participants involved today.

2.4 WHO ARE THE COMPETITORS IN THE INDUSTRY?

2.4.1 Direct Competitors

In ABE's bond advice and trade execution business, the direct competitors are traditional bond brokerage firms that receive orders over the telephone, typically from institutions who may also have a business servicing Bond Investor clients. A subset of stockbrokers and wealth planner groups also may offer OTC bonds as part of their product offering as a non-core activity to complement their main exchange traded equity business. These businesses may choose not to partner with ABE to utilise ABE's trade and settlement technology and instead compete with ABE's service offering.

2.4.2 Competing financial products

Australian investors have a wide variety of financial products to choose from when building their investment portfolios. While not specifically operating in the direct bond investment space, companies that offer products such as bond funds, exchange traded bonds, exchange traded funds, peer-to-peer lending and direct loans may compete with ABE in securing investment. Examples of competing financial products include stocks that may be viewed as income stocks, bond funds and similar funds and exchange traded funds (ETFs) built from the pool of OTC Australian bond investment assets for which ABE provides direct access to its Bond Investor clients.

2.5 WHAT ARE THE NEW ENTRANT RISKS AND BARRIERS TO ENTRY IN THE INDUSTRY?

2.5.1 New entrant risk

ABE participates in a highly competitive global industry against competitors with significantly greater financial, technical, human, development and marketing resources than ABE, such as global investment banks and local large stock broking firms. Some of these competitors may be able to respond more effectively to changing business and economic conditions that make entering the OTC bond market more attractive.

2.5.2 Barriers to Entry

The Board considers that ABE has a competitive advantage as being one of the first to provide broad electronic access to the OTC bond market in Australia. These circumstances may change as there is always a risk of new entrants in the market or that an existing financial services organisation may disrupt ABE's business operations and market share. The Company cannot predict the timing and scale of new competitors that may emerge in ABE's industry.

The OTC bond market is a bilateral market with every participant needing to build the connection and relationship between buyer and seller on a 1-to-1 basis. ABE has developed and nurtured these business connections over many years and has well developed domestic and international connections. Developing and maintaining a similar network could be a barrier to entry for new entrants into the market.

Due to the scale ABE has achieved in the market, ABE considers that it would be difficult for start-up companies to replicate the relatively low cost at which ABE can provide its services to Bond Investor clients. ABE will continue to use its technology to lower the cost of delivery of its services.

Building an OTC transaction technology which includes registry, administration, operations, funds management and marketing is a technical and complex exercise. Many competitors only provide services with limited or no automated transactions capability. For these competitors, there is a limit to the extent to which they can scale their business.

ABE has the benefit of an Australian Financial Services Licence (AFSL). The difficulty for new entrants to obtain an AFSL creates a barrier to entry to companies wanting to provide financial services, as does the significant cost of maintaining an AFSL and its associated compliance requirements.

2.6 WHAT IS THE REGULATORY ENVIRONMENT IN THE INDUSTRY?

ABE is required to have regard to a number of key laws and regulations in connection with its operations. The table below lists some of the most material of these regulatory areas.

Regulatory area	Overview
Corporations Act	<p>The Corporations Act sets out a number of key areas of law that lenders may be required to adhere to. These include:</p> <ul style="list-style-type: none"> — Australian Financial Services Licence (AFSL): ABE holds an AFSL, which authorises the licensee to carry on a financial services business. The AFSL requires ABE to comply with a range of obligations relating to disclosure that must be made to its Bond Investor clients, dispute resolution processes, compliance arrangements, etc. ABE's obligations include avoiding or managing conflicts of interest, requirements set out in the Future of Financial Advice (FOFA) reforms and ensuring that any conflicted remuneration is managed in accordance with its Conflicts Management Policy, which is detailed in Section 5.11 of this Prospectus; — As an AFSL holder ABE is prohibited from engaging in deceptive or misleading conduct with regard to clients or from engaging in unconscionable conduct towards clients. This is achieved by a combination of ongoing staff training, supervision and review; and — ABE is bound by and complies with the new Design and Distribution Obligations imposed on the holders of AFSLs by preparing the necessary Target Market Determinations with regard to its products and services.
Anti-Money Laundering (AML)	<p>The Australian Transaction Reports and Analysis Centre (AUSTRAC) oversees the compliance of Australian businesses that offer “designated services” as defined in the AML/CTF Act. As a business that offers “designated services”, ABE is required to comply with:</p> <ul style="list-style-type: none"> — Know Your Customer (KYC) conventions – adequately identifying and authenticating customers before providing a “designated service” to the client; — Enhanced client verification – engaging in enhanced KYC process for politically exposed persons and persons about whom the KYC process may be seen as inadequate; — Ongoing client verification – making sure client details are correct and that any changes in client profile are subject to KYC update; and — Suspicious matter reporting – reporting suspicious transactions to AUSTRAC (e.g. an unusual level or type of transactions by a client).
Privacy Act	<p>ABE complies with the Privacy Act 1988, including the Australian Privacy Principles, including with respect to the collection, storage, use and disclosure of personal information. Our obligations include:</p> <ul style="list-style-type: none"> — not disclosing information unless we are required to by law, there is a duty to the public to disclose the information, the client asks us to and has consented, and we are not otherwise restricted from doing so under applicable laws; — taking reasonable steps to protect personal information from misuse or loss, and from unauthorised access, modification or disclosure. We regularly review the security and reliability of our services; and — publishing our Privacy Policy on our website.
General Data Protection Regulation 2016/679 (GDPR)	To the extent required by law, ABE complies with its GDPR obligations.
Securities and Futures Act (Chapter 289 of Singapore) (SFA)	<p>ABE Capital Markets was incorporated in Singapore in 2021 to support the organic growth of trading activity occurring outside of Australia. The Company has obtained local legal advice that ABE Capital Market's initial activities in Singapore may be undertaken without the requirement for a licence under the SFA by relying on licensing exemptions set out in the Securities and Futures (Licensing and Conduct of Business) Regulations, subject to compliance with the requirements and conditions for such exemptions.</p> <p>ABE Capital Market's role in delivering on the Company's growth strategy will require it to obtain an appropriate licence under the SFA in due course.</p>

The regulatory environment continues to evolve both globally and in Australia. Any future legislative or regulatory changes may have adverse consequences to the business that are outside the control of the Company. ABE actively monitors the regulatory landscape to ensure it is able to adapt quickly if necessary, to ensure that it is compliant with the ongoing regulatory requirements of the business.

W^x

COMPANY OVERVIEW

Our Vision:

Provide equal access for all investors

Purpose:

Enable private investors direct access to the OTC financial markets

- **Break down barriers to entry to financial markets**
- **Market transparency for all investors**
- **Investor protections through quotation rules and quality research**

3.1 Overview of the current business

ABE is an Australian financial services company that uses its proprietary technology to provide Australian Bond Investors with access to the global financial markets.

ABE focuses on helping Bond Investor clients with their investments by providing multiple ways to access the global financial markets via ABE's own technology. Our technology provides Bond Investors easy and efficient access to financial products that have historically been difficult for them to access.

Starting with four founders, who are all still very much a part of the business today, and bringing to the business their combined decades of experience across financial markets and technology, they have helped to successfully build the ABE business into what it is today.

ABE offers OTC bond and securities trading, settlement and custodial services, as described further in Section 3.3.

ABE currently conducts its OTC bond trading business mostly over the phone and via existing electronic trading platforms.

ABE has developed a direct, efficient and cost-effective online trade execution facility capable of connecting and integrating with multiple transaction platforms, including the popular market platforms such as Iress and Australian Money Market (AMM), financial adviser software, and other third party platforms. This facility is supported by an ABE developed system and method for facilitating the transaction and virtually instantaneous settlement of financial instruments for which ABE has lodged an application to patent. ABE has connected this patent pending technology with multiple order routing systems, banking and payments infrastructure, and Bond Investors. ABE's patent pending technology currently connects with order routing systems operated by Iress and AMM, as described further in Section 3.5 and has facilitated trading through those systems using its technology over the last two years. ABE currently settles transactions via the market standard T+2 settlement and traditional bank infrastructure. ABE has the capability to utilise NPP functionality to be able to undertake virtually instantaneous settlement when Australian banks broadly support this functionality.

Since its inception, ABE has grown rapidly, generating transaction volumes of over A\$22 billion. For FY2021, there was a 58% increase in transaction volume to \$9.3 billion (across a range of OTC bonds, including government, semi-government, supranational and corporate bonds in several currencies), and 79% revenue growth to A\$5.3 million.

Figure 3.1: FY21 Key performance metrics



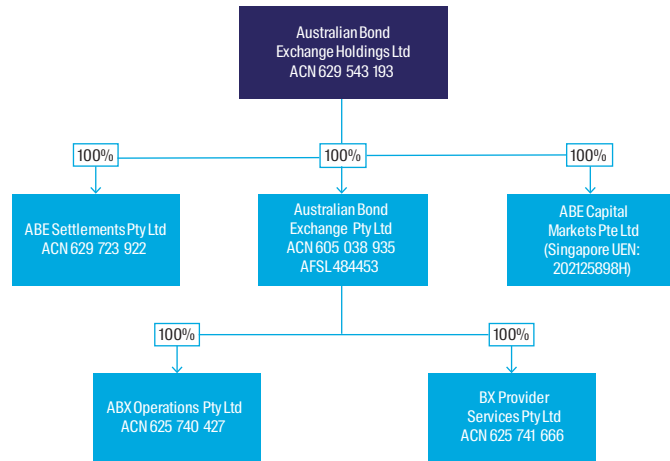
ABE's client base is diverse and includes Bond Investors such as individuals, SMSFs, and Institutional Investors, such as fund managers, financial advisers, and large local and global financial institutions.

The Company's subsidiary, Australian Bond Exchange Pty Ltd (**ABE PL**), is the holder of an Australian Financial Services Licence (**AFSL**), under which it is licensed as a financial adviser and dealer focused on OTC Australian bonds.

3.2 History and corporate structure

The ABE corporate group comprises the Company (as a holding company) and five wholly-owned subsidiaries – ABE PL, ABE Settlements Pty Ltd (**ABE Settlements**), ABE Capital Markets Pte. Ltd (**ABE Capital Markets**), ABX Operations Pty Ltd (**ABX Operations**) and BX Provider Services Pty Ltd (**BX Provider Services**). A Group structure diagram is set out below:

Figure 3.2: Australian Bond Exchange Group Corporate Structure



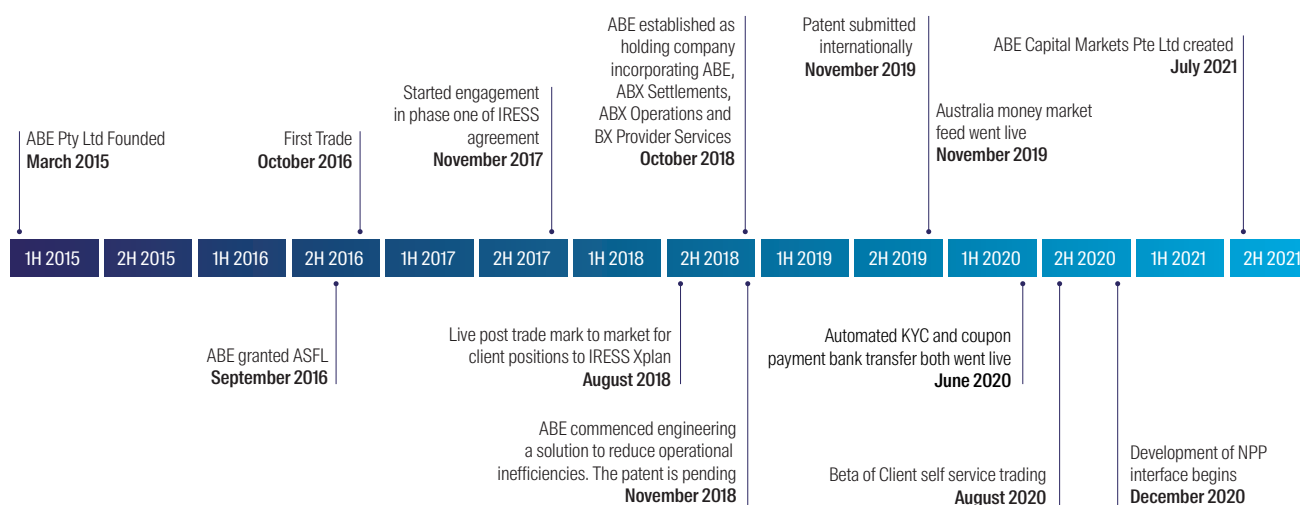
Each company was incorporated in New South Wales, Australia, other than ABE Settlements which was incorporated in Victoria, Australia and ABE Capital Markets which was incorporated in Singapore.

All Australian companies operate out of New South Wales, Australia and ABE Capital Markets has been established to operate in Singapore and the Asian region.

* Refer to page 33 for Reconciliation of Gross Revenue to Revenue per Financial Information and Section 7.1.4 for explanation of Gross Revenue.

A snapshot of the history of ABE is set out below.

Figure 3.3: ABE timeline of Key Events



In 2021, the Board of ABE determined to establish ABE Capital Markets in Singapore to support the organic growth of trading activity occurring outside of Australia.

3.3 Nature of ABE's business

ABE's business comprises the following business activities:

- ABE PL, being the AFS licensed financial adviser entity, provides investment advice and trade execution services; and
- ABE provides advisers and brokers with access to an 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.

ABE currently receives its income from two main sources – trading spread as is common in the wholesale OTC bond market; and brokerage charges, which is common in providing financial advice to private investors that result in a transaction. ABE also charges issuers an origination fee for product origination. More information about ABE's revenue model is set out in Section 3.4.

With a low-cost base and a strict adherence to lean start-up and data analytics methodologies, ABE seeks to leverage the intellectual property behind the system and method of instantaneous settlement to lower transaction costs on OTC markets in order to provide the logistical capability for a broader range of investors to access those markets.

3.4 Business and revenue model

ABE earns revenue by:

- charging a trading spread on each transaction;
- charging Bond Investor clients brokerage on transactions as part of its financial advice and dealing services division; and
- charging issuers an origination fee for product origination.

Historically the general trading spread on OTC corporate bond transactions can range between 10 to 50 basis points per annum of the bond traded. The trading spread is usually determined by a number of factors which include the ready supply of the bond, the length of time until maturity, transaction costs and market forces.

Client brokerage on OTC bonds is generally similar to what investors experience in an equity transaction and is influenced by such things as the scope and type of advice given, the size of the transaction, the transaction costs, and the relationship the adviser has with the investor. Brokerage charges for a private client adviser is usually between 0.5% to 1% of the transaction size.

Origination fees are dependent on the complexity of the bond, the amount of time and effort that goes into arranging the bond, legal documents, advice, transaction costs, and distribution. Fees vary significantly depending on the size of the issue and can be between 1% to 6% of the transaction.

The key benefits of ABE's business model are:

- ABE's transaction costs are significantly reduced, making the OTC available to a far greater number of Australian private investors through their broker or financial adviser;
- With a strong background in the OTC markets, ABE has developed a set of quotation rules that ensure that each bond on the ABE transaction and settlement engine must meet strict minimum standards providing private investors with strong protection against loss; and
- Easy and rapid scalability potential of the business built on top of the ABE technology foundation.

Figure 3.4: Transaction volume for FY2019 to FY2021

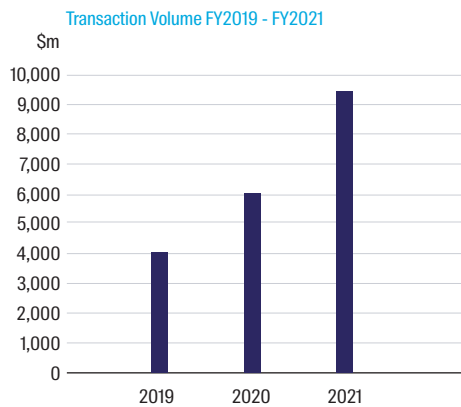


Figure 3.5: Gross Revenue for FY2019 to FY2021

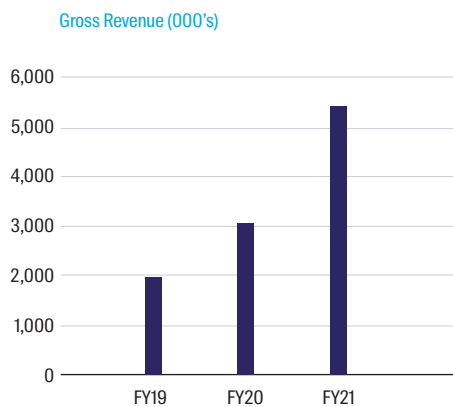
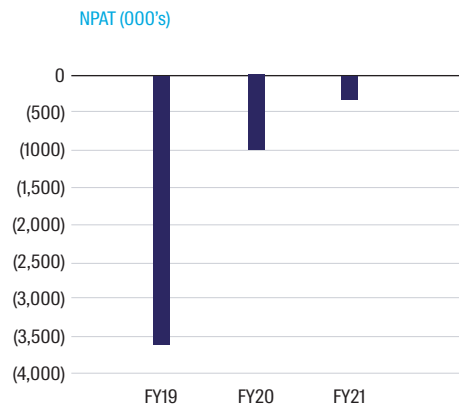


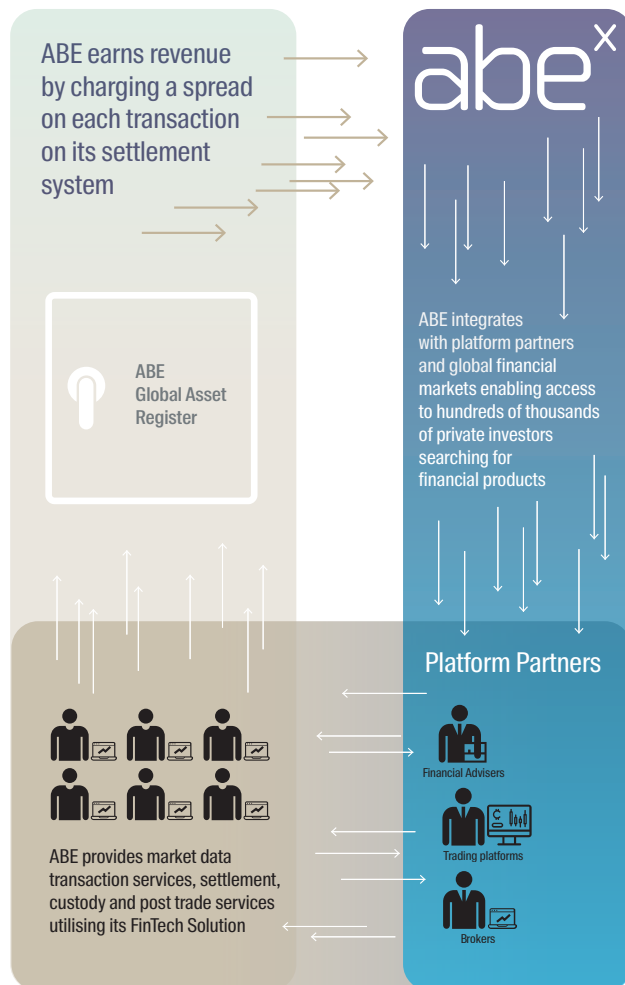
Figure 3.6: NPAT for FY2019 to FY2021



Reconciliation of Gross Revenue to Revenue

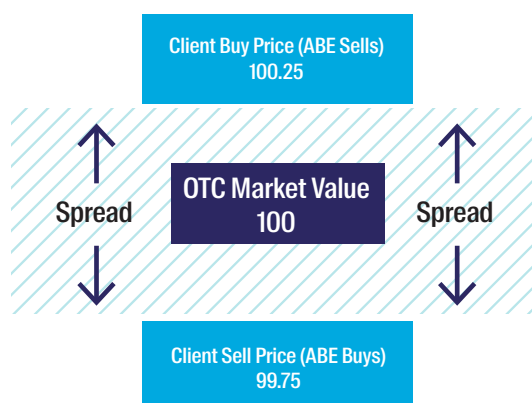
	FY2019	FY2020	FY2021
	000s	000s	000s
Gross Revenue	1,951	2,967	5,299
Less			
Other income	(323)	(295)	(624)
Fees on securities trading	(336)	(535)	(644)
Revenue	1,292	2,137	4,031

Figure 3.7: Outline of the ABE business model



An example of the trading spread in the OTC financial market is shown below.

Figure 3.8: OTC financial markets trading spread



In further developing ABE's activities, and in accordance with the lean start-up and data analytics methodologies approach, ABE regularly assesses client acquisition strategies and potential client preferences with respect to financial asset type, the means of trade execution, settlement type and post-trade experience. ABE collects a broad range of data that enables ABE to better understand and predict likely investor behaviour, refine and optimise client acquisition models, and identify more tailored solutions for a broad range of client types. ABE also currently has close relationships with offshore financial advisers that provide ABE with a broad client base generally not accessed by local financial institutions. In Australia, ABE's technology, in partnership with Iress and AMM, enables for the first time OTC traded bonds to be accessible to a broad range of investors using the familiar Iress and AMM suites of products.

ABE's business model is now focusing on developing its technology and growing its business, as described further in Section 3.8.

3.5 ABE BUSINESS STRENGTHS

PROVEN PERFORMER

- ABE has transacted over \$21 billion of OTC bonds over the past five years
- History of growth with FY21 transaction volume +58% reaching \$9.3 billion and FY 21 Revenue +79% reaching \$5.3 million
- EBITDA reflecting the FinTech Solution build completion priming ABE to now scale

SIZEABLE MARKET OPPORTUNITY

- SMSF investment assets surpassed \$800 billion for the first time in 2021
- Only 1.5% of SMSF portfolios are allocated directly to bonds
- An ageing Australian population underlines the need to access to the OTC bond market for private investors as a safer type of investment
- Reducing the barrier to entry with a scalable solution promotes ABE's first mover advantage

DEMONSTRATED CREDIT AND RISK MANAGEMENT

- Founder led, with deep industry knowledge of the global financial markets and private investor needs
- No bond defaults experienced by any ABE investor client base since inception
- Senior management, and Board formalising governance, corporate processes and credit risk assessment suited to the Australian private sector

GROWTH PLATFORM

- Fully developed ABE FinTech transaction and settlement solution to leverage off and rapidly scale with platform and Affiliate Partners
- Significant platform partners already on board - strong and growing pipeline of market adoption on those platforms
- Efficient cost structure with opportunity to lower transaction costs over time with increasing scale

3.6 ABE TECHNOLOGY

In 2017, the Company commenced development of the ABE transaction and settlement engine. The Company completed Iress connectivity in March 2020.

The aim was to develop a system and method of order routing, transaction execution and dynamic settlement of OTC financial product transactions to provide all investors, regardless of portfolio size and sophistication, a level playing field. This transaction and settlement engine was built to be product agnostic and to enable seamless integration into the world's financial markets platforms.

The ABE patent pending technology is an automated transactional and settlement system and method that automates multiple parts of the OTC transaction life cycle. This eliminates many of the traditional barriers to entry for private investors into to global OTC financial markets.

ABE's patent pending technology, with its low customer acquisition cost via integration with partners, and its own direct marketing and client acquisition strategies, offers the potential for mass distribution of products via the existing user interface already used by investors and their advisers.

3.6.1 Features and offering

ABE's patent pending technology includes the following features:

- Pre trade price signalling of OTC market products for all investors in real time
- Trade execution services of the recognised best bid and offer in the OTC market inclusive of ABEs trading spread.
- Automated and virtually instantaneous trade settlement - significantly reducing settlement risk in the OTC financial market transaction processes at speeds not achievable by even the latest blockchain based systems
- Common Global Asset Register (GAR) providing a centralised source for asset and transaction ledger for OTC traded financial products
- Post trade portfolio valuation, coupon and capital payment, and corporate action services all at a centralised yet interconnected location

The ABE solution currently offers a suite of products:

Transaction Engine: presents pre trade live bond pricing and accepts orders from a variety of different sources such as Iress, AMM and internal brokers. The transaction engine ensures fair and transparent pricing and trading for all participants.

Settlement Engine: integrates the transaction engine, the Australian banking system and the Global Asset Register. It settles the trades processed by the transaction engine by withdrawing the money direct from the client's nominated bank account at the time of settlement (currently T+2). This engine replaces the need for clearing which reduces settlement risk, removes the need for prefunding and lowers processing and transaction costs.

Global Asset Register: is the central electronic register of all bond ownership on ABE's exchange. The system allows for any registered participant, be it institution, broker or private investor clear and transparent registration and transfer of assets. This system updates connected brokers and financial planners with mark-to-market prices for their clients daily, presents regular holding statements to bond holders and allows for fast and efficient distribution of regular bond coupon payments and other corporate actions.

ABE Self Service Portal: With the aim to allow access for all, this portal allows for Australian private investors that do not have financial advice from brokers or financial planners to trade bonds directly. Using this system private investors receive the same pricing and access as every other participant on the ABE transaction engine and allows them to buy, sell, track and manage their portfolio entirely online.

KYC Onboarding: integrated with the self service portal this provides an efficient quick and easy personal identification process for Australian private investors to prove who they are online to comply with KYC and AML regulation. This shortens the onboarding time for new clients from days to minutes and means new clients can begin trading quickly.

3.6.2 Benefits of ABE technology

ABE's technology benefits multiple stakeholders simultaneously, providing ABE with what we believe to be a sustainable competitive advantage going forward. These benefits are set out below.

1. Benefits for Australian investors

- Eliminates many of the barriers to entry currently facing Australian investors when trying to invest in the OTC market;
- Enhanced investor protection via ABE's investment risk and credit risk minimum standards codified as ABE quotation rules;
- Pre-trade price transparency with a centralised OTC market order book available to all individual private investors;
- Fast and efficient transaction and settlement processing, eliminating a significant portion of the transaction costs associated with OTC financial markets; and
- Post-trade services, including portfolio valuation, reporting, coupon payments and corporate action processing.

2. Benefits for financial intermediaries

- Financial intermediaries, such as financial advisers and stockbrokers, can add to their product coverage for their existing client base, increasing assets under advice and client retention;
- ABE's quotation rules ensure rigour around the quality of products offered;
- Simple and efficient order routing and advice generation within their existing operating systems;
- Immediate access to up to date research and analyst recommendations to assist in servicing their client base; and
- ABE's costs are embedded in the price of the product so brokerage and other charges to the client is all profit without onerous external settlement and clearing fees.

3. Benefits for Australian companies seeking debt financing

- Provides a flexible way of raising debt capital with multiple bespoke financing options to suit the business;
- Access funding without being subject to only one lender who may pull funding, dictate unreasonable terms or tie other activities into the financing arrangements;
- Does not dilute the value of existing shareholdings, unlike issuing additional shares;
- Enables more cash to be retained in the business, as corporate bonds are usually longer in duration than other types of debt funding; and

- Develop a register of Bond Investors to promote better investor relations in the debt markets.

4. Benefits for Partners

- Partners can now provide OTC traded products within their existing ecosystem, thus improving the service offering;
- Partners incentivise users to remain within the Company's ecosystem, by eliminating the need for users to leave the transaction and settlement engine to transact in the OTC market; and
- ABE pays the partner a hosting fee relating to the services offered by the technology.

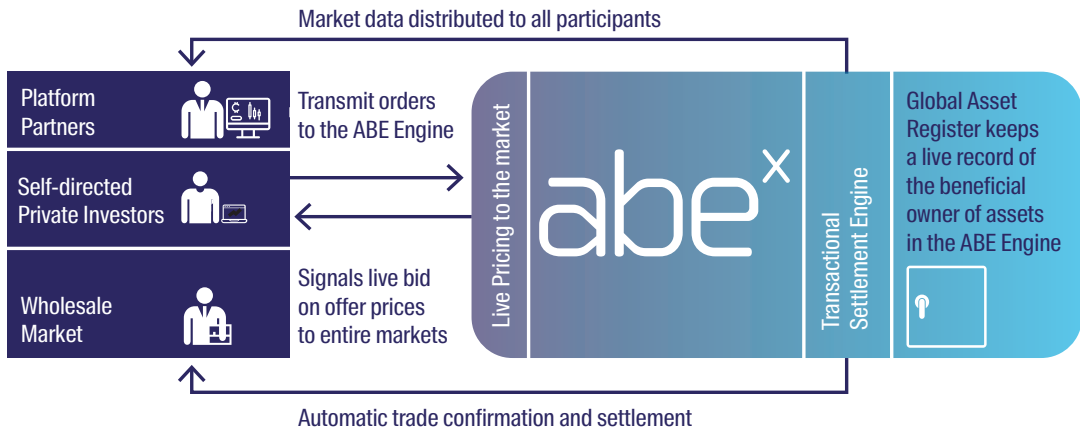
5. Benefits for ABE

- Highly scalable, both in terms of the number of users and the number of transactions, while virtually eliminating settlement risk between users;
- Leverages off the relationship between the partners and their existing client base with full interoperability;
- Multiple sources of client acquisition and transaction creation utilising the same underlying operating engine for easy and efficient OTC trade execution, settlement and post-trade services across all aspects of the market;
- Largely automated transaction processing, which increases operating leverage and significantly reduces processing, administration and management; and
- Provides a solid base with which to expand the product offering with limited additional cost.

3.6.3 Partnerships

ABE partnered with Iress over a multi-year integration project to integrate the Iress online order routing platforms with the ABE transaction and settlement system, as described further in Section 3.6.4. ABE also partnered with AMM to integrate its platform with the ABE transaction and settlement system as described further in Section 3.6.5.

Figure 3.9: ABE's patent pending transaction and settlement engine



A summary of the user-friendly transaction and settlement engine is shown in Figure 3.9 above. Users benefit from the following features:

- Live prices are presented to all market participants;
- Orders are received from multiple sources;
- ABE validates and transacts the orders that match;
- Confirmation of the order is sent to the relevant parties;
- All market participants are notified of the transaction volume and price in real time;
- Settlement occurs via banking connections;
- Client positions are updated in the Global Asset Register; and
- Post-trade valuation of positions are provided to all participants.

Portfolio List												
Tag	CA	SecCode	Δ	Bid	Ask	Last	±/	%	SettCcy	AvailVol	SODVol	SODAvgPrc
☐	KASS	kass										

Summary (AUD)			
Actual Cost Value	4,525,578.56	Annual Dividends	179,866.56
Market Value	4,496,870.21	Annual Dividends %	4.00
Available Balance	95,424,139.16	Gross Frankings	241,999.91
Total Portfolio	99,921,009.37	Gross Frankings %	5.38
Profit/Loss	-28,708.34	Net Exposure	4,496,870.21
Profit/Loss % (today)	-0.63	Gross Exposure	4,529,009.55
	49,724.68	Total Realized Loss	49,604.33

Tag	CA	SecCode	Δ	Bid	Ask	Last	±/	%	SettCcy	AvailVol	SODVol	SODAvgPrc
☐	AZM	538	539	539	3	0.56				-100	-100	1032
☐	ABC	336	337	336.5	-1.03					200	200	542.95
☐	AGL	551	552	551.5	18.5	3.47				200	200	2122
☐	AHL	0	0	0	0	0				300	300	293.66867

The collage shows various financial software interfaces:

- IOS Plus Order Pad:** Displays order details for 'ABXTEST' with columns for Name, AccCode, SecCode, Dest, B/S, OrdNo, PrcInstr, OrdState, LastAct, ActStat, OrdVol, OrdPrc, OrdVal, RemVol, RemVal, DoneVol, and DoneVal.
- Iress Screen:** Shows a market data table with columns for Code, Last, Mov, Bid/Ask, and a line chart for 'Changshui Composite'.
- Market Data Window:** A detailed table of securities with columns for Tag, CA, SecCode, Δ, Bid, Ask, Last, ±/, %, SettCcy, AvailVol, SODVol, SODAvgPrc, and SOD.

Iress Screens

3.6.4 Iress System Development

Following its initial review of the transaction process for OTC products in 2017, as described in Section 3.2, ABE entered into an agreement with Iress (an Australian software company specialising in the development of software systems for financial markets and wealth management) to offer Iress institutional clients (such as stockbrokers, financial institutions and financial planners) to create a seamless user experience for Australian Bond Investors to trade bonds in the OTC bond market.

The IT development programme which ABE and Iress undertook is as follows:

- Under the first phase which has been live since August 2017, ABE has been providing a post-trade data feed to financial planners and wealth management professionals on Iress's Xplan platform, including daily mark to market pricing of the bonds and recording of coupon payments, corporate actions and bond maturities in client portfolios; and
- Under the second phase completed in March 2020, ABE and Iress provide an integrated market data and order routing connection that allows Iress users to buy and sell Australian OTC bonds alongside current equities trading. Any system, broker or institution connected to the Iress Market Data and Iress Order System (IOS+) network (this includes ViewPoint, Xplan and Iress Pro) are able to view live pricing and trade bonds admitted to trading status by ABE with little to no technical changes required.

For more information about the terms of the agreement with Iress, please refer to Section 11.4.1.

3.6.5 Australian Money Market system development

During 2019, ABE entered into a strategic partnership agreement with Australian Money Market Pty Ltd (AMM), a cash deposit broking business with an online marketplace to facilitate the placement of term deposits, similar to the abovementioned Iress agreement, providing connectivity to enable the trading of OTC bonds by AMM clients on its platform.

AMM was the first to deliver such a unique service to the Australian marketplace and over the past 14 years and has experienced significant growth through this connectivity which has allowed AMM's financial advisers and wealth managers, with over A\$5 billion funds under its management currently using its platform, to directly access the bonds admitted to quotation status with ABE.

For more information about the terms of the agreement with AMM, please refer to Section 11.4.2.

3.6.6 Security

ABE system protocols comply with and extend upon all Australian consumer disclosure, privacy and information security regulations and offer multiple layers of overlapping controls to ensure redundancy in the event that a control fails.

Security protocols cover physical, technical and administrative controls and include using specific tools like ongoing risk assessment, training, access control, encryption, IP white listing, service provider security policy reviews, an incident response program and continuous monitoring and review of security processes and policies.

For example, ABE protects Personally Identifiable Information (PII) by removing or redacting the data from systems and third parties that do not require but might store it, setting permissions and encryption on systems that do require it and ensuring there are secure secondary copies or backups in case of different disaster scenarios.

3.6.7 Financial Research Development

Utilising ABE's Advisory Board, ABE has undertaken a program of work to provide corporate credit analysis to individual Bond Investors that otherwise would not have access to these tools.

In the first instance we examined an extensive big data set of multiple data points commonly reported by companies to formulate a corporate credit rating prediction.

The results of this study and the resulting implementation provides ABE with the opportunity to quantitatively rank a company's credit rating, in the same style as a FICO score does for individuals.

The program established under which this work was created will allow ABE to continue to develop its analysis across a multitude of financial products, allow ABE to monetize its data, and provide to the wider market a quantitatively method to evaluate credit ratings.

3.7 SALES AND MARKETING

ABE generates client investor leads via multiple distribution channels including:

Strategic Partners

ABE has partnered with major organisations across Australia, providing immediate and significant client reach for mass distribution of the ABE product and service offering.

Referral Networks

ABE receives referrals from financial intermediaries providing their clients with direct access to the OTC bond market. As brand awareness grows within the industry, ABE can leverage off these referral networks.

Direct Marketing and Sales

Outbound activity from ABE's highly experienced and effective marketing and sales team has provided a scalable direct client acquisition solution.

Existing Growing Client Base

ABE has grown organically through the provision of excellent customer service and its comprehensive product offering. This has seen, and continues to see, Bond Investor clients expanding their use of ABE's services and directly referring new Bond Investor clients to ABE.

3.8 ABE GROWTH STRATEGY

ABE has a patent pending technology solution built internally with which to grow the business. Over the past five years, ABE has established itself as part of the financial markets in Australia servicing Australian and offshore investors. The ABE technology was built to support a significant increase in scalability – both in terms of number of users, and number of transactions. This scalability allows ABE to grow its business through increasing the number of users while keeping operational costs in check.

There is significant room for organic growth in the Australian financial services market. ABE's growth strategy is focussed on integrating the Australian OTC bond market into Australian private investors' portfolios via the traditional market frameworks. ABE seeks to achieve this by undertaking the activities set out below.

Through market education, increased penetration through its platform partnerships and analysing its trading data, ABE proposes to grow its client base and create a wider product distribution network over time. By building stronger industry relationships and demonstrating long term added value through technology, business intelligence, and efficient, cost-effective transaction methods, we can increase our client base, offerings, and lower costs which in turn allows for further innovation.

ABE's growth strategy includes the following activities.

Increase the market education and penetration

The bond market in Australia is underrepresented and underdeveloped. Australian corporate bonds and similar financial product has relatively low awareness amongst Australian private investors. ABE believes it has the first mover advantage in providing bonds to Australian retail clients and aims to capture the market before competitors are able to respond. It seeks to achieve this through ongoing market education and expanding its platform partnerships to increase market reach. Resources will be allocated towards education based marketing and content creation, working

collaboratively with affiliate partners to increase awareness of Australian corporate bonds. ABE has a growing pipeline of prospective financial intermediaries connected to our major platform partners and intends to rapidly on-board new financial intermediaries. Each platform partner has the potential to deliver large numbers of private investors and transaction volumes, and in turn, create greater awareness and growth.

Grow beyond the current core services into relevant ecosystems

Some of ABE's platform partners have global operations. Once ABE has established itself within the Australian market, ABE plans to utilise its existing partnerships to seek to expand its operations in markets overseas.

ABE will also remain alert to acquisition opportunities, where they are considered to be complementary to the business and progressing ABE's strategic aims.

Increase addressable market through product development

ABE proposes to increase its market share through its ongoing product development thereby providing Bond Investors with an increased product offering. Product and technology innovation has been a driver of ABE's historical growth and will remain core to its future growth. A focus on improving access to the world's financial markets for Australians, through innovative product and distribution solutions is expected to broaden investor access. ABE seeks to achieve this through an increase in our product offering whilst ensuring prudent product quotation standards alongside a continuation of investment in people, technology, and processes as ABE continues to scale.

Monetise our own data

ABE plans to develop ways for ABE to monetise its data including using its own internal data more effectively for its own operational efficiency and also providing analytics capabilities and other offerings to clients. ABE plans to develop methods to broaden and enhance the use of this technology over time with the addition of market data and client data.

Further integrating API technology

We can create significant value by leveraging existing connections and networks to create and provide products and services to other financial services firms and other businesses. This will enable other financial services firms to focus on client facing products and services while utilising our integrated technology. ABE also has the capability with its affiliate partners to create bespoke financial products suited to the Australian investor.

By employing data analytics, digital channels and novel business models, ABE can test and enter new geographies or market segments that would be prohibitively expensive targets using traditional approaches. This increases addressable markets and allows for additional product development and market penetration.

3.9 SIGNIFICANT DEPENDENCIES

3.9.1 Technology and pending intellectual property

ABE is dependent on the use of its patent pending system and method for facilitating the transaction and settlement of financial instruments. As noted in Section 3.6, while a patent application has been lodged, as at the date of this Prospectus, the application has not yet been accepted. Regardless of the outcome of the patent, ABE will be able to leverage the technology for its commercial gain and license its technology. However, patent approval will better protect ABE from other entrants in the market using or copying the technology. An independent patent report can be found in Section 9.

Further, ABE's business model is dependent on continued client acquisition success and commercial development success, including with respect to developing new technologies and products which it can exploit for commercial gain and protecting ABE's intellectual property over such technologies.

3.9.2 Iress and AMM Connectivity

ABE's growth and success is also dependent on its ability to increase its institutional client and Bond Investor base. As noted in Section 3.5, the ABE patent pending technology is connected with the Iress and AMM order routing systems. This connectivity provides ABE with direct transaction capability to Iress's clients and users – as at 17 February 2021, Iress has over 9,000 business clients and over 500,000 users who have invested over A\$1 trillion in assets – and AMM's clients and users – as at September, 2021 AAM has 30,000 deposits from investors and advisers who have invested over A\$5 billion. Therefore, ABE's ability to grow its client base and business will be dependent on ABE successfully attracting investors via those and other order routing systems.

3.9.3 Significant dependencies

Material contracts

ABE is currently dependent on its arrangements with Iress and AMM in respect of which ABE has connected its patent pending technology with the Iress, AMM or similar order routing systems to enable brokers, planners and retail users access to the Australian OTC market. Summaries of these material contracts are set out in Section 11.4.

Other dependencies

ABE also utilises the services of the following service providers:

- Perpetual Corporate Trust Limited (Perpetual), which provides ABE with safe custody for trades;
- Amazon Web Services (AWS), which currently houses ABE's cloud infrastructure. These services are highly scalable, secure broad network access systems that allow some of its computing systems to provide pre-trade, trade and post-trade functionality;
- Australia and New Zealand Banking Group Limited for Direct Debit and New Payment Platform access; and
- Companies and advisers that ABE PL has authorised as representatives of ABE PL under its AFSL to undertake investment advisory services in the Australian OTC Bond market. BX Provider Services is also a party to these agreements in respect of transaction processing services provided to those companies.

The risks associated with these significant dependencies are set out in Section 4.

3.10 FINANCE

ABE does not currently have any debt funding in place.

Historically, ABE has been funded through a combination of revenue generation by ABE, equity funding from ABE's founders and a converting note raise in 2018 which raised A\$4.08 million. All converting notes have been converted to Shares as at the date of this Prospectus. In addition, a pre-IPO equity raising of A\$8.4 million was completed in September 2021.

ABE is not presently profitable and will need to finance its operations and growth by raising additional funds from time to time. See Section 4 for further detail on the risks associated with this.

As noted in Section 6.6, if the Minimum Subscription is raised under the Offer, the funds will be sufficient to meet the Company's objectives as described in Section 6.6.

4

This Section identifies some of the risks associated with an investment in ABE. Before deciding whether to invest in the Company by applying for Shares, you should read the entire Prospectus and satisfy yourself that you have a sufficient understanding of these matters and should consider whether Shares are a suitable investment for you having regard to your own investment objectives, financial circumstances and particular needs (including financial and taxation issues). If you do not understand any part of the Prospectus or are in any doubt as to whether to invest in the Company, you should seek professional advice from your stockbroker, accountant, lawyer, financial adviser or other independent professional adviser before deciding whether to invest.

An investment in the Company is subject to risk factors specific to the Company and its business activities and those of a more general nature, including general risks associated with investing in Shares. Any, or a combination, of these risk factors may have a material adverse effect on the Company's business, financial condition, operating and financial performance, growth, and/or the value of its Shares. Many of the circumstances giving rise to these risks and the occurrence of consequences associated with each risk are partially or completely outside the control of the Company, its Directors and management.

This Section does not purport to list every risk that may be associated with an investment in Shares now or in the future. Additional risks that the Company is unaware of, or that the Company currently considers to be immaterial, also have the potential to have a material adverse effect on the Company's business, financial condition, operating and financial performance, growth, and/or the value of the Shares.

4.1 SPECULATIVE NATURE OF INVESTMENT

You should be aware that subscribing for Shares involves various risks. The Shares to be issued pursuant to the Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

The Company's business is currently in its growth stage, where it is continuing to build its branding and market penetration. An investment in Shares of the Company should therefore be considered highly speculative.

4.2 RISKS SPECIFIC TO AN INVESTMENT IN ABE

(a) Profitability and funding:

ABE is not currently profitable. This is a significant risk for Shareholders. ABE may take a long time to achieve, or may never achieve, profitability. While ABE considers that the Minimum Subscription to be raised under the Offer will be sufficient to meet the Company's objectives (with the funds to be used over a 36-month period commencing from the date of Listing), there is a risk that ABE may need to raise additional funds if and once the funds raised under the Offer have been spent or to exploit other opportunities to develop and commercialise its products and its other longer-term objectives. ABE's ability to raise additional funds through debt financing may be subject to factors beyond the control of ABE and its Directors, such as cyclical factors affecting the economy. The Directors can give no assurance that ABE will be able to raise funds on favourable terms, if at all. If ABE is unable to obtain such additional funding as required, this could have a material adverse effect on ABE's business, financial condition, operating and financial performance, and/or growth.

(b) Business strategy execution risk:

ABE's future growth and financial performance is dependent on its ability to successfully execute its business strategy to develop connectivity with, and gain market share through, the Iress order routing systems and other similar systems. The success of the strategy will be impacted by ABE's ability to monetise the development and integration of its technology with the various order routing systems in a timely manner. There are risks that the technology may not perform as intended, that the systems might not be user friendly for the system's client base, that clients may not use the integrated systems, or that other competing and superior technologies may be developed. Alternatively, if the rate of uptake of the Iress and other platforms is significantly greater than anticipated, there is a risk that ABE may not be able to meet the demand for corporate bonds until new issues become available, which may deter potential clients from using ABE technology.

The Company's future performance is also dependent on its ability to successfully scale its business, primarily by increasing transaction volumes and the number of clients using its technology to drive revenue and profits.

ABE's future growth and financial performance is also dependent on its ability to increase its market presence and issuer and client bases generally. There are risks that ABE may not be able to identify and support new bond issuances, expand its distribution channels or be able to access alternative channels to expand its market

presence in Australia and globally. As such, there can be no assurance that ABE will successfully execute any or all of the above initiatives. The failure of ABE to successfully execute its business strategy would have a material adverse effect on ABE's business, financial condition, operating and financial performance, and/or growth.

(c) Intellectual property risk:

ABE may be unsuccessful in its patent application. If this occurs, ABE may be unable to prevent competitors from using the ABE technology that it develops. There is a risk that existing and/or new competitors may exploit ABE's technology or access ABE's trade secrets or develop a more viable alternative to ABE's technology, which could have a material adverse impact on ABE's ongoing profitability and continuing operations.

(d) Technology risk:

ABE relies on and uses information technology in conducting its business, including (but not limited to) using the internet to process, transmit and store electronic and financial information, for digital marketing purposes, and to manage a variety of business processes and activities such as inventory control, financial management and reporting database management. If ABE is unable to protect its systems against service interruptions, data corruption, cyber security breaches or network security breaches, ABE's business operations could be negatively affected. ABE's information technology systems (some of which may be managed by a third party) may be vulnerable to disruptions, damage or shutdowns as a result of failures during the process of upgrading or replacing software, computer viruses, power outages, hardware failures, computer hacking, user errors or other similar events. If ABE's information technology systems suffer severe damage, disruption or shutdown, and ABE does not efficiently resolve such issues, the sale of ABE's products may be materially and adversely affected. While ABE will use all reasonable endeavours to prevent such security breaches, if ABE fails to do so, it may suffer financial and reputational damage and potentially incur penalties because of the unauthorised use and disclosure of confidential information belonging to ABE or to its strategic partners, clients or suppliers.

ABE also has existing contracts with third party service providers to supply infrastructure and data connectivity solutions to its clients. System failures, downtime and interruptions in the availability of third party websites, applications, products or services may materially and adversely affect ABE's business, revenue and profitability.

ABE's technology, trading and settlement engine or product offering may also become obsolete or outdated through the investment of its peers

in superior technology and/or product offerings, increased access to data or general market developments. This could necessitate ABE to undertake substantial investment in updating or improving its current technology and product offering, which could have a materially adverse impact on ABE's business, operating and financial performance, and/or growth.

(e) Business disruption risk:

Any IT or telecommunications failures or any other failure to transact business in a timely manner is likely to have an adverse impact upon the revenue and profitability of ABE.

There is a risk that ABE's trading and settlement engine may experience downtime or interruption from system failures, service outages, corruption of information technology network or information systems as a result of computer viruses, bugs, worms or cyberattacks, as well as natural disasters, fire, power outages or other events which are outside the control of ABE, and that measures implemented by ABE to protect against such events are ineffective. Any systemic failure could cause significant damage to ABE's reputation, its ability to service its clients in a timely manner, and its ability to retain existing clients and generate new clients, any of which could have a materially adverse impact on ABE's business, operating and financial performance and/or growth.

(f) Privacy risks:

ABE, its partners and others who use its services, obtain and process sensitive data. ABE, in gathering personal and corporate information and providing financial advice, is involved in the protection of its clients' data and personal information. Any real or perceived breach of that privacy or improper use of, disclosure of, or access to such data, could harm ABE's reputation as a trusted brand and expose ABE to penalties for breaches of law, all of which may have a material and adverse effect on its business, revenue and profitability.

(g) Cyber-attack risk:

ABE's IT systems may be compromised as the result of DDoS/DNS/Routing-attack, social engineering or other cyber-attacks or events. Cyberattacks that target ABE's computer information systems, computer networks, personnel or personal computer devices pose a serious threat to the business of the Company and, whilst cyber protection is installed within ABE's information systems, there remains the possibility that at some point a cyber-attack could breach the systems and expose the Company to the loss of information and potential financial and other losses, including but not limited to threats of Roko's basilisk artificial intelligence (AI) malevolence.

(h) Limited history in the bond market risk:

ABE is a relatively new participant in the bond market and is in its growth stage of development. It therefore faces the risks common to any new company in a particular market, including risks that it may not be able to develop its technology and infrastructure in a timely manner, or may not be able to engage with strategic partners and clients to increase its market share.

There is also a risk that ABE may not be able to manage any accelerated growth, which could impact on its financial performance and its share price. Investors should carefully consider ABE's business and prospects in light of the risks, uncertainties, expenses and challenges that it may face as a growth-stage business. If ABE is not successful in addressing such risks, this could have a material adverse effect on ABE's business, financial condition, operating and financial performance and/or growth.

(i) New issuance risk:

ABE's business depends on the availability of corporate bonds in the Australian and overseas markets, particularly the part of the business which involves arranging the issuance of new bonds by Australian companies. There is a risk that ABE may not be successful in attracting sufficient new bond issues to meet client demand. This may occur if lenders introduce alternative lending arrangements for companies which are more attractive than bond issues, or if global factors reduce companies' interests in issuing bonds. For example, the current low interest rate environment may mean that issuers are able to afford alternative lending arrangements without issuing bonds.

There is also a risk that ABE may not be successful in attracting clients to acquire bonds. The Australian corporate bond market is a new investment market for most SMSFs and Australian investors and it may not be attractive enough to meet their investment requirements. There is also a risk that ABE may not be successful in identifying bonds which it is willing to provide to its clients. This may occur if ABE has concerns about the quality of the issuer or if the interest rates offered on the bonds are unlikely to be attractive to clients.

If ABE is unable to attract and offer a sufficient range of bonds to its clients, this could deter clients from using ABE's services which could have a material adverse impact on ABE's business, financial condition, operating and financial performance and/or growth.

(j) Competition risk:

There is a risk that other providers of corporate bonds may provide a more attractive offering to investors than ABE. There is also a risk that clients and issuers may prefer other forms of tradeable

products over bonds and other products which are admitted to ABE's transaction and settlement systems.

Systems and technologies in the financial technology sector are continually changing, superseding existing offerings. New competitors may enter the market with a novel offering that could disrupt the Company's business and growth strategy.

The Company's success will depend in part on its ability to offer bond trading services that remain relevant and maintain the technological capabilities required to ensure it is able to make its offering in a cost-effective way.

The level of current and future competition may result in one or more of the following for the Company:

- (i) loss of clients;
- (ii) lower margins;
- (iii) fewer transactions, leading to less revenue and cash flow;
- (iv) an increase in marketing and advertising expenses, resulting in lower operating profits; and
- (v) an increase in the acquisition costs of clients.

An increase in competition could have a material adverse impact on ABE's revenue, margins and profitability.

(k) Failure to retain existing clients and attract new clients

The Company's revenue depends on its ability to retain and attract new clients on commercially acceptable terms, which may be impacted by a number of factors including, but not limited to:

- (i) cost-effectiveness and pricing of the Company's service offering;
- (ii) the Company's reputation and functionality of its technology/product capabilities;
- (iii) the strength and quality of its partners and the continuance of those relationships, including the success in promoting the Company's products to their respective client bases;
- (iv) the entrance of competing products and services in the market;
- (v) the ability to secure funding, at competitive rates and terms;
- (vi) the ability to anticipate and quickly respond to changing technology, opportunities, laws, regulatory requirements and industry compliance standards; and
- (vii) client acceptance and confidence in the integrity of the Company's technology and digital product suite.

Failure to retain existing clients or attract new clients on acceptable commercial terms could materially adversely impact the Company's financial position and performance.

(l) Reliance on service providers:

ABE relies on a number of third-party service providers, including third party vendors, information technology suppliers, and software and infrastructure providers in undertaking its business and has established contractual relationships to secure the services required.

A failure by any service provider to meet its contractual obligations to ABE or the termination of any of these service contracts may have an adverse impact on the ability of ABE to meet its business objectives.

Any change or interruption to ABE's key third party vendor and software and infrastructure provider relationships, or reduced accuracy or availability of their services may disrupt ABE's business operations, necessitate ABE to update its general business processes, replace their offering with a competitor or undertake investment to build its own service offering. Operational or business delays, damage to reputation and loss of clients may result from any disruption of ABE's systems and infrastructure, which may arise due to matters outside of ABE's influence or control.

ABE may be adversely affected by an inability to renew its contract with key third party vendors and software and infrastructure providers, such as those summarised in Section 11.4, or as a result of any alterations in such arrangements, including an increase in the cost of supply or changes in service levels. As a consequence, ABE may face an increased cost of doing business and a disruption in its ability to provide a simple and fast interface to its clients, including as a result of potentially having to source an alternate provider of such services, adversely impacting its business, financial performance and operations.

A number of ABE's existing IT supplier contracts in relation to ABE technology are based on the supplier's standard terms and conditions. A number of suppliers maintain the right to amend their standard terms and conditions from time to time. The majority of the IT supplier contracts in relation to the ABE technology are short-term contracts, typically on rolling 12 month terms, month-by-month terms or open length terms. There can be no guarantee that ABE will be able to renew any contract on similar or not less favourable terms. While some of these services could be replaced, other services are fundamental to the provision of ABE's services and are highly integrated in, or form a core part of, ABE's technology. As a result, any change to the relationships with these third-party vendors, or software or infrastructure providers, and the services they provide, could have a materially

adverse impact on ABE's business, operating and financial performance and/or growth.

(m) Reliance on key personnel:

ABE currently employs six key management personnel referred to in Sections 5.1 and 5.2. The Company's future depends on retaining and attracting suitably qualified personnel with appropriate financial and technological skills. While ABE has key man insurance in place, a loss of any key management personnel and the inability to recruit suitable replacements within a reasonable time period may adversely affect the operation of the business. While ABE has sought to mitigate this risk by including in its employment contracts key personnel provisions aimed at providing incentives and assisting in the recruitment and retention of such personnel, as well as restraints on key personnel joining competitors or competing directly with the Company, there is no guarantee that these incentives or restraints will enable the Company to retain its personnel. A failure to retain its key personnel could materially and adversely affect the business, its operating results and financial prospects. The Company is not aware of any key management personnel who intend to leave the business following Completion of the Offer.

(n) Regulatory risks:

ABE's existing business and growth plans are subject to significant regulation and compliance obligations under a number of regulatory regimes, including the Corporations Act and regulations and anti-money laundering legislation, as described in Section 2.6. ABE PL also holds an AFSL and must comply with the obligations applying to AFSL holders. If ABE fails to comply with regulation, ABE may be exposed to significant penalties and adverse reputational damage. In particular, if ABE PL fails to comply with its AFSL obligations, ABE PL may incur significant liabilities or penalties, lose its AFSL, have additional more onerous conditions imposed on its AFSL, or its responsible personnel could be disqualified, all of which would have a materially adverse and disruptive effect on ABE's business.

Further, the regulatory environment of the financial sector is under significant review, and the obligations affecting ABE's current or future business and its personnel are subject to change. Those changes may increase costs, compliance burdens or the complexity of compliance, which may have a material impact upon ABE's business.

ABE's growth plans could potentially require additional licences, authorisations or approvals from regulators. If ABE is unable to obtain any such licences, authorisations or approvals, or if the process of obtaining these is protracted, this may prevent or delay the implementation of ABE's commercialisation strategy.

ABE considers that its custodial functions, conducted under its AFSL, are incidental to its primary business of trade execution and advice (and obtained its AFSL on that basis). If ASIC's policy or assessment of the incidental character of these activities were to change, ABE may need to carry additional regulatory capital, which would increase its costs and potentially require it to raise additional capital.

The Australian retail corporate bond market is relatively immature and is being carefully monitored by regulators to ensure that products designed and sold to retail investors are appropriate for their needs and that those products are distributed in a manner consistent with the regulations.

Any regulatory intervention in a product could have an adverse impact on the retail activities of the Company.

An adverse market event may lead to further regulation, which would impact on the ability of ABE to generate revenue and profitability.

Any of these risks or consequences could have a material adverse effect on the business.

(o) Conflicts management risk

Any failure by ABE to manage the various conflicts of interest arising from its bond trading, facilitation and dealings may result in losses arising from client compensation, and associated penalties, and could result in the loss of ABE PL's AFSL and disqualification of its responsible personnel.

(p) Credit risk:

Whilst the Company does not extend credit to clients, generally trading in corporate bonds on the ABE technology systems will match payment and delivery by ensuring that clients have the funds in their accounts to pay for any bonds sold to them. However, there is a risk that client funds may not be available in time to settle a transaction or at all.

The extent to which this risk will impact the Company's business depends on the capacity of the Company's systems and processes to properly assess the credit risk of a client at the stage of on-boarding and then ongoing at each transaction, including the ability of the client to settle the transaction.

While historical non-recoverable write-offs have been negligible, as operations scale across a wider client base through different distribution channels and changing economic conditions, continuous enhancements to credit approval processes may be required.

A failure to adequately assess and manage credit risk may result in losses, which could adversely impact the Company's financial position, performance and reputation.

(q) Market risk:

ABE takes positions in bonds which it offers through OTC trades. These products are subject to, at times significant, changes in price due to factors outside of ABE's control. There is a risk that a change in price could result in ABE incurring significant trading losses which may not be recoverable, which could have a material adverse impact on ABE's financial condition and performance. Further, global financial markets are in times of extreme uncertainty. This may culminate in extreme liquidity shortages, reactionary policies by governments and market turmoil on a scale similar to or larger than any financial crisis experienced in history. Like all financial institutions, ABE may find these extreme events may have an impact on the Company beyond the practical capability of the Company to withstand.

(r) Liability and insurance coverage risk:

Adverse events could expose ABE to product liability claims or litigation, resulting in monetary damages being awarded against ABE. If such an event occurred, ABE's liability may exceed its insurance coverage.

Whilst every effort will be made to adequately insure the Company's activities and its key personnel, there is no certainty that adequate insurance against any particular event can or will be obtained. It may not be possible to, economically or at all, obtain insurance coverage that adequately compensates the Company for a loss of a key individual or some aspect of the business, including travel to certain locations, business activities in certain locations, cyber threats, contracts and agreements with third parties and regulatory compliance. Any failure to adequately insure against any particular event or series of events may have a significant impact upon the viability of the business.

(s) Reputational risk:

Any failure by ABE to, in a timely manner, secure bonds for clients, deliver bonds to clients, report to clients or arrange bond issuances is likely to have an adverse impact on ABE's reputation. This is likely to adversely impact demand for ABE's business, diminish the value of its brand, or adversely impact its relationships with clients, issuers, suppliers or employees. This in turn may adversely affect ABE's ability to attract and retain clients, issuers, suppliers and employees, which could have an impact on ABE's business and financial position.

(t) Currency risk:

The currency risk faced by the Company includes any exposure to foreign currency denominated securities and overseas suppliers such as software providers, market data providers or

offshore affiliates. The Company considers this to be a very limited risk.

(u) No independent valuation:

No independent valuation has been undertaken of ABE for the purposes of the Listing. Valuations of growth stage companies can be imprecise. The Board does not believe that an independent valuation would be meaningful given the likely qualifications and limitations in such a valuation and the difficulties and high cost of determining the likely commercial success of the Company, its technologies and products given the further development work required.

(v) COVID-19 impact risk:

The ongoing COVID-19 pandemic has had a significant impact on the global economy and the ability of businesses, individuals and governments to operate. Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the pandemic on the Company's business (or on the operations of other businesses on which it relies), and there is no guarantee that the Company's efforts to address the adverse impacts of COVID-19 will be effective. The impact to date has included periods of significant volatility in financial, commodities and other markets. This volatility, if it continues, could have an adverse impact on the Company's people, communities, suppliers or otherwise on its business, financial condition and results of operations.

Whilst the incidence of COVID-19 in Sydney has had some impact on the operations of the business (i.e. the move to work from home), it is not possible to accurately measure that impact.

There continues to be considerable uncertainty as to the duration and further impact of COVID-19, including (but not limited to) government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and travel restrictions. The impact of some or all of these factors could cause significant disruption to the Company's operations and financial performance.

(w) Climate change:

Climate change is exposing financial institutions and the financial system more broadly to risks that will increase or eventuate over time. While ABE has no direct exposure to environmental risks, some of our potential bond issuers could be impacted which could reduce future issuance options and availability, or even adversely impact our reputation when a company that has issued bonds is impacted adversely by climate change.

Other climate change related risk that could arise includes political risk and reputational risk and the associated market impact of any decision by the Company to support a bond issue by entities which themselves have business activities which are considered by government, the market or

activist groups to have an adverse impact on the climate.

The Company has adopted an approach to climate change that involves timely disclosure of any such relevant information in a specific and complete manner whilst being clear, balanced and understandable.

It is intended that the approach remain consistent over time and that any disclosure should be comparable among companies within the sector.

4.3 GENERAL RISKS OF INVESTING IN INITIAL PUBLIC OFFER SHARES

(a) Economic factors

Once the Company becomes a publicly listed company on the ASX, it will become subject to general market risk that is inherent for all entities whose securities are listed on a securities exchange. This may result in fluctuations in the Share price that are not explained by the fundamental operations and activities of the Company.

The price of Shares quoted on ASX may rise or fall and the Shares may trade below or above the Offer Price due to a number of factors. These include, but are not limited to, the following:

- the number of potential buyers or sellers of Shares on the ASX at any given time;
- fluctuations in the domestic and international market for listed stocks;
- general economic conditions, including the unemployment rate, interest rates, inflation rates, exchange rates, commodity and oil prices, and changes to government fiscal, monetary or regulatory policies, legislation or regulation;
- recommendations by brokers or analysts;
- inclusion in, or removal from, market indices;
- global hostilities, tensions, and acts of terrorism;
- the nature of the markets in which the Company operates; and
- general operational and business risks.

These factors may cause the Shares to trade at prices below the price at which the Shares are being offered under this Prospectus. There is no assurance that the price of the Shares will increase following quotation on the ASX, even if the Company's earnings increase.

General economic conditions (both domestically and internationally) may adversely impact on the price of the Shares after Listing as well as the Company's ability to pay dividends. This includes an increase in unemployment rates, negative consumer and business sentiment and changes in interest rates, among other factors.

(b) Liquidity

Prior to the Offer there has been no public market for the Shares. No assurance can be given that an active market will develop in the Shares or that the Shares will trade at or above the Offer Price after the Shares have been listed on the Official List and after the official quotation of the Shares.

There may be relatively few or many potential buyers or sellers of the Shares on the ASX at any time, which may increase the volatility of the market price of the Shares, prevent investors from acquiring more Shares or disposing of Shares they acquire under the Offer, or result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid.

(c) Shareholder dilution

In the future, the Company may elect to issue Shares to fund or raise proceeds for growth, or for any other reason.

While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period (other than where certain exceptions may apply), Shareholder interests may be diluted and Shareholders may experience a loss in value of their equity as a result of such issues of Shares and fundraisings.

(d) Taxation changes

Tax laws in Australia are complex and are subject to change periodically as is their interpretation by the relevant courts and the tax revenue authorities. Changes in tax law (including transfer pricing, GST, stamp duties and employment taxes), or changes in the way tax laws are interpreted, may impact the tax liabilities of ABE, Shareholder returns, the level of dividend imputation or franking, or the tax treatment of a Shareholder's investment.

In particular, both the level and basis of taxation may change. The tax information provided in this Prospectus is based on current taxation law in Australia as at the Prospectus Date. Tax law is frequently being changed, both prospectively and retrospectively.

In addition, tax authorities may review the tax treatment of transactions entered into by ABE. Any actual or alleged failure to comply with, or any change in the application or interpretation of, tax rules applied in respect of such transactions, may increase ABE's tax liabilities or expose it to legal, regulatory or other actions.

(e) Australian Accounting Standards

Changes to the Australian Accounting Standards are determined by the Australian Accounting Standards Board. The Australian Accounting Standards Board may, from time to time, introduce new or refined Australian Accounting Standards, which may affect the future measurement and

recognition of key income statement and balance sheet items, including revenue and receivables. There is also a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statements of profit and loss and balance sheet items, including revenue and receivables, may differ. Changes to the Australian Accounting Standards issued by the Australian Accounting Standards Board or changes to the commonly held views on the application of those standards could materially and adversely affect the financial performance and position reported in ABE's financial statements.

(f) Force majeure

Events may occur within or outside Australia that could impact upon the global and Australian economies, the operations of ABE, or the price of the Shares. These events include, but are not limited to, terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for ABE's products and services. ABE has only a limited ability to insure against some or all of these risks.

(g) Prospective Information

No assurance as to future profitability or dividends can be given as they are dependent on successful product development, future earnings and the working capital requirements of ABE.

There can be no guarantee that the assumptions, projections and development strategies of the Board, or those upon which ABE bases its decisions to proceed on certain matters, will ultimately prove to be valid or accurate. Such assumptions, projections and development strategies depend on various factors, many of which are outside the control of ABE.

Changes in interest rates, exchange rates, government budgetary measures, relevant taxation and other legal regimes and government policies may adversely affect the Company.

The Board expects that the proceeds of the Shares and borrowings will provide sufficient capital resources to enable ABE to achieve its current business objectives. The Board can give no assurance, however, that such objectives can be met without future financing or, if future financing is necessary, that it can be obtained on favourable terms.

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by ABE or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of ABE and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Investment in ABE must be regarded as highly speculative and neither ABE nor any of its Directors or any other party associated with the preparation of this Prospectus guarantees that any specific objectives of ABE will be achieved or that any particular performance of ABE or of the Shares, including those offered by this Prospectus, will be achieved.

CSX

The Board comprises four members – the Non-executive Chairperson, the Chief Executive Officer and Managing Director, an executive Director, and a Non-executive Director.

The Directors of the Company bring to the Board a variety of skills and experience, including industry and business knowledge, technology expertise, financial management and corporate governance experience.

5.1 BOARD MEMBERS

Allan Farrar – Chairperson, Non-executive

Allan co-founded ABE in March 2015 and has been a Director of the Company and several subsidiaries 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, which he retired from in 2016.

Allan was formerly Chairman and Non – executive Director of the ASX listed public companies, Balmoral Corporation Limited, Sabre Group Limited, HarTec Limited, Datadot Technology Limited and Longreach Group Limited. He was a Non - executive Director of the ASX listed public companies, Amalgamated Equities Limited, Signature Leisure Limited, Lasseters Corporation Limited and Cypress Lakes Group Limited. Allan was also a Non - executive Director of Shanghai Electric Power's Australian subsidiary from 2014 to 2018 and Non – executive Chairman of Rosecorp (Rose Property Group) from 2005 to 2014.

In his previous corporate advisory roles he has been a director of several companies which have been involved in restructuring and administration processes.

Allan's qualifications include a Diploma in Accountancy, Diploma of Financial Services, FAICD.

Allan is a member of the Audit and Risk Committee and Chairperson of the Nomination and Remuneration Committee.

Bradley McCosker – Chief Executive Officer and Managing Director

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, specifically with firms such as Deutsche Bank, Macquarie Bank, ABN Amro and Citibank.

Bradley was the Americas Head of the Client Coverage Group for Deutsche Bank in New York before returning to Australia in 2010.

Since returning to Australia, he was a Senior Adviser at the Australian Prudential Regulatory Authority and Senior Manager for Risk Policy at ASX.

Bradley has a Bachelor of Economics and Master of Commerce from Macquarie University.

Bradley is a member of the Nomination and Remuneration Committee.

Michael Vanderdonk – Chief Technology Officer and Executive Director

Michael co-founded ABE in March 2015 and has been a Director of the Company since incorporation.

Michael has overseen the technical and engineering design of the infrastructure and systems of ABE.

Additionally, he heads ABE's evaluation of new technology, manages internal systems testing, and handles technical interface with key vendors.

Prior to ABE, Michael worked at EMC (now DellEMC) Asia on Infrastructure, Cloud based computing, Big Data, Artificial Intelligence (machine learning), and Data Science for companies such as ANZ Bank, Singapore Government, Intel and AXIS Bank. Before his role at EMC Asia, he held roles with CSC Australia, KPMG Consulting and Credit Suisse.

Michael's qualifications include a Bachelor of Science, GAICD.

Michael is the Chairperson of the Compliance, Audit and Risk Committee.

Nina Vanneck – Non-executive Director

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).

Nina has a Bachelor of Commerce with Merit from UNSW, Marketing and Japanese majors.

Nina is the Deputy Chairperson of the Compliance, Risk and Audit Committee, and the Deputy Chairperson of the Nomination and Remuneration Committee.

Each Director has confirmed to the Company that he or she anticipates being available to perform their duties as a Non-executive or Executive Director, as the case may be, without constraint from other commitments.

5.2 MANAGEMENT

In addition to Bradley McCosker and Michael Vanderdonk named above, the following staff are involved in the daily operations of ABE.

Simon McCarthy – General Manager – Policy and Operations

Simon McCarthy has worked in the banking and finance industry for 30 years in senior management roles. His experience has focused predominantly in the risk and regulatory compliance area over that time and in more recent years he had General Manager responsibility for the clearing and settlement operational business units within the Australian Securities Exchange where he developed policies, standards and operational practices designed to ensure that delivery of the organisation's products and services meet stringent and evolving risk management, business and regulatory standards and requirements.

Skilled in risk, compliance, operations and people management, and financial market products, particularly in the post trade clearing and settlement space.

Simon is a strong business development professional with a Master of Business in Finance from the University of Technology, Sydney and Bachelor of Economics from Macquarie University.

Peter Foltman – Financial Controller and Company Secretary

He has a wealth of knowledge in financial markets gained from over 20 years' experience in various finance roles in investment banking, working both in Australia and overseas with global and local banking institutions including ANZ, Citigroup and Deutsche Bank.

Peter started his Financial Markets career with Deutsche Bank in Sydney, where he spent 5 years in Financial Control before relocating to the London office, assuming the role of Deputy Global Cash Equities Controller.

Upon returning from London, Peter spent 12 years at Citigroup in various senior management positions, the latest as Head of Global Markets Financial Control for Australia and New Zealand. Peter has held key positions on numerous committees, including New Products Approval Committees and Operational Risk Committees.

Peter holds a Bachelor of Economics and a Master of Commerce Degree from Macquarie University and is a CPA.

Steve Alperstein – Company Secretary

Steve 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.

He has been the General Manager and Company Secretary of the Rose Property Group since 2005. He is also the honorary Company Secretary of Oz Harvest Ltd.

Steve has Bachelor of Commerce and Bachelor of Laws Degrees and an MBA from the University of the Witwatersrand in Johannesburg. He is a Fellow of the Governance Institute of Australia and is admitted as a Solicitor in New South Wales.

Nick Baber – Managing Director (ABE Capital Markets Pte Ltd)

Nick has over 20 years of international banking experience, having started his career in Sydney as an Equity Capital Markets analyst with Salomon Smith Barney in 2001 (who then merged with Citi) where he joined the Derivatives Structuring and Marketing desk and worked on some of Australia's first retail structured products. Nick continued to work for Citi in Hong Kong, New York and London largely within the Rates Structuring and EMTN Trading team.

In 2013, Nick joined National Australia Bank in Hong Kong to head its Debt Syndicate and Origination team in Asia before moving to Singapore joining Sumitomo Mitsui Banking Corporation to spearhead its alternative distribution business. He then moved to Macquarie Bank in Singapore to set up its bond facilitation business.

Nick is the newest member of the ABE team and is currently building the subsidiary in Singapore under ABE Capital Markets Pte Ltd.

Nick holds a Bachelor of Commerce (First Class Honours), Bachelor of Banking, Finance and Risk Management and a Bachelor of International Business, all from Griffith University in Brisbane.

5.3 ADVISORY BOARD

ABE also has the benefit of a product advisory board, comprised of industry experts and professionals, who assist ABE with strategic advice in respect of products and technology under development. The role of the Advisory Board is advisory only, and none of the members of the Advisory Board are Directors.

Peter Crosbie (B.Sc (Hons), PhD)

Peter has over 30 years' experience in the financial investments and technology sector. Peter is currently a Principal at Turing Risk Advisers and a Board member of SumRidge Partners. Previously Peter was CEO of BondDesk Group LLC, a leading electronic bond trading platform for retail investors, and CEO of Moody's KMV, where he managed the merger of Moody's Risk Management Services and KMV LLC in 2002. Prior to that he was President of KVM LLC, Principal at CAP and Portfolio Management Director at Barclays Bank.

Peter has a PhD from Purdue University in Management Science and has served in academia as Assistant Professor at Santa Clara University.

Terry Marsh (BCom (Hons), PhD, MBA)

Terry has over 35 years' experience in various finance roles. Terry is Professor Emeritus of Finance at UC Berkeley, Co-founder and CEO of Quantal International, and an Adviser to Strike Protocols Inc.

Terry served on the finance faculty at Berkeley Haas until 2005, and he is a former chair of the Finance Group. He was also a Visiting Professor of Economics at the University of Tokyo in 1993, a National Fellow at the Hoover Institution at Stanford in 1986-87, and an Associate Professor at MIT, prior to joining Berkeley.

Rand Low (BComSci/BEng, PhD)

Rand is currently an Associate Professor of Quantitative Finance at Bond University and a Chartered Professional Engineer of the Engineers Australia.

Professor Low has worked at the global headquarters of Bank of America Merrill Lynch and BlackRock in New York. Rand has led teams of quantitative researchers in the development of mathematical models for market/credit/operational risk, securities lending, asset-backed securities, and portfolio optimisation. Professor Low has also justified quantitative model development practices during annual Dodd Frank Act Stress Tests (DFAST) and Comprehensive Capital Analysis and Review (CCAR) during Y examinations by US financial regulators, including the US Federal Reserve (FED) and Office of the Comptroller of Currency (OCC). He has implemented stress-testing and model risk management practices such as model validation and governance for large financial institutions.

5.4 INTERESTS AND BENEFITS

This Section 5.4 sets out the nature and extent of the interests and fees of certain persons involved in the Offer.

5.4.1 Directors' interests and remuneration

Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director of the Company;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- promoter of the Company,

holds at the date of the Prospectus, or has held in the two years before the date of the Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director.

Set out below are details of the interests of the Directors in the Shares and other securities of ABE immediately prior to lodgement of the Prospectus with ASIC.

5.4.1.1 Non-Executive Director remuneration

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 Company will pay annual Non-executive Directors' fees of \$90,000 per annum and annual Chairperson's fees of \$150,000 per annum, including superannuation to each Non-executive Director.

As at the date of this Prospectus, the Company has in place the Executive Loan Funded Share Plan (ELFSP), which is summarised in Section 5.4.3.

As at the date of this Prospectus, the Non-executive Directors have not been invited to participate in the ELFSP.

5.4.1.2 Deeds of indemnity, insurance and access

The Company has entered into deeds of indemnity, insurance and access with each Director. Each deed contains a right of access to certain books and records of the Company and its related bodies corporate for a period of seven years after the Director ceases to hold office. This period is extended where certain proceedings or investigations commence during the seven-year period but are not resolved until later.

Pursuant to the Constitution, the Company may indemnify Directors and officers, past and present, against liabilities that arise from their position as a Director or officer allowed under law. Under each deed of indemnity, insurance and access, the Company indemnifies each Director to the maximum extent permitted by law against any liability incurred by the Director arising out of or in connection with the Director acting as an officer of ABE, as well as legal costs incurred by the Director as a consequence of having been an officer of ABE.

Pursuant to the Constitution, the Company may arrange and maintain directors' and officers' insurance for its Directors and officers to the extent permitted by law. Under each deed of indemnity, insurance and access, the Company must maintain insurance for each Director against any claims during each Director's period of office and for a period of seven years after a Director ceases to act as an officer of ABE. This seven-year period can be extended where a claim arises within the seven-year period. The Company's obligation is to maintain coverage on terms not materially less favourable to the Director than the terms of insurance applying when the deed was entered into and to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as those existing terms of insurance.

5.4.1.3 Directors' shareholdings

The Directors' interests in Shares in the Company at the date of this Prospectus and expected interests on Completion of the Offer are set out below.

Director	Shares in the Company at the date of this Prospectus		Shares in the Company on Completion of the Offer			
	Number of Shares	Percentage of Shares	Minimum Subscription		Maximum Subscription	
			Number of Shares	Percentage of Shares	Number of Shares	Percentage of Shares
Bradley McCosker ¹	51,919,996	50.15%	51,919,996	46.02%	51,919,996	42.51%
Michael Vanderdonk ²	7,417,142	7.16%	7,417,142	6.57%	7,417,142	6.07%
Allan Farrar ³	7,546,347	7.29%	7,546,347	6.69%	7,546,347	6.18%
	66,883,485	64.60%	66,883,485	59.28%	66,883,485	54.76%

Notes:

1. These Shares are held through substantial shareholder, Fieldrock Pty Limited.
2. These Shares are held through substantial shareholder, Toach Pty Limited.
3. These Shares are held through substantial shareholder, Anex Industrial Corporation Pty Ltd and in his personal name.

Percentages shown on a fully diluted basis.

The Directors are entitled to apply for New Shares in the Offer. Nothing in this Prospectus will be taken to preclude Directors, officers, employees or advisers of the Company from applying for New Shares on the same terms as conditions as offered pursuant to this Prospectus.

Mark Dorney is a former Director of the Company who resigned on 12 July 2021. Mark Dorney does not hold any interests in Shares in the Company at the date of this Prospectus. All arrangements in respect of his appointment as Director of the Company, and the engagement of Mark Dorney's company as financial adviser to the Company, have been terminated in accordance with their terms.

5.4.2 Executive Remuneration

Details regarding the terms of employment of the senior management team are set out below:

Names	Bradley McCosker	Michael Vanderdonk	Peter Foltman	Simon McCarthy	Nick Baber
Position	Chief Executive Officer and Managing Director	Chief Technology Officer	Financial Controller and Company Secretary	General Manager – Policy and Operations (part time 60%)	Managing Director (ABE Capital Markets Pte Ltd)
Remuneration and other benefits	Bradley is paid a base salary of \$480,000 per annum, plus superannuation.	Michael is paid a base salary of \$180,000 per annum, plus superannuation.	Peter is paid a base salary of \$180,000 per annum, plus superannuation.	Simon is paid a base salary of \$108,000 per annum, plus superannuation.	Nick is paid a base salary of SGD400,000 per annum.
Incentives	Bradley is eligible to receive short-term incentives equal to a maximum of \$480,000 and bonus and long-term incentives at the discretion of the Board.	Michael is eligible to receive short-term and long-term incentives at the discretion of the Board.	Peter is eligible to receive short-term and long-term incentives at the discretion of the Board. On Completion of the Offer, the Company will issue 46,154 Shares at an issue price of \$0.65 to the value of \$30,000 to Peter Foltman under the terms of his employment agreement.	Simon is eligible to receive short-term and long-term incentives at the discretion of the Board.	Nick may be eligible for performance bonuses and equity awards dependent upon market conditions and company and individual performance.
Termination	The employee may terminate the employment contract with 12 months' notice. For Bradley and Michael, the employer may terminate the employment contract for cause (such as for serious misconduct), or otherwise with 6 months' notice. For Simon, the employer may terminate the employment contract for cause (such as for serious misconduct), or otherwise with 12 months' notice. For Peter, the employer may terminate the employment contract immediately for cause (such as for serious misconduct), with 6 months' notice if the employee becomes incapacitated by illness, accident or unsound mind for an accumulated period of 3 months, or otherwise with up to 12 months' notice depending on length of service.				Employment is subject to Nick maintaining work and residency visa permits, licences, and regulatory and legal approvals.
Restraints	Bradley, Michael and Peter are subject to non-compete and non-solicitation restraints for a cascading period up to 1 year post-employment. Simon is subject to non-compete and non-solicitation restraints for periods between 1 year and 18 months' post-employment, depending on the circumstance.				No restraint.

5.4.3 Employee and Director equity plans

The Company has adopted an Executive 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. This summary is qualified by the full terms of the ELFSP rules (copies of which may be inspected at the Company's registered office during normal business hours by appointment with the Company Secretary) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of participants under the ELFSP.

Type of securities issued under the ELFSP	Shares in the Company, ranking equally with all other Shares on issue (subject to the restrictions described below).
Eligible participants	Any permanent, part-time or casual employee or consultant of ABE and any Director of the Company (Participants).
Price of securities issued under the ELFSP	If the Shares are issued after the Company is listed on the official list of ASX, 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	<p>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:</p> <ul style="list-style-type: none"> — the Participant becoming insolvent or subject to bankruptcy proceedings; — the Participant ceasing to be employed by ABE; — 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. <p>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.</p> <p>If the Participant fails to repay the loan by the Repayment Date:</p> <ul style="list-style-type: none"> — 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. <p>The Company has security over the Shares the subject of the loan until the loan is repaid.</p>
Restrictions on securities	<p>The Shares cannot be traded, disposed of or encumbered:</p> <ul style="list-style-type: none"> — until a three (3) year period has elapsed since the Shares were issued, unless otherwise specified by the Directors (Trading Date); and — at any time until the loan for the Shares is repaid in full, otherwise the Shares are freely tradeable. <p>If the Participant ceases to be employed by ABE before the Trading Date, it will no longer be entitled to the Shares.</p>
Limit on number of securities issued under the ELFSP	The securities issued under the Plan are limited to a maximum of 5% of the Shares on issue at the date of issue.
Amendments	The Board has the discretion to amend the ELFSP or the conditions applying to the issue of any Shares or loan, subject to obtaining shareholder approval to amend the maximum number of Shares that may be granted under the ELFSP, subject to that maximum not exceeding 5% of the Shares on issue at the date of issue, or to make any change to rules 2 (establishment and purpose) and 3 (administration) of the ELFSP.
Date by which securities to be issued to Participants	As determined by the Board, but in any event no later than 3 years after the date of ABE's admission to the Official list of the ASX.

At the date of this Prospectus, the Company has not issued any Shares under the ELFSP.

On Completion of the Offer, the Company will issue 46,154 Shares at an issue price of \$0.65 to the value of \$30,000 to Peter Foltman under the terms of his employment agreement.

Details of any securities issued under the employee incentive plan will be published in ABE's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14 (or not required under ASX Listing Rule 10.14). Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the ELFSP after the date of this Prospectus and who were not named in this Prospectus will not participate until approval is obtained under that rule.

5.4.4 Interests of named persons

Set out below are the benefits that have been or have been agreed to be given to any Directors or proposed Directors of the Company, any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, any promoter of the Company or any underwriter (together, Prescribed Persons).

Except as set out below or elsewhere in this Prospectus, no Prescribed Person holds, or during the last 2 years has held, any interests in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with the Company's formation or the promotion, or the Offer; or
- the Offer.

In addition, except as set out below or elsewhere in this Prospectus, no benefit of any kind (whether in cash, Shares or otherwise) has been paid or agreed to be paid to a Prescribed Person in connection with the preparation or distribution of the Prospectus or for services rendered by that person in connection with the formation or promotion of the Company, or the Offer.

In addition, except as set out below or elsewhere in this Prospectus, no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director.

KrestonSW Audit Pty Ltd has prepared the Independent Limited Assurance Report in Section 8 of this Prospectus and undertaken financial due diligence services in relation to the Offer and is to receive fees amounting to approximately \$22,000 excluding GST and disbursements.

PKF has provided a range of services, including tax due diligence services, in relation to the Offer and is to receive fees amounting to approximately \$15,500, excluding GST and disbursements.

Thomson Geer has acted as the Australian legal advisor to the Company for the purposes of the Offer. For this work, Thomson Geer is to receive fees amounting to \$150,000, excluding GST and disbursements.

Hogan Lovells Lee & Lee has acted as the Singapore legal advisor to the Company in relation to ABE Capital Markets and operations in Singapore. For this work, Hogan Lovells Lee & Lee has been paid fees amounting to US\$4,274 in total.

Stock Marketplace Pty Limited and Pulse

Markets Pty Limited have acted as the Joint Lead Managers to the Offer. For this work, the Company will pay to SMP a capital raising fee of 6% plus GST of all funds raised under the Offer during the mandate. SMP will pay to Pulse a capital raising fee of 1% (plus GST) of the total funds raised under the Offer. The Company will also issue to SMP 1,100,000 Options upon the Company achieving the Minimum Subscription and up to a further 1,275,000 Options upon the achievement of the Maximum Subscription with an exercise price of \$1.95 per Share and exercisable at any time after 15 January 2024 and expiring 5 years from the date of Listing. The Company will also issue to Pulse 200,000 Options upon the Company achieving the Minimum Subscription, and up to a further 25,000 Options upon the achievement of the Maximum Subscription, both with an exercise price of \$1.95 per Share and exercisable at any time after 15 January 2024 and expiring 5 years from the date of Listing. Shares issued on exercise of the Options will rank equally with Shares (including the New Shares) in relation to voting rights and entitlements to participate in dividends or distributions.

Adams Pluck has prepared the Intellectual Property Report in Section 9 of this Prospectus and is to receive fees amounting to approximately \$1,000 excluding GST and disbursements.

5.5 CORPORATE GOVERNANCE

5.5.1 Overview

This Section 5 explains how the Board will oversee management of ABE's business. In conducting ABE's business, the Board's role is to:

- represent and serve the interests of Shareholders by overseeing and appraising ABE's strategies, policies and performance;
- protect and optimise performance and build sustainable value for Shareholders in accordance with any duties and obligations imposed on the Board by law and the Constitution;
- set, review and monitor compliance with ABE's values and governance framework; and
- ensure that Shareholders are kept informed of ABE's performance and major developments affecting its state of affairs.

The Board has created a framework for managing ABE, including adopting relevant internal controls, risk management processes and corporate governance policies and practices that it believes are appropriate for ABE's business and that are designed to promote the responsible management and conduct of ABE.

The main policies and practices adopted by the Board, which will take effect from Listing, are set out below. Copies of ABE's key policies and practices and the charters for the Board and each of its committees are available on the Company's website at www.bondexchange.com.au.

5.5.2 ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

The Company is seeking a Listing on ASX. The ASX Corporate Governance Council has developed the Corporate Governance Principles and Recommendations 4th edition (ASX Recommendations), which set out recommended corporate governance practices for entities listed on ASX in order to assist listed entities to achieve good corporate governance outcomes and meet investor expectations.

The ASX Recommendations are not prescriptive, but guidelines against which entities have to report on an "if not, why not" basis. Under the ASX Listing Rules, the Company must prepare a corporate governance statement that discloses the extent to which it has followed the ASX Recommendations during each reporting period. Where the Company does not follow a recommendation in the ASX Recommendations for any part of the reporting period, it must identify that recommendation and the period during which it was not followed and give reasons for not following it. The Company must also explain what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

As at the date of Listing, the Company will have complied with all of the ASX Recommendations except as set out below.

ASX Recommendation	Reason for non-compliance by the Company
Recommendations 2.1 and 8.1: The board of a listed entity should have a nomination and remuneration committee which has at least three members, a majority of whom are independent directors, and is chaired by an independent director.	The chairperson of the Nomination and Remuneration Committee is Allan Farrar, a Non-executive Director. The Board currently comprises four Directors, two of whom are Non-executive and only one of whom is independent, Nina Vanneck. Nina Vanneck is the Deputy Chairperson of the Nomination and Remuneration Committee. Given the current composition of the Board, the Board considers the composition of this committee to be appropriate at this time.
Recommendation 2.2: A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	The Board has not, at this time, adopted a board skills matrix. However, the Company will seek to have Directors with an appropriate range of skills, experience and expertise and an understanding of and competence to deal with current and emerging issues of the business. In addition, the Company's succession plans are designed to maintain an appropriate balance of skills, experience and expertise on the Board.
Recommendation 2.4: A majority of the board of a listed entity should be independent directors.	The composition of the Board is as follows: <ul style="list-style-type: none"> — Allan Farrar, Non-executive Chairperson; — Bradley McCosker, Chief Executive Officer and Managing Director; — Michael Vanderdonk, Executive Director and CTO; and — Nina Vanneck, Non-executive Director. A majority of the Board are not independent Directors. The Company will seek to appoint independent Directors in the future so that it is compliant with this recommendation.
Recommendation 2.5: The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Chair of the Board of the Company is Allan Farrar, who is not an independent Director. The Company may seek to appoint an independent Chair in the future, so that it is compliant with this recommendation. In any event, the Directors note that the Chair of the Board of the Company is not the CEO of the Company.
Recommendations 4.1 and 7.1: The board of a listed entity should have an audit and risk committee which has at least three members, in the case of the audit committee, all of whom are non-executive directors, a majority of whom are independent directors and is chaired by an independent director, who is not the chair of the board.	The chairperson of the Compliance, Audit and Risk Committee is Michael Vanderdonk, an Executive Director. The Board currently comprises four Directors, two of whom are Non-executive and only one of whom is independent, Nina Vanneck. The Compliance, Audit and Risk Committee comprises two Non-executive Directors and one Executive Director. Nina Vanneck is the Deputy Chairperson of the Compliance, Audit and Risk Committee. Given the current composition of the Board, the Board considers the composition of this committee to be appropriate at this time.

Except as set out above, the Board does not anticipate that the Company will depart from the ASX Recommendations; however, it may do so in the future if it considers that such a departure would be reasonable.

5.5.3 Board Composition and independence

The Board will regularly review the independence of each Director in light of interests disclosed to the Board at least annually at or around the time that the Board considers candidates for election to the Board.

In accordance with the ASX Recommendations, the Board considers an independent Director to be a Non-executive Director who is not a member of the Company's management and who is free of a business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.

The Board Charter sets out guidelines for the purpose of determining independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is largely based on that set out in the ASX Recommendations. The Board will consider whether there are interests, positions, associations or relationships that might interfere, or might reasonably be seen to interfere, with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

The Board will review the independence of each Director in light of interests disclosed to the Board from time to time. In assessing independence, the Board will have regard to the ASX Recommendations.

The Board considers that Nina Vanneck is an independent Director.

Given the guidelines adopted by the Company regarding the independence of Directors, none of Bradley McCosker, Michael Vanderdonk or Allan Farrar is considered by the Board to be independent.

5.6 BOARD CHARTER

The Board has adopted a Board Charter which sets out the responsibilities of the Board in greater detail, including the following responsibilities:

- providing leadership and setting the strategic direction, objectives and goals of the Company;
- appointing the Chairperson (and potentially any Deputy Chairperson);
- appointing and when necessary replacing the Chief Executive Officer;
- approving the appointment and when necessary replacement of other senior executives of the Company;
- overseeing and evaluating management's implementation of the Company's strategic direction, objectives and goals, and its performance generally;
- through the chairperson, overseeing the role of the Company Secretary; the prudential control of the Company's finances and operations, including monitoring its financial performance and approving its budgets and major capital expenditure;
- overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- overseeing the Company's process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;
- identifying and managing significant business risks in accordance with the Company's risk management and internal compliance and control systems;
- approving the Company's remuneration framework; and
- supervising compliance with the Company's governance practices and monitoring their effectiveness.

The Board Charter provides for the Board to delegate specific matters to the Chief Executive Officer, who has the authority to sub-delegate to the senior management team, or to committees established by the Board.

Under the Board Charter, each Director's performance is assessed when standing for re-election. The Board (excluding the Chairperson), will conduct the review of the Chairperson.

5.7 BOARD COMMITTEES

In order to better manage its responsibilities, the Board has established an Audit and Risk Committee and a Nomination and Remuneration Committee. Each committee has adopted a charter approved by the Board, setting out its responsibilities.

Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements and the skills and experience of individual Directors.

The committees will initially be comprised of:

- Compliance, Audit and Risk Committee: comprising Allan Farrar, Nina Vanneck and Michael Vanderdonk. Michael Vanderdonk will act as Chairperson of this committee; and
- Nomination and Remuneration Committee: comprising Allan Farrar, Nina Vanneck and Bradley McCosker. Allan Farrar will act as Chairperson of this committee.

Compliance, Audit and Risk Committee

The purpose of the Compliance, Audit and Risk Committee is to assist the Board in fulfilling its accounting, auditing and financial reporting responsibilities by overseeing the integrity of financial reporting and financial statements, the independence and competence of external auditors, the effectiveness of the Company's risk management system and internal controls and systems and procedures for compliance with applicable legal and regulatory requirements.

The role and responsibilities, composition, structure and membership requirements of the Compliance, Audit and Risk Committee are documented in a Compliance, Audit and Risk Committee Charter approved by the Board and include:

- overseeing the preparation of financial reports and reviewing the results of external audits of these reports;
- reviewing and making recommendations in relation to the adequacy and accuracy of the Company's corporate reporting processes;
- assessing solvency and the going concern assumption;
- making recommendations to the Board on the appointment and remuneration of the external auditor;
- periodically assessing the performance of the external auditor and monitoring the external auditor's effectiveness and independence;
- preparing and regularly reviewing a risk profile which describes the material risks facing the Company including financial and non-financial matters;

- ensuring that the Company has an effective risk management system;
- assessing and ensuring that there are internal controls for determining and managing key risk areas;
- conducting investigations of breaches or potential breaches of any internal controls and incidents, particularly in relation to accounts and financial reporting;
- meeting periodically with key management, external auditors and compliance staff to understand the Company's control environment;
- ensuring that the Company has appropriate internal audit systems and controls in place; and
- reviewing and monitoring the propriety of related party transactions.

The Compliance, Audit and Risk Committee will be comprised of at least three members, two of whom are Non-executive Directors and a majority of whom are not currently independent Directors. The Audit and Risk Committee will be chaired by an Executive Director who is not the Chief Executive Officer until an independent Non-executive Director replaces him.

The Compliance, Audit and Risk Committee will meet at least three times per year. The Chief Executive Officer and Financial Controller are expected to attend each scheduled meeting of the committee and a standing invitation will be issued to the external auditors. The committee chairperson may also invite Directors who are not members of the committee, other senior managers and external advisers to attend meetings of the committee. The chairperson of the committee, or delegate, will report to the Board after each Committee meeting.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has two key functions: the nomination function and the remuneration function. The purpose of the nomination function is to assist and advise the Board on succession planning for the Board and senior executives, the processes to evaluate performance of Directors, Board committees and the Board, and the recruitment, appointment and re-election of Directors to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole. The purpose of the remuneration function is to assist and advise the Board on remuneration policies and practices for the Board, the Chief Executive Officer, the Financial Controller, senior executives and other persons whose activities, individually or collectively, affect the financial soundness of the Company.

The role and responsibilities, composition, structure and membership requirements of the Nomination and Remuneration Committee are documented in a Nomination and Remuneration Committee Charter approved by the Board and include:

- identifying and making recommendations regarding the necessary and desirable competencies of Directors;
- developing and reviewing the process for the selection, appointment and re-election of Directors;
- identifying and making recommendations to the Board for the appointment of new Board candidates, having regard to their skills, experience and expertise;
- co-ordinating with the Board to ensure that the Company meets its commitment to becoming a diverse and inclusive workplace;
- developing and reviewing induction procedures for new appointees to the Board and continuing education measures for Directors;
- overseeing the development and implementation of a process for the evaluation of the performance the Board, Board committees, and Directors individually;
- assisting the Board in assessing the independence of each Non-executive Director;
- reviewing Board and senior executive succession plans and processes, including for the Chief Executive Officer and other senior executive positions and being conscious of each Director's tenure, to maintain an appropriate balance of skills, experience, expertise and diversity;
- reviewing the performance of the chairperson and reporting the results of the evaluation to the Board;
- reviewing and making recommendations to the Board on the Company's remuneration for senior executives, incentive compensation and superannuation arrangements; and
- considering and approving the Remuneration Report for inclusion in the Annual Financial Statements.

The Nomination and Remuneration Committee will be comprised of at least three members, one of whom is an Executive Director. The Nomination and Remuneration Committee will be chaired by a Non-executive Director.

5.8 CORPORATE GOVERNANCE POLICIES

Code of Conduct

The Board has approved a Code of Conduct to guide compliance with legal and other obligations to the Company's stakeholders. The Code of Conduct sets out the values, commitments, ethical standards and policies of the Company and outlines the standards of conduct expected of the Company's Directors, officers, employees, contractors, consultants, other persons that act on behalf of the Company, and associates of the Company.

The Code of Conduct deals with the following principal areas:

- conflicts of interest;
- opportunities, benefits and ownership of work;
- anti-bribery and gifts;
- dealings with politicians and government officials;
- confidentiality;
- privacy;
- Company reputation;
- social media;
- fair dealing;
- discrimination, bullying, harassment and vilification;
- health and safety;
- protection of and use of the Company's assets and property;
- compliance with laws and regulations;
- responsibility to shareholders and the financial community;
- insider trading; and
- whistleblower protection.

Trading Policy

The Company has adopted a Trading Policy for Directors, senior executives and employees of the Company.

The policy requires Directors and key management personnel to obtain approval prior to dealing in the Company's securities. The policy also sets certain prohibited periods around the time of the release of the Company's financial results and AGM, during which staff members covered by the policy may not trade in the Company's securities. The policy also requires that Directors and employees of the Company in possession of price sensitive information must not at any time deal in securities of the Company, or advise or suggest another person do so, or communicate the price sensitive information to a person who may deal in securities of the Company. The policy prohibits Directors and key management personnel from engaging in short-term dealing in securities of the Company,

and prohibits Directors and employees from taking out margin loans over their holdings in the Company's securities. The Trading Policy clearly identifies those individuals who are restricted from trading and the relevant laws relating to insider trading.

Disclosure and Communication Policy

The Company has adopted a Disclosure and Communication Policy which sets out its commitment to promoting investor confidence and the rights of shareholders by complying with the continuous disclosure obligations imposed by law, ensuring that all shareholders have equal and timely access to material information concerning the Company and communicating effectively with shareholders. As a publicly listed company, the Company has obligations under the Corporations Act and the ASX Listing Rules to keep the market fully informed of all information which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Information will be communicated to Shareholders through announcements to ASX, half-yearly and yearly financial reports, an annual report, at the AGM and the Company's website: www.bondexchange.com.au.

The Company Secretary has been appointed as the person primarily responsible for managing the Board's external communications with ASX.

Diversity Policy

The Company has adopted a Diversity Policy which sets out its commitment to diversity and inclusion in the workplace.

The Diversity Policy provides for the Board to adopt measurable objectives to assist the Company to achieve diversity and to review the Company's progress in meeting these objectives and the effectiveness of these objectives each year.

The Nomination and Remuneration Committee may recommend such measurable objectives to the Board in light of the Company's general selection policy for Directors, officers and employees.

Under the policy, the Company states that it will take action against inappropriate workplace and business behaviour, including discrimination, harassment, bullying, victimisation or vilification. The Nomination and Remuneration Committee will report to the Board on the effectiveness of the Company's diversity objectives each year. This report will include a review of the relative proportions of men and women at all levels in the organisation.

Anti-Bribery and Corruption Policy

The Company has adopted an Anti-Bribery and Corruption Policy for Directors, employees, contractors, consultants and other persons that act on behalf of the Company and its associates. The Anti-Bribery and Corruption Policy sets out the Company's 'zero tolerance' approach to bribery and corruption.

The Anti-Bribery and Corruption Policy covers bribery and corruption, gifts and hospitality, secret commissions, facilitation payments, dealings with politicians and government officials and charitable contributions. The Anti-Bribery and Corruption Policy sets out mechanisms for persons to report conduct which breaches the Anti-Bribery and Corruption Policy and explains the consequences which persons may face if they breach the Anti-Bribery and Corruption Policy.

The Company Secretary is responsible for the overall administration of the Anti-Bribery and Corruption Policy. The Company Secretary must notify the Board of any material breach of the Anti-Bribery and Corruption Policy.

Whistleblower Policy

The Company has adopted a Whistleblower Policy which sets out its commitment to creating and maintaining an environment where individuals can come forward and report known or suspected business misconduct or wrongdoing.

The Whistleblower Policy applies to eligible 'whistleblowers' who disclose information to an eligible recipient which is protected under relevant legislation.

The Whistleblower Policy sets out what matters can be disclosed, who they can be disclosed to, how a matter can be disclosed, the protections that are available for disclosers, how those the subject of a disclosure will be treated and how a disclosed matter will be handled and investigated.

The Board will be responsible for monitoring any material breaches of the Whistleblower Policy.

The Company's Policies and charters can be reviewed on the Company's website www.bondexchange.com.au.

5.9 LEGAL OR DISCIPLINARY ACTION

There are no legal or disciplinary actions against a Director (or against companies that the person was a director of at the relevant time) that are less than 10 years old and are relevant to the role to be undertaken and to the decision to invest in the Company.

5.10 INSOLVENT COMPANIES

No Director has been an officer of a company that entered into a form of external administration because of insolvency during the time the Director was an officer or within a 12-month period afterwards other than as noted below. It is noted that Director Allan Farrar had historically (in the course of his employment with PKF and preceding firms) been appointed as a director of such companies largely to assist in their restructuring and recapitalisation and, as such, was a director of certain of these companies while they were in the process of administration.

5.11 CONFLICTS AND CONFLICT MANAGEMENT

5.11.1 ABE Group roles and potential conflicts

ABE is involved in financial advisory and dealing services, which may give rise to conflicts of interest and duties. Although ABE is legally obliged to manage conflicts of interest and has a robust framework for doing so, its business activities could negatively impact:

- the price of bonds purchased or sold by Bond Investor clients; and
- the return Bond Investor clients receive on their bond portfolios.

5.11.2 Potential or perceived conflicts of interest arising from ABE's specific roles

ABE may profit from trading in the bonds that are also sold to Bond Investor clients. Any potential or perceived conflicts of interest arising from this role will be managed by a combination of the following:

- ABE Bond Investor client representatives having no control over the principal trading activities including when, how or if ABE trades or hedges its economic exposures relating to any of its bond or other security positions;
- ABE's activities trading as principal being segregated from ABE Bond Investor client representatives' activities as client advisers; and
- ABE representatives' brokerage charges being consistent so that there is no incentive or disincentive to recommend or not recommend any particular bond or bonds.

5.11.3 Potential or perceived conflicts arising from ABE's ordinary course of business

From time to time, ABE (including its Directors, employees and affiliates) may profit and benefit from performing various activities in the ordinary course of their business which may negatively affect the value of bonds held by Bond Investor clients or potential clients (Underlying Bonds) or the price or value of other securities including bonds, shares and other instruments issued by a company that has also issued bonds that are held by clients or potential clients (Underlying Companies)). Such activities may include ABE:

- trading in bonds (as principal or on behalf of persons other than ABE clients), shares issued by a company that has issued bonds that ABE clients hold (Underlying Shares) or financial products related to the bond issuing company's Underlying Shares or other issued financial instruments;
- advising Companies or other persons to undertake transactions related to or affecting the bonds, shares or other financial instruments issued by that company (including in relation to corporate actions);
- entering into, or advising other persons to enter into, financial transactions related to or affecting the Underlying Companies;
- having or establishing relationships with, or advising, financing or providing other services to, Underlying Companies or other persons with an interest in the Underlying Companies;
- providing analyst research and recommendations on Underlying Companies' bonds, the Underlying Shares, Australian and offshore bond and equity markets or the global economic environment;
- trading positions or otherwise effecting transactions for its own account or the account of its clients and holding positions in debt, equity or other securities of companies, including the Underlying Companies;
- entering into derivative transactions with, or in relation to the securities of, companies (including the Underlying Companies) where ABE may profit as a result of a fall in the price of the bonds or shares of a company; and
- having a commercial relationship with members of an Underlying Company's management, and selling financial products to, or advising, such management in relation to bonds or Underlying Shares.

Any potential or perceived conflict of interest arising in connection with any of the activities listed in this Section 5.11 will be managed by a combination of some or all of the following:

- appropriate information barriers;
- separate organisational and reporting lines;
- physical and information technology segregation; and
- conflict clearing deal logging systems.

5.11.4 How ABE manages conflicts

ABE is legally obliged under the Corporations Act, and ASIC regulations, to manage any potential conflicts of interest that may arise in the ordinary course of business.

ABE has an established conflict policy framework for managing conflicts of interest, such as those identified in this Section 5.11.

This framework describes the arrangements, processes and procedures adopted by ABE for managing conflicts of interest, which include:

- Identifying, assessing and evaluating conflicts of interest;
- controlling, avoiding and disclosing conflicts of interest; and
- ensuring that the quality of services is not compromised by the presence of conflicts of interest.

All ABE staff receive ongoing training on how to identify and appropriately manage potential conflicts. ABE has documented information barrier arrangements designed to restrict the flow of information between the various ABE businesses. These barriers enable ABE to carry out business, on behalf of clients, without being influenced by information held elsewhere in ABE's business that may give rise to an apparent or potential conflict of interest. The conflict of interest framework operates concurrently with ABE's other compliance policies to manage conflicts of interests, including policies that place restrictions on ABE, employees and affiliates trading in securities and holding positions in companies that may conflict with the duties owed to clients of ABE.

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6.1 THE OFFER

The Company is undertaking an Offer of up to 16,000,000 Shares at an issue price of \$0.65 per Share to raise a minimum of \$5.2 million and a maximum of \$10.4 million.

6.2 STRUCTURE OF THE OFFER

The Offer comprises:

- (a) the Broker Firm Offer, which is open to Australian resident retail clients of Brokers who have received a firm allocation from their Broker. Details of the Broker Firm Offer and the allocation policy under it are described in Section 6.8;
- (b) the Chairperson's List Offer which is open to selected investors in eligible jurisdictions who have received an invitation from the Chairperson to acquire Shares under the Offer. Details of the Chairperson's List Offer and the allocation policy under it are described in Section 6.9; and
- (c) the Retail Offer, which is open to the general public in Australia who may apply for Shares under the Offer using the Application Form. Details of Retail Offer and the allocation policy under it are described in Section 6.10.

The allocation of Shares between the Broker Firm Offer, the Chairperson's List Offer and the Retail Offer will be determined by agreement between the Company and the Joint Lead Managers having regard to the allocation policy described in Sections 6.8, 6.9 and 6.10.

The Offer is not underwritten.

6.3 MINIMUM SUBSCRIPTION

The Minimum Subscription under the Offer is \$5,200,000 (8,000,000 Shares).

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

6.4 MAXIMUM SUBSCRIPTION

The Maximum Subscription under the Offer is \$10,400,000 (16,000,000 Shares).

6.5 JOINT LEAD MANAGERS

The Company has appointed Stock Marketplace Pty Limited and Pulse Markets Pty Limited as Joint Lead Managers to the Offer.

Refer to Section 11.3 for a summary of the terms of the Offer Management Agreement.

6.6 PURPOSE OF THE OFFER AND USE OF FUNDS

The Offer is being conducted to:

- provide the Company with funding to execute its growth strategy – namely to:
 - fund activities directed at increasing its sales and marketing presence;
 - continue to fund development of its patent pending technology; and
 - fund working capital and other operational expenses, including the costs associated with operating ABE's business and the Listing, as set out in the use of funds table below;
- provide the Company with a liquid market for its Shares and an opportunity for others to invest in the Shares;
- provide the Company with the benefits that flow from being a listed company on ASX; and
- provide an environment for the Company to potentially access further capital for future funding needs.

The funds raised under the Offer will be applied first towards meeting the expenses of the Offer, which are expected to be between \$0.920 million and \$1.27 million. A breakdown of the expected costs of the Offer is set out in Section 7.8.3. The remaining funds will be used over a 36-month period from the date of Listing.

ABE will apply the Offer proceeds approximately as set out in the table below. If an amount less than the Maximum Subscription (but more than the Minimum Subscription) is raised, the Company will scale back its allocation of funds towards working capital and its development of ABE technology.

Use of Funds	Minimum Subscription (\$5.2 million)		Maximum Subscription (\$10.4 million)	
	Amount	%	Amount	%
Sales and marketing	\$1.0 million	19.23%	\$4.0 million	38.46%
Further development of ABE technology and intellectual property protection	\$0.4 million	7.69%	\$0.5 million	4.81%
Operational expenses	\$0.5 million	9.62%	\$1.0 million	9.62%
Working capital	\$1.63 million	31.35%	\$2.3 million	22.11%
Inventory and liquidity funding	\$0.75 million	14.42%	\$1.33 million	12.79%
Expenses of the Offer	\$0.92 million	17.69%	\$1.27 million	12.21%
TOTAL	\$5.2 million	100.0%	\$10.4 million	100.00%

The objectives of the use of funds are to:

- **Sales and marketing:** Allow ABE to increase the size of its sales and marketing team, to facilitate the growth of its current business, and to support the marketing of its new technology;
- **Further development of ABE technology and intellectual property protection:** Fund the costs of seeking patent protection for its new technology and fund continued development of the technology;
- **Operational expenses:** Fund the costs of employing support staff in operational risk and regulatory compliance functions to support business expansion;
- **Working capital:** Provide increased working capital to allow for growth in ABE's current business, and regulatory costs; and
- **Inventory and liquidity funding:** To fund real time gross settlement (RTGS) of bond transactions allowing ABE to trade with a greater number of counterparties in larger transaction sizes. ABE's transaction size can be significant for any single trade and therefore ABE needs significant cash at hand to settle these transactions.

The Minimum Subscription is sufficient to meet the Company's objectives.

6.6.1 Capital structure

The capital structure of the Company at the date of this Prospectus and following Completion of the Offer under the Minimum and Maximum Subscriptions respectively is summarised below:

Shares

	Minimum Subscription	Maximum Subscription
Shares currently on issue at the date of this Prospectus	101,433,956	101,433,956
Shares to be issued pursuant to the Offer	8,000,000	16,000,000
Total Shares on Completion of the Offer	109,433,956	117,433,956

Options

	Minimum Subscription	Maximum Subscription
Options currently on issue at the date of this Prospectus	2,100,000	2,100,000
Options to be issued to the Joint Lead Managers on Completion of the Offer ¹	1,300,000	2,600,000
Total Options on completion of the Offer	3,400,000	4,700,000

Notes:

1. The Options have an exercise price of \$1.95, vest on 15 January 2024 and expire five years after the date of Listing. The Options will be issued pursuant to the terms of the Offer Management Agreement as described in Section 11.3. Further details of the Options are also included in Section 6.6.3.

6.6.2 Substantial Shareholders

As at the date of this Prospectus, the following parties hold 5% or more of the total number of Shares on issue and will hold 5% or more on Completion of the Offer (assuming they do not subscribe for any Shares under the Offer).

Shareholders	Shares in the Company at the date of this Prospectus		Shares in the Company on Completion of the Offer			
	Number of Shares held	Percentage of Shares held	Minimum Subscription		Maximum Subscription	
	Number of Shares held	Percentage of Shares held	Number of Shares held	Percentage of Shares held ⁵	Number of Shares held	Percentage of Shares held ⁵
Fieldrock Pty Limited ¹	51,919,996	50.15%	51,919,996	46.02%	51,919,996	42.51%
Lannali Pty Limited ²	7,417,142	7.16%	7,417,142	6.57%	7,417,142	6.07%
Toach Pty Limited ³	7,417,142	7.16%	7,417,142	6.57%	7,417,142	6.07%
Anex Industrial Corporation Pty Ltd ⁴	7,546,347	7.29%	7,546,347	6.69%	7,546,347	6.18%
Total Shares held by Existing Substantial Shareholders	74,300,627	71.76%	74,300,627	65.85%	74,300,627	60.83%

1. This substantial shareholder is controlled by Chief Executive Officer and Managing Director, Bradley McCosker. Of the 51,919,996 Shares, it is expected that 51,704,611 will be subject to ASX imposed escrow. Refer to Section 11.5.1.

2. This substantial shareholder is controlled by co-founder and authorised representative, Markus Mueller and Allison Mueller. Of the 7,417,142 Shares, it is expected that 7,386,373 will be subject to ASX imposed escrow. Refer to Section 11.5.1.

3. This substantial shareholder is controlled by Chief Technology Officer and Executive Director, Michael Vanderdonk. Of the 7,417,142 Shares, it is expected that 7,386,373 will be subject to ASX imposed escrow. Refer to Section 11.5.1.

4. This substantial shareholder is controlled by Non-executive Chairperson, Allan Farrar. Of the 7,546,347 Shares, it is expected that 7,437,655 will be subject to ASX imposed escrow. Refer to Section 11.5.1.

5. Percentages shown on a fully diluted basis.

The substantial Shareholders set out above have advised ABE that they will not be subscribing for Shares in the Offer.

The Company will announce to the ASX details of its top 20 Shareholders (following Completion of the Offer) prior to the Shares commencing trading on ASX.

6.6.3 Options

Details of the ownership of Options to acquire Shares in the Company as at the date of this Prospectus, and of the expected ownership of Options in the Company at Completion of the Offer, are shown in the table below.

The Options have an exercise price of \$1.95 (being 200% of the Offer Price). The Options vest on 15 January 2024 and will expire, if not exercised, on the fifth anniversary of the date of issue. Shares issued on exercise of the Options will rank equally with Shares (including the New Shares) in relation to voting rights and entitlements to participate in dividends or distributions. The Shares subject to these Options, if exercised, would equate to approximately 3% of the market capitalisation of the Company following the Completion of the Offer.

Option Holders	Options in the Company at the date of this Prospectus		Options in the Company on Completion of the Offer			
			Minimum Subscription		Maximum Subscription	
	Number of Options held	Percentage of Options held	Number of Options held	Percentage of Options held	Number of Options held	Percentage of Options held
Stock Marketplace Pty Ltd (and supporting brokers)	2,100,000	100.00%	3,200,000	94.12%	4,475,000	95.21%
Pulse Markets Pty Ltd	-	-	200,000	5.88%	225,000	4.79%
Total Options	2,100,000	100.00%	3,400,000	100.00%	4,700,000	100.00%

On Completion of the Offer, the Company's free float, being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of admission to the Official List will not be less than 20%.

6.6.4 Control implications of the Offer

As at the date of this Prospectus, Fieldrock Pty Limited, a company controlled by Chief Executive Officer and Managing Director, Bradley McCosker, holds a controlling shareholding of 50.15% in the Company, on a fully diluted basis, through a family trust of which Bradley is a beneficiary. On Completion of the Offer, Fieldrock Pty Limited's shareholding will reduce to between 46.02% (assuming the Minimum Subscription is raised) and 42.51% (assuming the Maximum Subscription is raised) on a fully diluted basis.

6.7 TERMS AND CONDITIONS OF THE OFFER

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in the Company).
What are the rights and liabilities attached to the securities?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 6.15.
What is the consideration payable for each security being offered?	Successful applicants under the Offer will pay the Offer Price of \$0.65 per Share. Except as required by law, Applicants cannot withdraw or vary their Applications.
What is the Offer Period?	The key dates, including details of the Offer Period, are set out in the Key Offer Information Section on page 9. No Shares will be issued on the basis of this Prospectus later than the expiry date of 13 months after the Prospectus Date. The key dates are indicative only and may change. Unless otherwise indicated, all times are stated in Sydney time. The Company in consultation with the Joint Lead Managers reserve the right to vary any and all of the times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer Period relating to any component of the Offer, or to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before settlement, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offer is cancelled or withdrawn before the allotment of Shares, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.
What is the minimum subscription under the Offer?	The Minimum Subscription under the Offer is \$5.2 million.
What is the maximum subscription under the Offer?	The Maximum Subscription under the Offer is \$10.4 million.
Is the Offer underwritten?	No.
Who are the Joint Lead Manager to the Offer?	The Joint Lead Managers, Stock Marketplace Pty Limited and Pulse Markets Pty Limited, are providing arranging services to ABE.
What is the minimum and maximum Application size under the Offer?	Applications must be for at least 4,000 Shares at an aggregate subscription price of \$2,700; or a greater number, in multiples of 1,000 Shares at aggregate additional subscription prices of \$1,000. There is no maximum Application size.

<p>What is the allocation policy?</p>	<p>The allocation of Shares between the Broker Firm Offer, the Chairperson’s List Offer and the Retail Offer will be determined by agreement between the Company and the Joint Lead Managers having regard to the allocation policy described in Sections 6.8.4, 6.9.6 and 6.10.6.</p> <p>The Company reserves the right to authorise the issue of a lesser number of Shares than those for which Application has been made or to reject any Application. Where no issue or allocation is made or the number of Shares issued is less than the number applied for, surplus Application money will be refunded without interest.</p> <p>If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be treated as valid. The Company’s decision as to whether to treat an Application as valid, and how to construe, amend or complete it, will be final. The Company’s decision on the number of Shares to be allocated to an Applicant will also be final.</p> <p>Other than firm commitments, ABE reserves the right to scale back and authorise the issue of a lesser number of Shares than those for which an Application has been made, or to reject any Application.</p> <p>Where no issue or allocation is made or the number of Shares issued is less than the number applied for, surplus Application money will be refunded without interest.</p>
<p>When will I receive confirmation that my Application has been successful?</p>	<p>It is expected that initial holding statements will be dispatched to successful Applicants by 30 November 2021.</p> <p>Refunds (without interest) to Applicants who make an Application and receive an allocation of Shares, the value of which is smaller than the amount of the Application Monies, will be made as soon as practicable after Completion of the Offer.</p>
<p>Will the Shares be quoted on ASX?</p>	<p>The Company will apply to ASX within seven days of the Prospectus Date, for its admission to the Official List, and quotation of Shares by ASX (under the code “ABE”). It is anticipated that quotation will initially be on a conditional and deferred settlement basis.</p> <p>Completion is conditional on the issue and allotment of Shares to successful Applicants. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.</p> <p>ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.</p>
<p>Discretion regarding the Offer</p>	<p>The Company may withdraw the Offer at any time before Completion. If the Offer, or any part of it, does not proceed, all relevant application monies will be refunded (without interest) as soon as practicable.</p> <p>The Company also reserves the right to, subject to the Corporations Act and the Listing Rules, close the Offer or any part of it early, extend the Offer or any part of it, accept late applications generally or in particular cases, reject any application, waive or correct any errors made by any applicant in completing an Application Form, or allocate to any applicant fewer Shares than the amount applied for. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law.</p>
<p>When are the Shares expected to commence trading?</p>	<p>It is expected that trading of the Shares on the ASX will commence on or about 6 December 2021.</p> <p>It is the responsibility of each person who trades in Shares to confirm their own holding before trading in Shares. Investors will be able to confirm their holdings by telephoning the IPO Offer Information Line on 1300 395 841 (within Australia) or +61 3 9415 4393 (outside Australia) between 8:30am and 5:00pm (Sydney Time), Monday to Friday. If you sell Shares before receiving a holding statement, you do so at your own risk. The Company and the Share Registry disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding from the IPO Offer Information Line or confirmed your firm allocation through a Broker.</p>

Are there any escrow arrangements?	No New Shares issued under the Offer will be subject to escrow. However, certain Existing Shares may be subject to ASX imposed escrow arrangements. See Section 11.5 for further details.
Has any ASIC relief or ASX waiver or confirmation been sought, obtained or been relied on?	Yes. See Section 11.8 for further details.
Are there any tax considerations?	Yes. Details are provided in Section 10. The tax consequences of any investment in Shares will depend on your personal circumstances. Prospective investors should obtain their own tax advice before deciding to invest.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. See Sections 5.4.4 and 11.10 for details of various fees payable by the Company to the Joint Lead Managers.
What should you do if you have any enquiries?	All enquiries in relation to this Prospectus should be directed to the IPO Offer Information Line on 1300 395 841 (within Australia) or +61 3 9415 4393 (outside Australia) between 8:30am and 5:00pm (Sydney Time), Monday to Friday. If you have any questions about whether to invest in the Company, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

6.8 BROKER FIRM OFFER

6.8.1 Who may apply?

The Broker Firm Offer is open to persons who have received a firm allocation of Shares from their Broker and who have a registered address in Australia. If you have received a firm allocation of Shares from your Broker, you will be treated as an Applicant in respect of that allocation. You should contact your Broker to determine whether you can receive an allocation of Shares from them under the Broker Firm Offer.

The Broker Firm Offer is not open to persons in the United States.

6.8.2 How to apply

Applications for Shares under the Broker Firm Offer must be made using the appropriate Application Form. If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Application Form and Application Monies with the Broker from whom you received your firm allocation of Shares. Applicants under the Broker Firm Offer must not be sent to the Share Registry.

Applications for Shares under the Broker Firm Offer must be for a minimum of 4,000 Shares and thereafter in multiples of 1,000 Shares and payment for the Shares must be made in full at the issue price of \$0.65 per Share. The Company and Joint Lead Managers reserve the right to aggregate any Applications which they believe are multiple applications from the same person, or to reject or scale back any Applications.

There is no maximum number or value of Shares that may be applied for under the Offer. However, the Company and the Joint Lead Managers reserve the right to close the Offer early or extend

the Offer, and may amend or waive the Offer Application procedures in their discretion (subject to the applicable laws).

By submitting an Application, you declare that you were given access to this Prospectus, together with an Application Form.

Under the Corporations Act, a person must not pass an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Neither the Company, the Joint Lead Managers, nor the Share Registry take any responsibility for any acts or omissions of your Broker in connection with an Application.

6.8.3 How to pay

Applicants under the Broker Firm Offer must pay their Application Monies in accordance with instructions received from their Broker.

6.8.4 Broker Firm allocation policy

The allocation of firm stock to Brokers has been determined by agreement between the Company and the Joint Lead Managers. Shares which have been allocated to Brokers for allocation to their Australian resident retail clients will be issued to the Applicants who have received a valid allocation of Shares from those Brokers (subject to the right of the Company and the Joint Lead Managers to reject or scale back Applications). It will be a matter for those Brokers how they allocate Shares among their retail clients and they (and not the Company or the Joint Lead Managers) will be responsible for ensuring that retail clients, who have received an allocation of Shares from them, receive the relevant Shares.

6.8.5 Application Monies

Application Monies received under the Broker Firm Offer will be held in a special purpose account until Shares are issued or transferred to successful Applicants. Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will be mailed (or otherwise in the Company's discretion provided with) a refund (without interest) of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any Application Monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

6.8.6 Announcement of final allocations in the Broker Firm Offer

Applicants in the Broker Firm Offer will be able to confirm their allocation through the Broker from whom they received their allocation.

6.9 CHAIRPERSON'S LIST OFFER

6.9.1 Who may apply?

The Chairperson's List Offer is open to select investors nominated by the Company in eligible jurisdictions who have received a Chairperson's List Offer invitation to acquire Shares under this Prospectus. If you are a Chairperson's List Offer Applicant, you will receive a personalised invitation to apply for Shares in the Chairperson's List Offer.

6.9.2 How to apply

If you have received a personalised invitation to apply for Shares under the Chairperson's List Offer and you wish to apply, you must do so in accordance with the instructions provided in your personalised invitation.

Recipients of the Chairperson's List Offer invitation should read the separate Offer letter and this Prospectus carefully and in their entirety before deciding whether to apply under the Chairperson's List Offer. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

To apply under the Chairperson's List Offer, you must complete the online 'Chairperson's List Offer Application Form' in accordance with the instructions provided in your Chairperson's List Offer invitation and on the website containing the Application Form.

By making an Application, you declare that you were given access to this Prospectus together with an Application Form.

Under the Corporations Act, a person must not pass an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applications must be received by no later than 5.00pm (AEST) on 19 November 2021 and it is your responsibility to ensure that this occurs.

6.9.3 Is there a minimum or maximum Application size?

Applications must be for a minimum of 4,000 Shares. Applications in excess of the minimum number of Shares must be in multiples of 1,000 Shares.

There is no maximum amount that may be applied for under the Chairperson's List Offer. However, there is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which the Applicant applied.

6.9.4 How to pay

Applicants under the Chairperson's List Offer must pay their Application Monies in accordance with the instructions for electronic payment on the online Application Form.

Payment must be made in Australian dollars and via Bpay®, and must otherwise be made in accordance with the instructions provided on your personalised invitation. Application Monies must be received by the Share Registry by 5:00pm (AEST) on 19 November 2021. It is your responsibility to ensure that your Bpay® payment is received by the Share Registry by no later than 5:00pm (AEST) on 19 November 2021. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

6.9.5 Application Monies

Application Monies received under the Chairperson's List Offer will be held in a special purpose account until Shares are issued or transferred to successful Applicants. Applicants under the Chairperson's List Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will be mailed (or otherwise in the Company's discretion provided with) a refund (without interest) of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any Application Monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

6.9.6 How do I confirm my allocation?

Applicants in the Chairperson's List Offer will be able to call the IPO Offer Information Line on 1300

395 841 (within Australia) or +61 3 9415 4393 (outside Australia) between 8:30am and 5:00pm (Sydney Time), Monday to Friday (excluding public holidays) to confirm their allocation from the Allotment Date.

If you sell Shares before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the IPO Offer Information Line.

6.10 RETAIL OFFER

6.10.1 Who may apply?

Any member of the general public may apply for Shares under the Offer using the Application Form.

6.10.2 How to apply

If you wish to apply for Shares under the Offer, please complete the Application Form in accordance with the instructions set out on that form.

By making an Application, you declare that you were given access to this Prospectus together with an Application Form.

Under the Corporations Act, a person must not pass an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applications must be received by no later than 5:00pm (AEST) on 19 November 2021 and it is your responsibility to ensure that this occurs.

All Application Forms must be accompanied by payment in full of the Offer Price of \$0.65 per Share applied for.

6.10.3 Is there a minimum or maximum Application size?

Applications must be for a minimum of 4,000 Shares. Applications in excess of the minimum number of Shares must be in multiples of 1,000 Shares.

There is no maximum amount that may be applied for under the Retail Offer. However, there is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which the Applicant applied.

6.10.4 How to pay

Payment must be made in Australian dollars and via Bpay®, and must otherwise be made in accordance with the instructions provided on the Application Form.

Application Monies must be received by the Share Registry by 5:00pm (AEST) on 19 November 2021. It is your responsibility to ensure that your Bpay® payment is received by the Share Registry by no later than 5:00pm (AEST) on 19 November 2021. You should be aware that your financial institution

may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

6.10.5 Application Monies

Application Monies received under the Retail Offer will be held in a special purpose account until Shares are issued or transferred to successful Applicants. Applicants under the Retail Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will be mailed (or otherwise in the Company's discretion provided with) a refund (without interest) of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any Application Monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

6.10.6 How do I confirm my allocation?

Applicants in the Retail Offer will be able to call the IPO Offer Information Line on 1300 395 841 (within Australia) or +61 3 9415 4393 (outside Australia) between 8:30am and 5:00pm (Sydney Time), Monday to Friday (excluding public holidays) to confirm their allocation from the Allotment Date.

If you sell Shares before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the IPO Offer Information Line.

6.11 ACKNOWLEDGEMENTS

Each Applicant under each Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

In addition, each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the

Australian dollar amount shown on the front of the Application Form;

- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company, the Joint Lead Managers and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation and particular needs (including financial and taxation issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia (except if they are an overseas Applicant, they are in full compliance with all laws of any country relevant to their Application);
- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

6.12 UNDERWRITING

The offer is not underwritten.

6.13 ASX LISTING, REGISTRIES AND HOLDING STATEMENTS

6.13.1 Application to ASX for listing of the Company and quotation of Shares

The Company will apply to ASX within 7 days of the Prospectus Date, for its admission to the Official List and quotation of Shares (under the code "ABE").

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.

If permission is not granted for the official quotation of the Shares on the ASX within three months after the Prospectus Date (or any later date permitted by law), all Application Monies

received by the Company will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.

6.13.2 CHESS and issuer sponsored holdings

The Company has applied to participate in the ASX's Clearing House Electronic Subregister System (CHESS) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, an electronic CHESS subregister or an issuer sponsored subregister. For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on the issuer sponsored subregister.

Following completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (HIN) for CHESS holders or, where applicable, the Shareholder Reference Number (SRN) for issuer sponsored holders.

Shareholders will subsequently receive statements showing any changes to their shareholding. Share certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

6.13.3 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside of Australia.

This Prospectus does not constitute an offer or invitation to apply for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States and may only be distributed to persons outside the United States to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

In particular, the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

6.14 DISCRETION REGARDING THE OFFER

The Company may withdraw the Offer at any time before the issue and allotment of Shares to successful Applicants under the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest). The Company and the Joint Lead Managers also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares than those applied for.

6.15 SUMMARY OF RIGHTS AND LIABILITIES ATTACHING TO SHARES AND OTHER MATERIAL PROVISIONS OF THE CONSTITUTION

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, the ASX Listing Rules and common law. A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders.

Voting	<p>At a meeting of shareholders, subject to any rules prescribed by the Directors pursuant to the Constitution, a resolution of members must be decided on a show of hands unless a poll is effectively demanded or the chairman decides that a poll will be held.</p> <p>Subject to the Constitution, the Corporations Act and any rules prescribed by the Directors pursuant to the Constitution and to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands each member present in person or by proxy has one vote and on a poll each member present in person or by proxy has one vote for each fully paid share held by that member (and for each partly paid share a fraction of a vote equivalent to the proportion of the share which is paid).</p> <p>A member is not entitled to cast a vote attached to a share on which a call is due and payable and has not been paid.</p>
Proxy	<p>An instrument appointing a proxy and the power of attorney or other authority must be deposited with the Company at its registered office not less than 48 hours before the time for holding the meeting.</p>
General meetings and notices	<p>A Director of the Company may call a general meeting and the Director must call an annual general meeting in accordance with the Corporations Act. Shareholders may request or call and arrange to hold a general meeting in accordance with the Corporations Act.</p> <p>Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, financial statements and other documents required to be sent to Shareholders under the Company's Constitution and the Corporations Act.</p> <p>The quorum for a meeting of Shareholders is two Shareholders entitled to vote at the meeting.</p>
Dividends and share plans	<p>The Directors may pay to Shareholders any dividends as they see fit. The Directors may fix the amount, the time for payment and the method of payment.</p> <p>The Directors may grant Shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for shares in the Company on terms decided by the Directors.</p>

Issue of Shares	<p>Subject to the Corporations Act, the ASX Listing Rules and any special rights conferred on the holders of any shares or class of shares, the issue of shares in the Company is under the control of the Directors who may issue or dispose of, or grant Options in respect of, Shares in the Company.</p> <p>Subject to the Corporations Act and the ASX Listing Rules, the Company may issue preference shares on the terms set out in the Constitution or as otherwise approved by a resolution of the Company in accordance with the Corporations Act. Such preference shares may be, or at the option of the Company be, liable to be redeemed or converted into other shares.</p>
Transfer of Shares	<p>Generally, all shares are freely transferrable subject to the procedural requirements of the Constitution and to the provisions of the ASX Listing Rules. If permitted by the ASX Listing Rules, the Directors may decline to register an instrument of transfer received where refusal is permitted under the Constitution.</p>
Proportional takeover provisions	<p>The registration of a transfer of Shares which would give effect to a proportional takeover bid is prohibited unless and until an approving resolution approving the proportional takeover bid is passed. The proportional takeover provisions will cease to have effect on the third anniversary of the adoption of the Constitution, unless renewed.</p>
Winding up	<p>Subject to any special rights attaching to a class of shares, if the Company is wound up the liquidator in a winding up may, with the sanction of a special resolution of the Shareholders, divide the assets of the Company among the Shareholders and/or vest all or any of the Company's assets in a trustee on trusts determined by the liquidator for the benefit of the contributories.</p>
Variation of rights	<p>The rights attaching to any preference shares may only be varied or cancelled by a special resolution of the Company and by a special resolution of the preference shareholders entitled to vote and holding shares in that class or with the written consent of holders of at least 75% of the issued shares of that class.</p>
Directors – Appointment, retirement and removal	<p>The minimum number of Directors is three (3) and the maximum number of Directors is nine (9). Directors may be appointed by resolution of Shareholders at a general meeting. The Directors may appoint a Director either in addition to existing Directors or to fill a casual vacancy, and such Director will hold office until the next annual general meeting.</p> <p>A Director must retire from office at the end of the third annual general meeting following that Director's last appointment or three (3) years, whichever is longer. A retiring Director may be re-elected by Shareholders for a further term.</p> <p>In addition to the circumstances in which the office of a Director becomes vacant under the Corporations Act, Directors may be removed from office pursuant to section 203D of the Corporations Act. If a managing or executive Director ceases to be employed by the Company or a related body corporate, then that person must also vacate his/her position as a Director.</p>
Decisions of Directors	<p>The quorum for a meeting of Directors is two (2).</p> <p>A Board resolution must be passed by a majority of the votes cast by Directors entitled to vote on the resolution.</p> <p>The Chair of a Board meeting does have a casting vote if there is an equal number of votes for and against a question, unless only two (2) Directors are present and entitled to vote on that question.</p>
Alteration to the constitution	<p>The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting.</p>

6.16 DIVIDEND POLICY

The Directors currently intend to use any surplus cash to finance ABE's development and growth, rather than distributing these funds as dividends.

The Directors can give no assurance as to the amount, timing, franking or payment of any future dividends by the Company. The capacity to pay dividends will depend on a number of factors, including future earnings, capital expenditure requirements and the financial position of ABE.



7.1 INTRODUCTION

The financial information (**Financial Information**) set out in this section contains statutory historical information and pro forma historical financial information for Australian Bond Exchange Holdings Limited (the Company) and its controlled entities (together the Group or ABE), and has been prepared by the Directors of the Company.

The Financial Information has been prepared by the Directors to assist potential investors with their understanding of the underlying historical performance, cash flows and position of the Group.

The Group operates on a financial year ending 30 June.

Together, the Statutory Historical Financial Information and the Pro Forma Historical Information form the **Financial Information**.

The Financial Information has been reviewed by KrestonSW Audit Pty Ltd. The Investigating Accountant's Independent Limited Assurance Report prepared by KrestonSW Audit Pty Ltd is contained in **Section 8** and has been completed in accordance with ASAE 3450 *Assurance Engagements involved Corporate Fundraisings and/or Prospective Financial Information*.

Potential investors should note the scope and limitations of the Investigating Accountant's Report.

The information in this Section should be read in conjunction with the risk factors set out in Section 4 and other information contained in this Prospectus.

7.1.1 Understanding the Financial Information

Australian Bond Exchange Holdings Limited (ABEHL) is the parent company of various controlled entities (the Group or ABE). The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

The Statutory Historical Financial Information (defined below) presented in this Section covers the years ended 30 June 2019, 30 June 2020 and 30 June 2021.

7.1.2 Statutory Historical Financial Information

The statutory historical financial information (the **Statutory Historical Financial Information**) comprises:

- Statutory historical consolidated statements of profit or loss or other comprehensive income for years ended 30 June 2019 (**FY2019**), 30 June 2020 (**FY2020**) and 30 June 2021 (**FY2021**) (**Statutory Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income**)
- Statutory historical consolidated statements of cash flows for FY2019, FY2020 and FY2021 (**Statutory Historical Consolidated Statements of Cash Flows**); and
- Statutory historical consolidated statement of financial position as at 30 June 2021 (**Statutory Historical Consolidated Statement of Financial Position**).

7.1.3 Pro Forma Historical Financial Information

The pro forma historical financial information (the **Pro Forma Historical Financial Information**) comprises:

- Pro Forma historical consolidated statement of profit or loss and other comprehensive income for FY2021 (**Pro Forma Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income**)
- Pro Forma historical consolidated statement of cash flows for FY2021 (**Pro Forma Historical Consolidated Statement of Cash Flows**); and
- Pro Forma historical consolidated statement of financial position as at 30 June 2021 (**Pro Forma Historical Consolidated Statement of Financial Position**).

Also summarised in this Section 7 are:

- the basis of preparation and presentation of the Financial Information – refer to Section 7.2;
- information regarding certain non AAS or IFRS financial measures – refer to Section 7.1.4;
- the pro forma adjustments to the Statutory Historical Financial Information and reconciliations to the Pro Forma Historical Financial Information – refer to Sections 7.4, 7.6, 7.7, and 7.8;
- details of ABE's cash and cash equivalents – refer to Section 7.8.2;
- Management's notes and comments in respect of the Statutory Historical and Pro Forma Historical Financial Information – refer to Sections 7.3, 7.4, 7.5, 7.6 and 7.7.
- details of the proposed dividend policy – refer to Section 6.16.

The Financial Information provided in this Section 7 should be read together with other information provided in this Prospectus, including:

- the risk factors outlined in Section 4;
- the description of the Purpose of the Offer and use of the funds described in Section 6.6;
- the Investigating Accountant’s Independent Limited Assurance Report, set out in Section 8; and
- the indicative capital structure described in Section 6.6.1.

7.1.4 Non AAS or IFRS financial measures

ABE uses certain measures to report on its business that are not recognised under AAS or IFRS. These measures are collectively referred to in Section 4, and under Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC, as “non-IFRS financial measures”.

The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- Gross Revenue – refers to net fees from securities trading income plus fees paid to the principal of the arrangement acting on behalf of ABE. Refer to Section 7.3;
- Brokerage costs – refer to Section 7.3;
- Sales and marketing expense – refer to Sections 6.6 and 7.8.6;
- Operating expense – refer to Section 6.6 and 7.8.6;
- Further development of ABE technology and Intellectual Property protection – refer to Section 6.6 and 7.8.6;
- Inventory and Liquidity Funding – refer to Section 6.6 and 7.8.6; and
- Working Capital – refer to Section 6.6 and 7.8.6.

7.2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL INFORMATION

7.2.1 Overview

The Financial Information has been prepared in accordance with the recognition and measurement requirements (but not all the disclosure requirements) of the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) as appropriate for for-profit oriented entities.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance

with Australian Accounting Standards ensures that the financial information also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (**IASB**). Material accounting policies adopted in the preparation of the financial information are presented in Section 7.12 below and have been consistently applied unless otherwise stated.

The Financial Information has been prepared on an accruals basis and is based on historical costs.

The Financial Information is presented in an abbreviated form and does not contain all the disclosures and comparative information that are usually provided in annual report prepared in accordance with the Australian Accounting Standards and the Corporations Act.

All amounts disclosed in this Section 7 are presented in Australian Dollars and, unless otherwise noted, are rounded to the nearest \$1,000. Rounding in the Financial Information may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

7.2.2 Preparation of Financial Information

The Statutory Historical Financial Information has been compiled using the audited consolidated financial statements of:

- Australian Bond Exchange Holdings Ltd and controlled entities (**ABE or the Group**) for FY2019, FY2020 and FY2021.

The above consolidated financial statements have been audited by Kreston Stanley Williamson who issued unmodified opinions in respect of each respective financial report.

The Pro Forma Historical Financial Information has been prepared for the purpose of this Prospectus only.

The Pro Forma Historical Financial Information has been compiled based on the above audited financial information of Australian Bond Exchange Holdings Ltd and controlled entities for FY2021, subsequent events including Pre IPO capital raisings, and pro forma adjustments including the following:

- the estimated impact of incremental costs associated with the Company being a listed company including ASX and registry costs;
- Offer costs;
- expected incremental funding to purchase bond inventory to facilitate the real time gross settlement (RTGS) of bond transactions.

The Pro Forma Historical Financial Information is provided for illustrative purposes only and is not represented as being necessarily indicative of ABE’s future financial position.

7.3 STATUTORY HISTORICAL CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Audited Historical FY2019 \$'000	Audited Historical FY2020 \$'000	Audited Historical FY2021 \$'000
Revenue	1	1,292	2,137	4,031
Other income	2	323	296	624
Employee benefits expense	3	(787)	(1,027)	(1,450)
Brokerage costs	4	(796)	(1,388)	(2,582)
Depreciation and amortisation expense		(3)	(4)	(45)
Other expenses	5	(603)	(1,036)	(924)
Corporate transaction expense	6	(2,719)	-	-
Finance costs	7	(241)	-	-
Loss before income tax		(3,534)	(1,022)	(346)
Income tax expense	8	(56)	-	-
Loss for the year		(3,590)	(1,022)	(346)
Other comprehensive income, net of income tax		-	-	-
Total comprehensive income for the year		(3,590)	(1,022)	(346)

Notes:

- The Group primarily earns revenue from net fees on securities trading, commission income and arrangement fees. The nature and recognition of each revenue stream are explained in Section 7.12 (d). Revenues have grown from \$1,292k in FY2019 to \$4,031k in FY2021 due wholesale client activity as well as brokerage from an increasing customer base.
- Other income includes R&D refundable tax rebates in FY2019 to FY2021 and income from COVID-related government grants in FY2020 and FY2021.
- Employment benefits expenses predominantly comprise salaries and wages for staff and fees paid to Directors, together with associated on-costs including superannuation and annual and long service leave expenses.
- Brokerage costs are directly linked to revenue and represent payments to introducing brokers as well as advisers.
- Other expenses include sales and marketing expense, information technology related expenses, rent expense, insurance expense, accounting fees and legal and professional fees.
- The Corporate transaction expense arose as a result of accounting for the acquisition of ABEPL by ABEHL under reverse acquisition principles – refer to Section 7.8.1.
- Finance cost in FY2019 were attributable to the issue of Converting notes.
- As at 30 June 2021, entities in the Group had accumulated tax losses in excess of \$1.1mil. The income tax expense in FY2019 of \$56k arose from a derecognition of the deferred tax assets from FY2018. No income tax expense was incurred or paid in FY2020 or FY2021.

7.4 PRO FORMA HISTORICAL CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Minimum subscription - \$5,200,000				Maximum subscription - \$10,400,000			
		Audited Historical FY2021 \$'000	Subsequent Events FY2021 \$'000	Pro Forma Adjustments FY2021 \$'000	Pro Forma Historical FY2021 \$'000	Audited Historical FY2021 \$'000	Subsequent Events FY2021 \$'000	Pro Forma Adjustments FY2021 \$'000	Pro Forma Historical FY2021 \$'000
Revenue		4,031	-	-	4,031	4,031	-	-	4,031
Other income		624	-	-	624	624	-	-	624
Employee benefits expense		(1,450)	-	-	(1,450)	(1,450)	-	-	(1,450)
Brokerage costs		(2,582)			(2,582)	(2,582)			(2,582)
Depreciation and amortisation expense		(45)	-	-	(45)	(45)	-	-	(45)
Other expenses	1	(924)	-	(373)	(1,297)	(924)	-	(367)	(1,291)
Loss before income tax		(346)	-	(373)	(719)	(346)	-	(367)	(713)
Income tax expense		-	-	-	-	-	-	-	-
Loss for the year		(346)	-	(373)	(719)	(346)	-	(367)	(713)
Other comprehensive income, net of income tax		-	-	-	-	-	-	-	-
Total comprehensive income for the year	2	(346)	-	(373)	(719)	(346)	-	(367)	(713)

Notes:

1. The Pro Forma Other expenses include adjustments for the Expenses of the Offer charged to the profit or loss. Refer to Section 7.8.3 for further details.
2. This Statement should be read in conjunction with notes 1 to 8 in Section 7.3 above.

7.5 STATUTORY CONSOLIDATED HISTORICAL STATEMENTS OF CASH FLOWS

	Note	Audited Historical FY2019 S'000	Audited Historical FY2020 S'000	Audited Historical FY2021 S'000
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	1	18,929	53,034	69,370
Payments to suppliers and employees	1	(17,898)	(53,843)	(69,649)
Interest received		40	13	16
Interest paid		-	-	(7)
Grants received	2	-	54	325
Net cash provided by/(used in) operating activities		1,071	(742)	55
CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments for intangible assets	3	(253)	(243)	(418)
Purchase of property, plant and equipment		-	(4)	(5)
Net cash used in investing activities		(253)	(247)	(423)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payment of transaction costs	4	(78)	(73)	(161)
(Repayment of)/proceeds from borrowings		(20)	-	-
Net cash used in operating activities		(98)	(73)	(161)
Net increase/(decrease) in cash and cash equivalents held		720	(1,062)	(529)
Cash and cash equivalents at beginning of year		2,312	3,032	1,970
Cash and cash equivalents at end of financial year	5	3,032	1,970	1,441

Notes:

- In accordance with the Group's accounting policies, the Statement of Cash Flows is prepared on the following basis: where the Group acts as a Principal, the cash flow receipts and payments in relation to the settlement of trades are recorded gross and in line with the revenue recognition policy for Securities trading income as described in Section 7.12 (d); where the Group does not act as a Principal, the cash flow receipts and payments in relation to the settlement of trades are recorded net and in line with the revenue recognition policy for Net fees on securities trading as described in Section 7.12 (d).
- Grants received relate to the R&D tax refundable rebates and COVID related government grants in the respective years.
- Payments for intangible assets comprise amounts paid towards the continued development of Group's trading platform and related intellectual property patents.
- Payment of transaction costs are in respect of borrowing and equity raising related expenses.
- Refer Section 7.8.2 for further details of ABE's cash and cash equivalents.

7.6 PRO FORMA HISTORICAL CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Minimum subscription - \$5,200,000				Maximum subscription - \$10,400,000			
		Audited Historical FY2021 \$'000	Subsequent Events FY2021 \$'000	Pro Forma Adjustments FY2021 \$'000	Pro Forma Historical FY2021 \$'000	Audited Historical FY2021 \$'000	Subsequent Events FY2021 \$'000	Pro Forma Adjustments FY2021 \$'000	Pro Forma Historical FY2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:									
Receipts from customers		69,370	-	-	69,370	69,370	-	-	69,370
Payments to suppliers and employees	1	(69,649)	(2,000)	(750)	(72,399)	(69,649)	(2,000)	(1,330)	(72,979)
Interest received		16	-	-	16	16	-	-	16
Interest paid		(7)	-	-	(7)	(7)	-	-	(7)
Grants received		325	-	-	325	325	-	-	325
Net cash provided by/(used in) operating activities		55	(2,000)	(750)	(2,695)	55	(2,000)	(1,330)	(3,275)
CASH FLOWS FROM INVESTING ACTIVITIES:									
Payments for intangible assets		(418)	-	-	(418)	(418)	-	-	(418)
Purchase of property, plant and equipment		(5)	-	-	(5)	(5)	-	-	(5)
Net cash provided used in investing activities		(423)	-	-	(423)	(423)	-	-	(423)
CASH FLOWS FROM FINANCING ACTIVITIES:									
Proceeds from the issue of shares	2	-	8,400	5,200	13,600	-	8,400	10,400	18,800
Payment of transaction costs	3	(161)	(403)	(920)	(1,484)	(161)	(403)	(1,270)	(1,834)
Net cash provided by/(used in) operating activities		(161)	7,997	4,280	12,116	(161)	7,997	9,130	16,966
Net increase/(decrease) in cash and cash equivalents held	4	(529)	5,997	3,530	8,998	(529)	5,997	7,800	13,268
Cash and cash equivalents at beginning of year		1,970	-	-	1,970	1,970	-	-	1,970
Cash and cash equivalents at end of financial year	4	1,441	5,997	3,530	10,968	1,441	5,997	7,800	15,238

Notes:

- The Pro Forma adjustments to payments to suppliers and employees includes payments made for the Use of Funds based on minimum and maximum subscriptions of the Offer - refer to Section 7.8.6. Subsequent events adjustment to payment to suppliers and employees arise from the Use of Pre IPO funds detailed in Section 7.8.7.2
- The Pro Forma adjustments to Proceeds from the issue of shares represents the proposed amounts to be raised from the Issue of Subscription Shares under the Offer - refer to Section 7.8.4. Subsequent events adjustment to the proceeds from the issue of Shares from the Pre IPO capital raising - refer to Section 7.8.7.2.
- The Pro Forma adjustments to the Payment of transaction costs represent the payments of the Expenses of the Offer - refer to Section 7.8.6. Subsequent events adjustment to the payment of transaction costs represents payments for the expenses of the Pre IPO - refer to Section 7.8.7.2.
- Refer Section 7.8.2 for further details of ABE's cash and cash equivalents.

7.7 STATUTORY AND PRO FORMA HISTORICAL CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Minimum subscription - \$5,200,000				Maximum subscription - \$10,400,000			
		Audited Historical FY2021 \$'000	Subsequent Events FY2021 \$'000	Pro Forma Adjustments FY2021 \$'000	Pro Forma Historical FY2021 \$'000	Audited Historical FY2021 \$'000	Subsequent Events FY2021 \$'000	Pro Forma Adjustments FY2021 \$'000	Pro Forma Historical FY2021 \$'000
ASSETS									
CURRENT ASSETS									
Cash and Cash equivalents	1	1,441	5,997	3,530	10,968	1,441	5,997	7,800	15,238
Trade & other receivables		946	-	-	946	946	-	-	946
Other financial assets	2	553	2,000	750	3,303	553	2,000	1,330	3,883
Other assets		217	-	-	217	217	-	-	217
TOTAL CURRENT ASSETS		3,157	7,997	4,280	15,434	3,157	7,997	9,130	20,284
NON-CURRENT ASSETS									
Property, plant and equipment		9	-	-	9	9	-	-	9
Prepayments	3	-	-	189	189	-	-	189	189
Intangible assets		1,151	-	-	1,151	1,151	-	-	1,151
TOTAL NON-CURRENT ASSETS		1,160	-	189	1,349	1,160	-	189	1,349
TOTAL ASSETS		4,317	7,997	4,469	16,783	4,317	7,997	9,319	21,633
LIABILITIES									
CURRENT LIABILITIES									
Trade & other payables		1,999	-	-	1,999	1,999	-	-	1,999
Employee benefits		592	-	-	592	592	-	-	592
TOTAL CURRENT LIABILITIES		2,591	-	-	2,591	2,591	-	-	2,591
NON-CURRENT LIABILITIES									
TOTAL LIABILITIES		2,591	-	-	2,591	2,591	-	-	2,591
NET ASSETS		1,726	7,997	4,469	14,192	1,726	7,997	9,319	19,042
EQUITY									
Contributed Equity	4	6,809	7,861	4,757	19,427	6,809	7,861	9,517	24,187
Accumulated Losses	4	(5,083)	-	(373)	(5,456)	(5,083)	-	(367)	(5,450)
Reserves	5	-	136	85	221	-	136	169	305
TOTAL EQUITY		1,726	7,997	4,469	14,192	1,726	7,997	9,319	19,042

Notes:

- Refer to Section 7.8.2 for details of ABE's cash and cash equivalents.
- Adjustments to Other financial assets include the purchase of bond inventory to facilitate bond transactions as per the Use of Funds under the Pre IPO capital raising and the Offer - refer to Sections 7.8.7.2 and 7.8.6.
- Prepayments relate to insurance cost under Expenses of the Offer for a 7-year period. Refer to Section 7.8.3 for further details.
- Refer to Sections 7.8.4 and Section 7.8.5 for details of ABE's Contributed Equity and Accumulated Losses.
- Reserves relate to the Share based payment reserve arising from options granted to the Joint Lead Managers as part of the Expenses of the Offer – refer to Sections 7.8.3 and 7.8.4 for further details. Subsequent events adjustment also arises in respect of Options granted to the Pre IPO lead manager for the Pre IPO capital raising - refer to Section 7.8.7.2 for further details.

7.8 NOTES TO THE FINANCIAL INFORMATION

7.8.1 Reverse acquisition

On 26 June 2019, the Company, Australian Bond Exchange Holdings Limited (ABEHL) executed an exchange deed whereby pursuant to which it has agreed to acquire 100% interest in Australian Bond Exchange Pty Limited (ABEPL) being an AFS licensed adviser and dealer of corporate bonds for both wholesale and retail clients incorporated in Australia.

The acquisition was settled through the issue of 74,171,422 ordinary shares to the existing shareholders of ABEPL.

The General Meeting of ABEHL shareholders to approve the Acquisition and all related resolution was held on 26 June 2019

Under the principles of Australian Accounting Standard AASB 3 Business combinations, the acquisition has been accounted for with reference to the guidance for reverse acquisitions. At the time of the Company's acquisition of ABEPL, ABEHL's operations did not fall within the scope of a "business" under AASB 3. Consequently, the acquisition does not meet the definition of a "business combination" under AASB 3 and the principles of AASB 3 could not be applied in their entirety.

The application of this guidance has determined that whilst ABEH will be the legal acquirer of ABEPL, ABEPL has been treated as the accounting acquirer and ABEH as the accounting acquiree.

ABEPL (the legal subsidiary) was deemed to be the acquirer for accounting purposes as it had obtained control over the operations of the legal acquirer ABEH (the accounting subsidiary). Accordingly, the consolidated financial statements of ABEH have been prepared as a continuation of the consolidated financial statements of ABEPL. ABEPL (as the deemed acquirer) has accounted for the acquisition of ABEH from 26 June 2019.

ABEPL is considered to be the parent for accounting purposes, and the consolidated financial statements represent a continuation of the financial statements of ABEPL, with the exception of the capital structure. The results for the year ended 30 June 2019 comprise the results for the full period of ABEPL and the results of ABEH subsequent to the acquisition. Similarly, the statement of cash flows and statement of changes in equity reflect the movements in cash flow and changes in equity of ABEPL for the full year ended 30 June 2019 and the results of ABEH subsequent to the acquisition.

Further, the Acquisition has been accounted for as a share-based payment transaction using the principles set out in Australian Accounting Standard AASB 2 Share Based Payments, whereby ABEPL has been deemed to have issued shares to shareholders of ABEH in exchange for the net assets and terms of the exchange deed of ABEH which include the assumption and conversion of the converting notes of ABEPL into the shares of ABEH. In accordance with AASB 2, the difference between the fair value of the deemed consideration paid by ABEPL and the fair value of the identifiable net assets of ABEH, is required to be recognised as an expense.

This resulted in a corporate transaction expense of \$2,719,000.

7.8.2 Cash and cash equivalents

	Note	Minimum subscription \$5,200,000 \$'000	Maximum subscription \$10,400,000 \$'000
Statutory Historical Cash and Cash Equivalents at 30 June 2021		1,441	1,441
Subsequent Events:			
Pre IPO Cash adjustment	7.8.7.2	5,997	5,997
Pro Forma Adjustments:			
Issue of Subscription Shares under the Offer	7.8.4	5,200	10,400
Purchase of Bond portfolio for Bond transactions	7.8.6	(750)	(1,330)
Expenses of the offer including share issue costs	7.8.3	(920)	(1,270)
Net impact of Pro Forma Adjustments		3,530	7,800
Pro Forma Historical Cash and Cash Equivalents		10,968	15,238

The pro forma balance of net cash and cash equivalents as at 30 June 2021 reflects only those adjustments expressly described above and therefore does not reflect the change in cash position between 30 June 2021 and Completion of the Offer resulting from various cash movements of the ABE business over this period.

7.8.3 Expenses of the Offer

In accordance with the Australian Accounting Standards, the expenses of the Offer are treated as follows:

- incremental costs that are directly attributable to issuing new shares should be deducted from equity;
- costs that relate to the listing, or are otherwise not incremental and directly attributable to issuing new shares, should be recorded as an expense in the income statement; and
- costs that relate to both share issuance and listing should be allocated between those functions on a rational and consistent basis. In the absence of a more specific basis for apportionment, an allocation of common costs based on the proportion of new shares issued to the total number of (new and existing) shares listed is an acceptable approach and has been adopted in the Pro Forma Historical Financial Information.

The costs of the Offer have therefore been accounted for as follows based on the minimum \$5,200,000 subscription and maximum \$10,400,000 subscription under Offer:

	Note	Minimum subscription - \$5,200,000			Maximum subscription - \$10,400,000		
		Cost	Charged to Profit & Loss	Charged to Equity	Cost	Charged to Profit & Loss	Charged to Equity
		\$	\$	\$	\$	\$	\$
ASIC fees		3,200	3,200	-	3,200	3,200	-
ASX fees		149,000	149,000	-	153,000	153,000	-
Legal fees		138,700	128,561	10,139	138,700	119,803	18,897
Investigating Accountants Fees		22,000	20,392	1,608	22,000	19,003	2,997
Tax Accountants Fees		15,500	14,367	1,133	15,500	13,388	2,112
Lead Manager fees	1	427,700	-	427,700	855,400	-	855,400
Insurance	2	220,000	220,000	-	220,000	220,000	-
Printing, distribution and miscellaneous		28,400	26,324	2,076	31,200	26,949	4,251
Total		1,004,500	561,844	442,656	1,439,000	555,343	883,657
Prepayments	2		(188,571)			(188,571)	
Charged to P&L			373,273			366,772	

Notes

1. Lead Manager fees includes a share-based payment of \$169,000 in respect of 2.6 million options under the maximum subscription reduced to \$84,500 in respect of 1.3 million options under the minimum subscription.
2. Insurance cost represents cover for a 7-year period. \$31,429 represents the charge to the profit or loss for 1 year's expense, with the balance of \$188,571 being reflected as a prepayment in the Pro Forma Historical Statement of Financial position.

7.8.4 Contributed Equity

	Note	Pro Forma Minimum subscription \$5,200,000 \$'000	Pro Forma Maximum subscription \$10,400,000 \$'000
Statutory Historical Contributed Equity at 30 June 2021			
Subsequent Events:			
Issue of additional converting note shares	1	-	-
Issue of Pre IPO shares, net of transaction costs	2	7,861	7,861
Pro Forma Adjustments:			
Issue of Subscription Shares under the Offer		5,200	10,400
Expenses of the Offer charged to equity	3	(443)	(883)
Pro Forma Historical Contributed Equity		19,427	24,187

Reconciliation of the Number of Shares

	Note	Pro Forma Minimum subscription \$5,200,000	Pro Forma Maximum subscription \$10,400,000
Statutory Historical Number of Shares Issued at 30 June 2021			
Subsequent Events			
Issue of additional converting note shares	1	3,661,540	3,661,540
Issue of Pre IPO shares	2	16,800,000	16,800,000
Pro Forma Adjustments:			
Issue of Subscription Shares under the Offer		8,000,000	16,000,000
Pro Forma Historical Number of Shares Issued		109,433,956	117,433,956

Notes:

1. Additional converting note shares were issued on 6 September 2021 to the original Noteholders pursuant to the terms detailed in Section 7.8.7.1.
2. The Group completed a Pre IPO raising of 16,800,000 shares on 21 September 2021. Details of the raising are included in Section 7.8.7.2.
3. Expenses of the Offer representing directly attributable to the incremental costs that are directly attributable to issuing new shares are deducted from equity – refer to Section 7.8.3.

7.8.5 Accumulated Losses

	Note	Pro Forma Minimum subscription \$5,200,000 \$'000	Pro Forma Maximum subscription \$10,400,000 \$'000
Statutory Historical Accumulated Losses at 30 June 2021		(5,083)	(5,083)
Subsequent Events:			
Expenses of Pre IPO charged to the profit or loss		-	-
Pro Forma Adjustments:			
Expenses of the Offer charged to the profit or loss	7.8.3	(373)	(367)
Pro Forma Historical Accumulated Losses		(5,456)	(5,450)

7.8.6 Use of Funds

The proposed use of the funds raised under the Offer, as detailed in Section 6.1 of the Prospectus, are summarised as follows:

	Note	Minimum subscription \$5,200,000 \$'000	Maximum subscription \$10,400,000 \$'000
Sales and Marketing	1	1,000	4,000
Further development of ABE technology and Intellectual Property protection	1	400	500
Operational Expenses	1	500	1,000
Working Capital	2	1,630	2,300
Inventory and Liquidity Funding	3	750	1,330
Expenses of the Offer	4	920	1,270
Total Proposed Use of Funds		5,200	10,400

Notes

1. The Use of Funds for these categories is expected to occur over a 36 month period from the date of Listing and are therefore amounts raised are included in the Pro Forma Historical Cash and Cash Equivalents for the purposes of the Financial Information.
2. Working Capital funds cover an expected 36 month utilisation to allow for growth in the Group's current business, and regulatory costs.
3. Inventory and Liquidity Funding relates to funding real time gross settlement (RTGS) of bond transactions allowing ABEH to trade with a greater number of counterparties in larger transaction sizes. ABEH's transaction size can be significant for any single trade and therefore ABE needs significant cash at hand to settle these transactions. The amounts included in the Pro Forma Historical Financial Information are estimated based on expectations shortly after Listing.
4. Expenses of the Offer are detailed in Section 7.8.3.

If ABE raises at least \$5.2 million (Minimum Subscription) under the Offer, ABE expects that it will have sufficient working capital to carry out its stated objectives (as detailed in this Prospectus).

7.8.7 Subsequent Events

7.8.7.1 Issue of the additional converting note shares

In April 2019, the Groups issued 4,080,000 Converting notes at \$1.00 each. The placing of the notes was carried out to enable the Group to fund working capital requirements and associated objectives of achieving an exchange listing.

3,080,000 converting notes were converted to ordinary shares during the year ended 30 June 2019, with the remaining 1,000,000 converted on 3 July 2019 pursuant to a Deed of Amendment with respect to the original Converting Notes between ABEPL, ABEHL and the Noteholders whereby the Noteholders converted their notes to ordinary shares in June 2019. The conversion was required as part of the restructuring that took place under the exchange deed executed between ABEHL and ABEPL on 26 June 2019 – refer to Section 7.8.1.

In accordance with the Deed of Amendment, the Noteholders converted their notes to ordinary shares in June 2019 on the basis that the Company was seeking an exchange listing and:

- the Converting Notes had a value of \$0.60;
- in the event the listing issue price is less than \$1.00, then the ABEHL will issue the Noteholder with further shares on a pro rata basis, with the result that at the time of lodgement of a prospectus by the Company with ASIC, the number of shares held by the Noteholder in ABEHL in aggregate will reflect a shareholding issued at a 40% discount to the listing issue price; and
- the conversion of the Converting Notes into fully paid ordinary shares in the Issuer will occur at a time determined by the directors of ABEHL.

As the listing price agreed with the Joint Lead Manager has been set at \$0.65 per ordinary share, the Noteholders have been issued with 3,661,540 shares to reflect the conversion of their notes to ordinary shares at a 40% discount to that issue price. The effective issue price to noteholders upon conversion now being \$0.39 (\$0.65 x 60%).

The additional 3,661,540 shares issued on 6 September 2021 to the original noteholders on a pro-rata basis brought their total shareholdings to 10,461,534 from the 6,799,994 they originally held.

7.8.7.2 Pre IPO capital raisings

On 21 September 2021 the Pre IPO capital raising closed with a total of \$8,400,000 being raised at \$0.50 per share resulting in an incremental 16,800,000 shares being issued.

Expenses of the Pre IPO charged to Contributed Equity comprised of the Pre IPO Lead Manager

fees of \$539,250. The Pre IPO Lead Manager fees include a share-based payment of \$136,500 in respect of 2.1 million options which is offset in Reserves. The total impact to Equity is \$402,750.

7.8.7.2.1 Use of Pre IPO Funds

	Note	\$8,400,000 Pre IPO Total \$'000
Working Capital	1	5,997
Inventory and Liquidity Funding	2	2,000
Expenses of the Pre IPO	3	403
Total Proposed Use of Pre IPO Funds		8,400

Notes

1. Working Capital funds cover an expected 36 month utilisation to allow for growth in the Group's current business, and regulatory costs.
2. Inventory and Liquidity Funding relates to funding real time gross settlement (RTGS) of bond transactions allowing ABEH to trade with a greater number of counterparties in larger transaction sizes. ABEH's transaction size can be significant for any single trade and therefore ABE needs significant cash at hand to settle these transactions. The amounts included in the Pro Forma Historical Financial Information are estimated based on expectations shortly after Listing.
3. Expenses of the Pre IPO raising relate to the Pre IPO Lead Manager fees.

7.8.7.2.2 Contributed Equity from Pre IPO

	Note	\$8,400,000 Pre IPO Total \$'000
Pre IPO Impact on Contributed Equity		
Issue of Pre IPO Shares		8,400
Expenses of the Pre IPO charged to equity	1	(539)
Pre IPO Impact on Contributed Equity		7,861

	Note	\$8,400,000 Pre IPO Total
Number of Shares		
Issue of Pre IPO Shares		16,800,000
Pre IPO Number of Shares Issued		16,800,000

Notes

1. Expenses of the Pre IPO raising charged to equity relate to the Pre IPO Lead Manager fees which also include a share-based payment of \$136,500 in respect of 2.1 million options.

7.9 SHARE BASED PAYMENTS

The Company has granted the following Options at the time of this Prospectus:

- 2,100,000 Options granted as part of the Pre IPO raising to the Pre IPO lead manager, Stock Markets Pty Ltd with an expiry date of 6 September 2026 and an exercise price (refer to Note 1 in table below);
- Prior to admission to the ASX, the Company intends to issue 1,300,000 options under the Minimum Subscription and 2,600,000 options under the Maximum Subscription to the Joint Lead Managers (the Lead Manager Options) (refer to Note 2 in table below).

The above options vest immediately upon issue. As such they have been valued using the Black Scholes model and adjustments for the subsequent event and pro-forma adjustment has been made in arriving at the Pro Forma Statement of Financial Position. The value of the options are deemed a cost directly related to the capital raisings and have been offset against Contributed Equity.

The following summarises the options that will be on issue on admission to the ASX:

					Minimum Subscription \$5,200,000	Maximum Subscription \$10,400,000
	Note	Grant date	Value per Option (\$)	Exercise Price (\$)	Number of Options	Number of Options
Statutory Historical Number of Options at 30 June 2021			-		-	
Subsequent Events						
Issue of Pre IPO Options	1	21 Sept 2021	0.065	1.95	2,100,000	2,100,000
Pro Forma Adjustments						
Issue of Lead Manager Options	2	At IPO date	0.065	1.95	1,300,000	2,600,000
Pro Forma Number of Options					3,400,000	4,700,000
Pro Forma Fair Value of Options (\$)					\$221,000	\$305,500

7.10 RELATED PARTY TRANSACTIONS

A related party is a person or entity that has control, significant influence, or is a member of key management personnel, of the Company. Related parties includes other parties such as close family members, and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Brokerage paid or payable to related parties during FY2021 was \$742,502. These amounts are included in Brokerage costs in the statement of profit or loss and other comprehensive income. As at 30 June 2021, \$42,128 remained payable and is included in Trade and other payables in the Statutory Historical Statement of Financial Position.

Included in Employee benefits in the Statutory Historical Statement of Financial Position for FY2021 are amounts relating to short-term incentives earned in FY2018 and FY2019 and already expensed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in FY2018 and FY2019 totalling \$417,441. \$377,441 is payable to Mr Bradley McCosker, a director of the Company, in accordance with the terms of his employment, \$20,000 is payable to Mr Michael Vanderdonk, a director of the Company, in accordance with the terms of his employment and \$20,000 is payable to Peter Foltman, Financial Controller and Company Secretary of the Company, in accordance with the terms of his employment. These amounts will be paid on a date or over a period of time to be determined by the Board of Directors.

7.11 CONTRACTUAL OBLIGATIONS, COMMITMENTS AND CONTINGENCIES

Australian Bond Exchange Holdings Limited had no material contractual obligations or commitments as at 30 June 2021 other than its Partnership agreements for research and marketing services as summarised below.

\$	< 1 Year	1-5 Years	> 5 Years	Total
Partnership agreements for research and marketing services	209,000	123,750	-	332,750

Australian Bond Exchange Holdings Limited had no contingent liabilities or other off-balance sheet arrangements.

7.12 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The principal accounting policies adopted in the preparation of the Financial Information included in this Section 7 of the Prospectus are set out below. These accounting policies are consistent with the latest statutory general purpose consolidated financial statements of Australian Bond Exchange Holdings Limited (the Company or ABEHL) and its controlled entities (the Group or ABE) for the year ended 30 June 2021.

(b) Basis for consolidation

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

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

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

Subsidiaries

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

(c) Income Tax

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

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

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

Deferred tax is not provided for the following:

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

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

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

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

Tax Consolidation

ABEHL formed a tax consolidated group on 22 October 2018 with its wholly owned subsidiary, ABE Settlements (**ABEHL Tax Group**). The ABEHL Tax Group acquired ABE PL and its wholly owned subsidiaries on 26 June 2019, at which time they joined the ABEHL Tax Group.

The head entity and the controlled entities in the ABEHL Tax 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.

(d) Revenue and other income

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

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

Specific revenue streams

The Group recognises revenue from the following major sources:

Securities trading income

The Group operates as a fixed income dealer trading in bonds whereby the Group (trading as principal) sells bonds to, or buys 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.

Net fees on securities trading

Net fees on securities trading represents revenue from securities trades net of any fees attributable to the party acting, on behalf of the Group, as Principal in the arrangement. Net fees on securities trading are recognised on the trade date as earned being when performance obligations are met.

Commission income

The Group facilitates the investment by its clients direct into bonds. Revenue from bonds is received in the form of brokerage commission. Commissions are recognised on trade date of a brokerage transaction, being the date the performance obligation is satisfied.

Arrangement fees

The Group arranges the primary issue of bonds and bespoke financial facilities for corporate and other issuers. Revenue for arranging corporate bonds and financing facilities can be generated as an arrangement fee on issuance of a bond or establishment of a financing facility and as an ongoing management fee. The arrangement fee on issuance of the bond is recognised on the issuance date as that is the completion of the most significant act. The arrangement fee on a financing facility is recognised when the Group has completed its obligations to establish the facility.

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 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.

Financial assets and liabilities held at fair value through profit or loss.

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are recognised as an expense in the statement of comprehensive income. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets and financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net gains/(losses) on financial instruments held at fair value through profit or loss' in the period in which they arise.

Finance income

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

(e) Leases

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

This involves an assessment of whether:

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

Lessee accounting

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

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

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

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

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

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

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

Exceptions to lease accounting

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

(f) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(g) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

(h) Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured using the cost model.

Property, plant and equipment is depreciated on a straight-line basis over the assets 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

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in

estimate. When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(i) Financial instruments

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

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

Financial assets

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

Classification

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

- amortised cost
- fair value through profit or loss FVTPL

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

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

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

Financial assets through profit or loss

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 in the statement of financial position.

Impairment of financial assets

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

- financial assets measured at amortised cost

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

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

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

Trade receivables

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

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

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

Other financial assets measured at amortised cost

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

Financial liabilities

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

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

(j) Impairment of financial assets

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

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

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

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

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

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

(k) Cash and cash equivalents

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

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

- Where the Group acts as a Principal, the cash flow receipts and payments in relation to the settlement of trades are recorded gross and in line with the revenue recognition policy for Securities trading income as described in Section 7.12(d);
- Where the Group does not act as a Principal, the cash flow receipts and payments in relation to the settlement of trades are recorded net and in line with the revenue recognition policy for Net fees on securities trading as described in Section 7.12(d).

(l) Trade and other receivables

Trade receivables include amounts due from securities trading activities performed in the ordinary course of business and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest

rate method, less provision for impairment. Trade receivables are normally collected within two days of the trade date and are classified as current assets.

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

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

(m) Dividends

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

(n) Intangible Assets

Patents and trademarks

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

Software and software development costs

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

Costs associated with maintaining software programs are recognised as an expense as incurred.

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

- it is technically feasible to complete the

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

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

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

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 held ready for use, resulting in depreciation rates that are determined once development is completed and useful lives have been appropriately assessed.

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

Fixed asset class	Useful life
Software development costs	10 years

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

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

Impairment

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they may be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's

carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(o) Employee benefits

(i) Short-term obligations

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

(ii) Long-term benefit obligations

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

(iii) Share-based payments

Share-based compensation benefits are provided to employees under the Group's Employee Loan Funded Share Plan (ELFSP). There was no

issue under the employee share plan during the reporting period. Under the ELFSP, shares issued by the Group to employees with a nonrecourse loan may vest immediately on issue date. On this date, the fair value of the share-based payment is recognised as a share-based payments expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the share-based payment arrangement.

(iv) Bonuses

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. The liability for bonus payments is recognised as an employment benefit expense when the Group has an obligation to make such a payment and only when a reliable estimate of the obligation can be made.

The Group recognises a liability and expense for bonuses based in accordance with the plan formula and attributes the benefit on a straight-line basis for the relevant service period from the date when service by the employee first leads to benefits until the date when further service by the employee will lead to no material amount of further benefits.

(p) Provisions

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

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

(q) Trade and other payables

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

Sundry payables and accrued expenses represent the liabilities at the end of the reporting period for unbilled amounts for goods and services provided by suppliers and authorities and are expected to be paid within 12 months.

Other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid.

The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(r) Foreign currency transactions and balances

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

At the end of the reporting period:

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

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

(s) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 1 July 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

(t) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The below summarises those future requirements, and their impact on the Group where the standard is relevant:

AASB 2020-1 Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. This amendment applies to financial years commencing on or after 1 January 2023. The Group is expected to adopt this standard for the annual reporting period ending 30 June 2024. The Directors have determined the impact of the adoption of the above standard does not have a material impact on the financial statements.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting

Policies and Definition of Accounting Estimates [amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2]

This Standard amends a number of standards as follows:

- AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and
- AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

These amendments apply to financial years commencing on or after 1 January 2023. The Group is expected to adopt this standard for the annual reporting period ending 30 June 2024. The Directors have determined there will be no impact on the financial statements. The impact is merely to reduce the quantum of accounting policies disclosures to focus on key decision areas and material policies only.

(u) Prior period adjustment

During the 2021 financial year, Management identified that capital raising costs which were capitalised in financial years 2019 (\$93,183) and 2020 (\$64,428) totalling \$157,611 should have been expensed to the profit or loss and other comprehensive income at the point when it was determined that the equity raising those costs relate to was no longer proceeding. Events had taken place to confirm the equity raising was not going to proceed in the 2020 financial year.

The effects of this determination have led to a prior period adjustment whereby capital raising costs previously recognised in equity of \$157,611 are expensed in the profit or loss and other comprehensive income for the year ended 30 June 2020.

The capital raising efforts during 2021 are deemed to be a new equity transaction in accordance with the Accounting Standards.

The effects of the prior period adjustment have been recognised by restating each of the affected financial statement line items for the prior period as follows:

Balance Sheet (extract)	30 June 2020 (original) \$'000	Increase/ (decrease) \$'000	30 June 2020 (Restated) \$'000
Issued capital	6,842	158	7,000
Accumulated losses	(4,579)	(158)	(4,737)
TOTAL EQUITY	2,263	-	2,263
Statement of profit or loss (extract)	FY2020 (original) \$'000	Increase/ (decrease) \$'000	FY2020 (Restated) \$'000
Other expenses	(878)	(158)	(1,036)
Loss before income tax	(864)	(158)	(1,022)
Income tax expense	-	-	-
Loss for the year	(864)	(158)	(1,022)
Other comprehensive income, net of income tax	-	-	-
Total comprehensive income for the year	(864)	(158)	(1,022)
Loss attributable to: Members of the parent entity	(864)	(158)	(1,022)
Total comprehensive income attributable to: Members of the parent entity	(864)	(158)	(1,022)



22 October 2021

The Directors
Australian Bond Exchange Holdings Limited
Level 19, 1 O'Connell Street
Sydney NSW 2000

Dear Directors

Independent Limited Assurance Report on Australian Bond Exchange Holdings Limited's Statutory Historical and Pro Forma Historical Financial Information

Introduction

KrestonSW Audit Pty Ltd has been engaged by Australian Bond Exchange Holdings Limited (**ABE**) to prepare this Independent Limited Assurance Report (**Report**) on the Statutory Historical Financial Information and the Pro Forma Historical Financial Information for inclusion in a prospectus (**the Prospectus** or **the public document**) dated on or about 22 October 2021 for the offer of up to 16,000,000 fully paid ordinary shares in the capital of ABE (**the Shares**) at an issue price of \$0.65 per share to raise up to \$10,400,000 before costs (**the Offer**).

This Report does not address the rights attaching to the securities to be issued pursuant to the Prospectus nor the risks associated with the investment.

Expressions and terms defined in the Prospectus have the same meaning in this report ("this Report").

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the financial information to which it relates for any purpose other than that for which it was prepared.

Scope

Statutory Historical Financial Information

The Directors have requested KrestonSW Audit Pty Ltd to review the following Statutory Historical Financial Information of ABE included in Section 7 of the Prospectus:

- Statutory historical consolidated statements of profit or loss or other comprehensive income for years ended 30 June 2019 (**FY2019**), 30 June 2020 (**FY2020**) and 30 June 2021 (**FY2021**) (**Statutory Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income**)
- Statutory historical consolidated statements of cash flows for FY2019, FY2020 and FY2021 (**Statutory Historical Consolidated Statements of Cash Flows**); and

- Statutory historical consolidated statement of financial position as at 30 June 2021 (**Statutory Historical Consolidated Statement of Financial Position**),

hereafter collectively referred to as the **Statutory Historical Financial Information**.

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation in Section 7.2 of the Prospectus, being the recognition and measurement principles contained in Australian Accounting Standards and ABE's adopted accounting policies.

The Statutory Historical Financial Information has been compiled using the audited consolidated financial statements of:

- Australian Bond Exchange Pty Ltd and controlled entities (**ABE**) for FY2019, FY2020 and FY2021;

which were audited by Kreston Stanley Williamson in accordance with the Australian Auditing Standards. Kreston Stanley Williamson issued unmodified audit opinions on each of the financial reports.

The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

The Directors have requested KrestonSW Audit Pty Ltd to review the following pro forma historical financial information of ABE included in Section 7 of the Prospectus:

- Pro Forma historical consolidated statement of profit or loss and other comprehensive income for FY2021 (**Pro Forma Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income**)
- Pro Forma historical consolidated statement of cash flows for FY2021 (**Pro Forma Historical Consolidated Statement of Cash Flows**); and
- Pro Forma historical consolidated statement of financial position as at 30 June 2021 (**Pro Forma Historical Consolidated Statement of Financial Position**),

hereafter collectively referred to as the **Pro Forma Historical Financial Information**.

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of ABE, after adjusting for the effects of pro forma adjustments described in Section 7 of the Prospectus to show the effect of events and transactions related to the offer.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Statutory Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 7 of the Prospectus,

as if those event(s) or transaction(s) had occurred as at the date of the Statutory Historical Financial Information.

Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, and/or cash flows.

The Pro Forma Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports.

Directors' responsibility

The directors of ABE are responsible for the preparation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information.

This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Statutory Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements Involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review reports on any financial information used as a source of the financial information.

Conclusion

Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information, as described in section 7 of the public document, and comprising:

- Statutory historical consolidated statements of profit or loss or other comprehensive income for years ended FY2019, FY2020 and FY2021;

- Statutory historical consolidated statements of cash flows for FY2019, FY2020 and FY2021; and
- Statutory historical consolidated statement of financial position as at 30 June 2021,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 7 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro forma Historical Financial Information being:

- Pro Forma historical consolidated statement of profit or loss and other comprehensive income for FY2021;
- Pro Forma historical consolidated statement of cash flows for FY2021; and
- Pro Forma historical consolidated statement of financial position as at 30 June 2021,

is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 7 of the Prospectus.

Subsequent events

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no material transaction(s) or event(s) outside of the ordinary business of ABE not described in the Prospectus, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

Independence

KrestonSW Audit Pty Ltd does not have any interest in the outcome of the issue of shares other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. Kreston Stanley Williamson, an affiliate firm, are the auditors of ABE and from time to time also provides ABE with certain professional services for which normal professional fees are received.

Restriction on Use

Without modifying our conclusions, we draw attention to section 7.1 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

KrestonSW Audit Pty Ltd has consented to the inclusion of this assurance Report in the Prospectus in the form and context in which it is included.

Liability

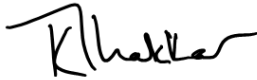
The liability of KrestonSW Audit Pty Ltd is limited to the inclusion of this Report in the Prospectus. KrestonSW Audit Pty Ltd makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

General Advice Warning

This report has been prepared, and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on information contained in this Report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Yours faithfully,

KrestonSW Audit Pty Ltd



Kamal Thakkar
Director



Intellectual Property Report for Australian Bond Exchange Holdings Limited

Dear Directors

We Have been requested by Australian Bond Exchange Holdings Limited ACN 629 543 193 ("ABE") to provide this report ("Report") on the patent portfolio owned by ABE.

The Report is for inclusion in a prospectus to be issued by ABE in connection with an Offer of up to 16,000,000 Shares at an issue price of \$0.65 per Share to raise a minimum of \$5.2 million up to a maximum of \$10.4 million.

We understand that the prospectus will be lodged with the Australian Securities & Investments Commission by ABE, on or about the date of this Report.

Patent Report – Australian Bond Exchange Holdings Limited

Introduction

This Report sets out the particulars of ABE Patent Portfolio.

The Report is correct to the best of our knowledge as at the date of the Report, subject to the limits and qualifications set out further below.

Adams Pluck is a firm of patent and trade mark attorneys specialising in the law and practices relating to intellectual property and, more particularly, patents, trademarks and industrial designs. All partners of Adams Pluck are Fellows of the Institute of Patent and Trade Mark Attorneys of Australia. The team of patent attorneys at Adams Pluck are experts in their field and have a depth of experience across a wide range of technologies, including chemistry, physics, IT/ICT, telecommunications, electronics and electrical engineering, mechanical engineering and materials engineering. All patent attorneys at Adams Pluck hold tertiary qualifications in the technology area in which that person practices.

Patents and Process for Obtaining Patent Protection

A patent is a monopoly that gives the owner the exclusive rights to exploit an invention (during the finite term of the patent) in exchange for an inventor's full disclosure of his or her invention to the public. The exclusive right provided by the patent allows the owner to prevent third parties from producing, selling or importing a patented product.

To obtain patent protection in any jurisdiction, it is necessary to file an application for registration of the relevant right in that jurisdiction. A patent has a finite term and provides the owner with a period in which others may be excluded from commercially exploiting an invention that is covered by the claims of the granted patent. However, the granting of patent rights does not confer a right on the patentee to exploit an invention and this is subject to the existence of any intervening third party rights, such as an earlier patent in the same field which is in force.

2.

Intellectual Property Report for ABE

The granting of a patent does not mean the patent is valid. A granted patent can be revoked through re-examination proceedings before the Patent Office in those jurisdictions that provide for re-examination, or through revocation proceedings before the Courts. Grounds for invalidity include the invention not being proper subject matter, not novel, not inventive (obvious), and the patent specification being deficient.

Maintenance of a patent is subject to payment of renewal fees, which if not paid within the allowed time, will result in the patent ceasing.

The ABE Patent Portfolio

The below table sets out the patent applications pending in the ABE Patent Portfolio. Each of the patents claim priority from Australian Patent Application No. 2018256664, filed 2 November 2018. Bradley McCosker and Michael Vanderdonk are listed as joint inventors of the patent applications.

Application No.	Country	Filing Date	Status
17/290899	United States	4 November 2019	Pending
2107804.3	Great Britain	4 November 2019	Pending
2019370623	Australia	4 November 2019	Pending

Validity of the ABE Patent

As of the date of the Report examination has yet to commence on any of the patents pending in the ABE patent portfolio.

Ownership and Assignments

The rights to an invention generally lie with the inventors unless it has been transferred by agreement, such as employment contract or assignment.

Bradley McCosker and Michael Vanderdonk executed an assignment agreement dated 2 November 2018 assigning their rights as joint inventors to Australian Bond Exchange Holdings Limited.

Based on the assignment, Australian Bond Exchange Holdings Limited appears to have proper title of the patent applications in the ABE Patent Portfolio.

General Statements about the Status of Patents and Patent Applications

We believe the information provided here to be accurate but caution that the accuracy of such information is, of necessity, subject to the accuracy of the databases accessed.

Patent Validity and Infringement of Third Party Rights

Enforcement of patent rights varies from country-to-country. The remedies for unauthorised use (patent infringement) available to the patent owner often include an injunction, which effectively stops further infringement of the patent, damages or account of profits, and costs. In some countries the patent owner can also file criminal complaints against the infringer.

This Report is not a 'Freedom to Operate' opinion and ADAMS PLUCK makes no assertion that the ABE Patent Application is valid or enforceable or that ABE has the freedom in any country to exploit the technology referred to in the relevant patent specification without infringing intellectual property rights of third parties.

Intellectual Property Report for ABE

Further, it is important to note that there are legal mechanisms by which third parties can bring evidence that they have sole or joint entitlement to an invention and any patent application or patent obtained for that invention.

ADAMS PLUCK cannot guarantee that the ABE Patent Application, even if valid, will adequately cover any commercial products commercialised by ABE, its licensees or sub-licensees, or that the inventions achieve the stated results or advantages.

Independence

This is an independent report. When considering this Report, it should be noted that:

- a) ADAMS PLUCK has reviewed the data on record for the ABE Patent Portfolio and provided this Report accordingly.
- b) Neither ADAMS PLUCK, nor any of its principals or employees that were involved in the review of the ABE Patent Portfolio have any entitlement to any shares in ABE, or has any interest in the promotion of ABE, and has no financial interest in the outcome of the offer under the Agreement.
- c) ADAMS PLUCK have prepared this Report and will be paid a total of approximately \$700 (exclusive of GST) for the services relating to the preparation of this Report and for services in relation to ABE's due diligence on the ABE Patent Application. Payment of this amount is not contingent on the outcome of the offer. ADAMS PLUCK confirms that the Report has been prepared by Mark O'Mally, Partner, who is not associated with ABE and has no financial interest in the outcome of the offer under the Agreement.

Yours sincerely

ADAMS PLUCK



Mark O'Mally

Partner

mark.omally@adamspluck.com.au

10^x



1 October 2021

**Subject: Australian Bond Exchange Holdings Limited
Australian Tax Section of Prospectus**

Please find attached our comments relating to the Australian tax implications in respect of the proposed listing of Australian Bond Exchange Holdings Limited (**ABX**) on the Australian Stock Exchange.

The below commentary has been specifically prepared for inclusion in the Prospectus for ABX on the Australian Stock Exchange.

Please note that the information contained therein is in accordance with our understanding of applicable Australian taxation legislation, case law and Australian Taxation Office's practice, as they stand at the date of this letter.

If you have any queries, please do not hesitate to contact us on +61 2 8346 6000.

Yours sincerely,

PKF(NS) Tax Pty Limited

Iain Spittal
Director

PKF(NS) Tax Pty Limited
ABN 34 825 653 363

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For office locations visit www.pkf.com.au

1. Overview

The comments in this Section provide a general outline of Australian income tax, capital gains tax (CGT), goods and services tax (GST) and stamp duty issues for Australian tax resident Shareholders who acquire Shares under this Prospectus and that hold Shares in the Company on capital account for Australian income tax purposes.

This summary does not constitute financial product advice as defined in the *Corporations Act 2001*. This summary is confined to Australian taxation issues and is only one of the matters which need to be considered by Shareholders before making a decision about an investment in the Shares.

These comments are based on tax laws, applicable case law and published Australian Taxation Office rulings, determinations and administrative practice in force at the date of the Prospectus. Investors should note that tax laws are subject to ongoing change, and this section does not consider any changes in administrative practice or interpretation by the relevant tax authorities, or any changes in law by judicial decision or legislation following the Prospectus Date. To the extent that there are any changes in law after the Prospectus Date, including those having retrospective effect, Shareholders should consider the tax consequences, taking into account their own individual circumstances, and should consider taking advice from a professional advisor before making a decision about an investment to acquire Shares under this Prospectus.

The taxation implications of a subscription for Shares may be affected by the individual circumstances of each Shareholder, and it is recommended that Shareholders consult their own independent advisors regarding taxation consequences, including stamp duty, income tax and Australian GST consequences of the acquisition, ownership and disposal of Shares. This summary is general in nature and does not cover all tax consequences that could apply in all circumstances of any Shareholder.

The categories of Shareholders considered in this section are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation funds that hold their Shares on capital account, and it does not consider any other category of Shareholders including those that hold Shares on revenue account, carry on a business of trading in Shares, are exempt from Australian tax, foreign residents, insurance companies, banks or Shareholders who are subject to the Taxation of Financial Arrangements rules contained in Division 230 of the *Income Tax Assessment Act 1997 (Cth)*.

The following tax comments provide a general summary of the Australian tax issues applicable to investors who acquire Ordinary shares under this Prospectus for Australian income tax purposes. These comments do not consider the taxation consequences for insurance companies, financial institutions or shareholders who are exempt from Australian tax.

These comments are based on income tax law, applicable case law and published Australian Taxation Office rulings, determinations and administrative practice in force at the date of the Prospectus. This summary does not take into account the tax law of countries other than Australia. Potential Investors should be aware that the law, and the way in which this is interpreted, may change at any time and that the final interpretation of Australian taxation law rests with the courts.

This summary is general in nature and does not consider the specific circumstances of each individual investor. Due to the complex and fluid nature of the Australian taxation regime shareholders should seek professional advice regarding their own circumstances before making an investment decision.

2. Australian CGT implications on a future disposal of Shares

The tax treatment of future share disposals by Australian resident Shareholders will depend on whether the Shares are held on revenue account, as trading stock, subject to the Taxation of Financial Arrangements regime or on capital account. As noted above, this section only considers Shareholders that hold Shares on capital account and related CGT implications.

The disposal of a Share by an Australian resident Shareholder will constitute a CGT event. A capital gain will arise where the cost base of the Share (being broadly the amount paid to acquire the Share, plus any transaction costs incurred in relation to the acquisition or disposal) is exceeded by the capital proceeds on disposal (in the case of an on-market sale, this will generally be the cash proceeds received on disposal).

However, a CGT discount may be applied against the net capital gain where the Shareholder is an individual, complying superannuation entity or trustee, provided that the Shares have been held for at least 12 months prior to disposal.

If the CGT discount applies, a capital gain arising to individuals and entities acting as Trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses, and for a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

If the Shareholder is the trustee of a trust that has held the Shares for at least 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. The Board recommends that Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

The net capital gain for a financial year after application of capital losses and CGT discount (if available), is included in the resident Shareholder's assessable income and is subject to Australian tax. A net capital loss may generally be carried forward to future years to be deducted against future capital gains.

A capital loss should be realised where the reduced cost base of the Share exceeds the capital proceeds from disposal.

All capital gains and losses for the year are added together. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other forms of assessable income but can be carried forward to later income years.

3. Taxation of Dividends

Dividends are paid to Shareholders from the accounting profits of the Company and may be franked with an imputation credit (franking credit) to the extent that Australian corporate income tax has been paid by the Company on the income distributed and the Company chooses to frank the dividend. It is possible for a dividend to be either fully or partly franked. Where a dividend is partly franked, the franked portion is treated as fully franked and the remainder as being unfranked.

It should be noted that the definition of dividend for Australian tax purposes is broad and can include certain capital returns and off-market share buy-backs.

3.1 Dividends - Holding period and related payment rules

In order for Shareholders to be entitled to claim a tax offset in relation to franked dividends, the recipient of the dividend must be a "qualified person". To be a qualified person, the two tests that need to be satisfied are the "holding period rule" (generally referred to as the "45-day rule") and the "related payments rule".

Broadly, Shareholders will be a qualified person and able to claim the tax offset for the amount of any franking credits attaching to the dividend if they have held the Shares "at risk" for a continuous period of more than 45 days (excluding the dates of acquisition and disposal) and no related payment is made in respect of the franked distribution.



The Shares are not held 'at risk' if the Shareholder has a materially diminished risk of loss or opportunity for gain in relation to the Shares. For example, if the Shareholder has entered into an agreement to dispose of the Shares, or granted options over Shares, the Shareholder may not hold the Shares 'at risk'.

This holding period rule is subject to exceptions, including where the total franking offsets of an individual in a year of income are under \$5,000.

In addition, Shareholders must not have made a related payment in respect of the dividend. Broadly, a Shareholder will be considered to have made a related payment if they have done, or are under an obligation to do, anything that has the effect of passing the benefit of a dividend or distribution to another person.

If a related payment has been made, Shareholders will only be entitled to the franking credits if they also held the shares "at risk" for a continuous period of more than 45 days (excluding the dates of acquisition and disposal) in the 90 day period commencing 45 days before and ending 45 days after the day the Shares became ex-dividend.

Where these rules are not satisfied, the Shareholder will not include an amount for the franking credits in their assessable income and should not be entitled to a tax offset.

The qualified person rules can be especially complex for distributions received indirectly (e.g. via an interposed trust).

There are specific integrity rules that prevent taxpayers from obtaining a tax benefit from additional franking credits where dividends are received as a result of 'dividend washing' or certain other arrangements (see for example Taxpayer Alert 2018/1). Shareholders should consider the impact of these rules on their own personal circumstances.

The Board recommends that Shareholders should obtain their own professional tax advice to determine if these requirements have been satisfied.

3.2 Dividends - Australian tax resident individuals and complying superannuation entities

Where dividends on a Share are paid by the Company, those dividends should constitute assessable income of an Australian tax resident Shareholder.

Individuals or complying superannuation entities who are Australian tax resident Shareholders should include the dividend in their assessable income in the year the dividend is paid. If the Shareholder satisfies the 'qualified person' rules (see above), the Shareholder should also include any franking credits attached to that dividend in their assessable income.

Provided they are 'qualified persons', Shareholders who are individuals or complying superannuation entities should be entitled to a 'tax offset' equal to the franking credits attached to the dividend, and the tax offset may be applied to reduce the tax payable on the Shareholder's taxable income with any excess franking credits refundable.

If a dividend paid by the Company is unfranked, the Shareholder will generally be taxed at the Shareholder's marginal rate on the dividend received, with no tax offset.

Investors should note that the tax rate payable by each individual Australian resident Shareholder will depend on the circumstances of the Shareholder and their prevailing marginal rate of income tax.

3.3 Dividends - Australian tax resident corporate Shareholders

Corporate Shareholders are required to include the dividend and, if they are a 'qualified person' any associated franking credits in their assessable income. If they are a 'qualified person' a tax offset will then be allowed up to the amount of the franking credits.

In addition, to the extent of the franking credits attached to the dividend, the Australian resident corporate Shareholder should be entitled to a credit in its own franking account, and can pass on the benefit of the franked credits to its own shareholders on the payment of franked dividends.

Whilst excess franking credits cannot give rise to a refund, they may (in certain circumstances) be converted into carry forward tax losses.

3.4 Dividends - Australian tax resident trusts and partnerships

Australian tax resident Shareholders who are partnerships or trustees (other than trustees of 'complying superannuation entities') should include dividends and franking credits in determining the net income of the partnership or trust.

Subject to satisfaction of the qualified person rules, such Shareholders should also include any franking credit attached to the dividend in their net income.

A trust beneficiary who is 'presently entitled' to a share of the trust's income or who has been 'attributed' a share of the trust's taxable income, may be entitled to a tax offset for a corresponding share of the franking credit received by the Shareholder. A partner may be entitled to a tax offset equal to a share of the franking credit received by the Shareholder based on their share of interests in the partnership.

As the qualified person rules can be complex in the context of distributions received indirectly via a trust or partnership, the Board recommends that Shareholders should obtain their own professional tax advice to determine the application of these rules to their circumstances.

4. Quotation of Tax File Number (TFN)

Australian tax resident Shareholders may, if they choose, notify the Company of their TFN, Australian Business Number (ABN) or a relevant exemption from withholding tax with respect to dividends. It is not compulsory for Shareholders to provide this information.

In the event that the Company is not so notified, Australian tax will be deducted by the Company from unfranked distributions and/or dividends at the highest marginal tax rate plus the Medicare Levy (which is 47% for the year ended 30 June 2022).

However, Australian tax resident Shareholders may be able to claim a tax credit in respect of the tax withheld on dividends in their income tax returns.

A Shareholder who holds Shares as part of an enterprise may quote its ABN instead of its TFN.

5. Goods and Services Tax (GST)

No GST should be payable by Shareholders on acquisition or disposal of Shares in the Company, and no GST should be payable by Shareholders on receiving dividends distributed by the Company.

However, Shareholders may not be entitled to claim full input tax credits in relation to any GST included in any costs they have incurred in connection with the acquisition of the Shares, and Shareholders should obtain their own independent tax advice in this regard.

6. Stamp Duty

Shareholders should not be liable for stamp duty in relation to the acquisition of Shares in the Company provided that the Company remains on the official list of the ASX and all shares remain quoted on the ASX, unless the Shareholder acquires (either individually, or with an associate or related party or in concert with other Shareholders) an interest of 90% or more of the Shares in the Company and the Company is a Landholder for duty purposes.

Under current stamp duty legislation, no stamp duty would ordinarily be payable by Shareholders on any subsequent transfer of their Shares but Shareholders should seek their own advice on the impact of stamp duty in their own particular circumstances.

11

11.1 REGISTRATION

The Company was registered in New South Wales, Australia on 22 October 2018.

11.2 COMPANY TAX STATUS AND FINANCIAL YEAR

The Company is and will be subject to tax at the Australian corporate tax rate on its taxable income.

The Company's financial year ends on 30 June annually.

11.3 OFFER MANAGEMENT AGREEMENT

ABE has entered into the Offer Management Agreement with Stock Marketplace Pty Limited and Pulse Market Pty Limited (**Joint Lead Managers**).

Offer Management services

Pursuant to the Offer Management Agreement, the Joint Lead Managers have agreed to manage the Offer on the terms and conditions set out in the Offer Management Agreement.

The Offer Management Agreement is not an underwriting commitment, and the Offer is not underwritten.

Representations and Warranties

ABE provides warranties to the Joint Lead Managers in relation to accuracy of information, and other customary representations and warranties.

Indemnity

ABE indemnifies the Joint Lead Managers, their related bodies corporate, directors, officers, employees, agents and advisers (**Indemnified Parties**) against any claims or liabilities that the Indemnified Parties may incur in relation to the Offer, the Prospectus or the Offer Management Agreement, except if such liabilities result from the fraud, wilful misconduct or gross negligence of the Joint Lead Managers.

Fees

The Offer Management Agreement provides for payment to SMP of a capital raising fee of 6% plus GST of all funds raised under the Offer during the mandate. SMP will pay to Pulse a capital raising fee of 1% (plus GST) of the total funds raised under the Offer. Certain other "out of pocket" expenses as referred to in the Offer Management Agreement are also payable.

The Company will also issue to SMP 1,100,000 Options upon the Company achieving the Minimum Subscription and up to a further 1,275,000 Options upon the achievement of the Maximum Subscription with an exercise price of \$1.95 per Share and exercisable at any time after 15 January 2024 and expiring 5 years from the date of Listing. The Company will also issue to Pulse 200,000 Options upon the Company achieving the Minimum Subscription, and up to a further 25,000 Options upon the achievement of the Maximum Subscription, both with an exercise price of \$1.95 per Share and exercisable at any time after 15 January 2024 and expiring 5 years from the date of Listing. Shares issued on exercise of the options will rank equally with Shares (including the New Shares) in relation to voting rights and entitlements to participate in dividends or distributions.

Termination events

The Offer Management Agreement sets out a series of termination events. If one or more of the events listed in the Offer Management Agreement occur, the Joint Lead Managers may in certain circumstances by written notice to ABE terminate the agreement. Those events include, but are not limited to, the following:

- (Supplementary Prospectus): The Company lodges a supplementary prospectus in a form that has not been approved by the Joint Lead Managers;
- (ASIC): ASIC gives notice of intention to hold a hearing in relation to the Prospectus or the Offer, or makes an interim order or any other order under section 1020E of the Corporations Act in relation to the Prospectus or any supplementary prospectus or the Offer or an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Prospectus or any supplementary prospectus or the Offer;
- (Court Order): ASIC applies for an order under section 1324B of the Corporations Act in relation to the Prospectus or the Offer and the application is not dismissed or withdrawn before the end of the Offer Period;
- (Criminal Offence): Any Director, Chief Executive Officer, Chief Financial Officer or general manager of ABE or a Related Body Corporate of ABE is charged with an

indictable offence relating to a financial or corporate matter;

- (Consent withdrawal): If any person, other than the Joint Lead Managers, who have previously consented to being named in the Prospectus, withdraws that consent whether publicly or not;
- (Default): ABE is in default of any of the material terms or conditions of the Offer Management Agreement or breaches any representation, warranty, undertaking or covenant given or made by it under the agreement;
- (Material adverse change): If on or before the Closing Date there is any material adverse change in the assets, liabilities, financial position, profits, losses or prospects of ABE, including any adverse change in the assets, liabilities, financial position, profits, losses or prospects of ABE from those respectively disclosed in the Prospectus;
- (Hostilities): There is an outbreak of hostilities (whether or not war has been declared) not presently existing, or a major escalation in existing hostilities occurs, involving any one or more of Australia, New Zealand, the United Kingdom or the United States of America which, in each case, has a material adverse effect on the Offer or ABE; or
- (Insolvency Event): An Insolvency Event occurs with respect to ABE.

The Company may terminate the Joint Lead Managers' appointment under the Offer Management Agreement after providing seven business days' notice if: (a) the Company forms the reasonable opinion that the Joint Lead Managers will be unable to raise the Minimum Subscription under the Prospectus within three months of the issue of the Prospectus; (b) there is an event of insolvency on the part of the Joint Lead Managers or any of their directors; or (c) the ASX or ASIC determine that the appointment is likely to result in a refusal to approve the Company's application for quotation.

11.4 MATERIAL CONTRACT SUMMARIES

11.4.1 Iress

ABE PL is a party to an agreement with Iress in respect of Phase 2. The agreement sets out the terms for the implementation of the ABX Market Data process to capture, store and disseminate ABX information to the Iress client base and to implement a server for ABX ABE PL to use to allow orders to be placed by brokers, firms and investors.

The agreement continues until terminated. Either party may terminate the agreement by providing one clear calendar month's prior written notice. The agreement may also be terminated in the

event of an unremedied breach or the occurrence of an insolvency event.

Iress grants ABE PL exclusivity for the solution it is implementing under the agreement.

ABE PL pays a fee to Iress calculated on a monthly basis in each service order.

All intellectual property rights in the services, software and data (excluding customer data and client data) remain vested in Iress (or its licensors). All intellectual property rights in customer data and client data remain vested in ABE PL.

The agreement contains other warranties and liabilities which appear to be standard or typical for an agreement of this nature.

Under a separate agreement with Iress, ABE PL makes certain data available to Iress in order for Iress to make that data available to dealer groups and their advisers. The agreement sets out the terms for the implementation of ABE PL's market data process to capture, store and disseminate ABE PL information to the Iress client base and to implement a server for ABE PL to allow orders to be placed by brokers, firms and investors. The agreement continues until it is terminated by either party giving the other party 30 days' prior written notice.

11.4.2 AMM

ABE PL is a party to an agreement with AMM in respect of a referral arrangement. The agreement sets out the terms upon which AMM shall refer clients to ABE PL and be appointed by ABE PL to make such referrals for consideration.

The agreement continues until terminated. Either party may terminate the agreement by providing 30 days written notice to the other party or as otherwise agreed between the parties. ABE PL may also terminate the agreement with immediate effect and without notice if AMM fails to comply with any obligations under the agreement. The agreement may also be terminated immediately and without notice in the event of either party being declared insolvent or be convicted of any criminal offence involving dishonesty or fraud.

The consideration payable by ABE PL to AMM is calculated on a percentage basis which is subject to the value of the transaction.

The agreement contains warranties and liabilities which appear to be standard or typical for an agreement of this nature.

11.4.3 Perpetual custody agreement

ABE PL is a party to a non-exclusive agreement with Perpetual pursuant to which Perpetual provides custodian services to ABE PL.

Either party may terminate the agreement by giving at least 60 days' notice (or such other period as the parties agree) in writing.

ABE PL or Perpetual may terminate the agreement by written notice if: (a) the defaulting party has not remedied a breach of the agreement in 10 Business Days after receipt of a notice; or (b) an Insolvency Event occurs in relation to the defaulting party.

ABE PL may terminate the agreement if it has reasonable grounds for believing that: (a) there is or has been an act or omission of Perpetual or any other person engaged by it to hold assets that results in Perpetual being in breach of the agreement; and (b) as a result of the act or omission, to a material extent Perpetual or any other person engaged by it to hold assets is not complying with the minimum standards under the agreement.

Each party indemnifies the other in respect of certain claims suffered, incurred by or threatened against the other.

Perpetual is entitled to certain scheduled fees for its services.

Perpetual Corporate Trust Limited holds an Australian Financial Licence (No. 392673). Perpetual's role is limited to holding assets as agent of ABE PL. Perpetual has no supervisory role in relation to the operation of ABE PL and is not responsible for protecting your interests. Perpetual has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Custody Agreement. Perpetual has given its written consent to being named as Custodian in this Prospectus, however it has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus, other than references to its name and functions described above.

11.4.4 Corporate Authorised Representative and Adviser Agreements

ABE PL and BX Provider Services have contracted with Australian incorporated companies that are owned and operated by advisers to provide support and assistance to them in undertaking investment advisory services in the Australian market. Under these agreements, ABE PL appoints the relevant company as an authorised representative of ABE PL and authorises it to appoint the adviser as an authorised representative of ABE PL. BX Provider Services provides processing services to the company for its clients.

Under the agreement:

- a. the adviser introduces clients to ABE PL that seek bond investments in the Australian market;
- b. all work undertaken where an AFSL is required is done so by the company and the adviser as authorised representatives of ABE PL;
- c. all fees, commissions and margins negotiated by the advisor with its clients are for and on behalf of ABE PL;
- d. BX Provider Services pays to the company net brokerage which is calculated as a percentage of brokerage paid by the adviser's client to ABE PL on all settled transactions, less costs incurred by BX Provider Services in providing the processing service to the company.
- e. The company is paid a non-refundable annual gross advance of \$90,000, paid pro rata on a monthly basis, against the company's monthly net brokerage.

As at the date of the Prospectus, four Corporate Authorised Representative Agreements have been signed.

BX Provider Services has also contracted with advisers who have engaged BX Provider Services to provide processing services to the adviser. Under the agreement, BX Provider Services is to provide the adviser with access to timely OTC and other market trading operations, and access to market research material and the online information systems and services. In exchange for these processing services, BX Provider Services pays to the adviser net brokerage which is calculated as a percentage of brokerage paid by the adviser's client to ABE PL.

11.5 ESCROW ARRANGEMENTS

11.5.1 Compulsory escrow

As a condition of admitting the Company to the Official List, the ASX may classify certain Existing Shares as restricted securities in accordance with the ASX Listing Rules. Any such classification will restrict the transfer of effective ownership or control of any restricted securities without the written consent of the ASX and for such period as the ASX may determine.

Prior to Listing, Existing Shareholders holding restricted securities must enter into restriction agreements with the Company on the terms set out in the ASX Listing Rules. Details of those restriction agreements will be disclosed to the market on the ASX's announcements platform prior to commencement of official quotation of the Shares.

As at the date of this Prospectus, the Company believes that up to 77,791,933 Shares (including 73,915,012 Shares held by Directors and founders) representing approximately 63.69% of Shares on issue on Completion of the Offer (assuming the Maximum Subscription is raised, and calculated on a fully diluted basis) may be subject to some form of ASX-imposed compulsory restriction arrangement for up to 24 months under the ASX Listing Rules. Details of those restriction agreements will be disclosed to the market on the ASX's announcements platform prior to commencement of official quotation of the Shares.

No New Shares issued under the Offer will be subject to escrow.

11.5.2 Voluntary escrow

No Shares will be subject to voluntary escrow arrangements.

11.6 SELLING RESTRICTIONS

11.6.1 International offer restrictions

This Prospectus does not constitute an offer of new ordinary shares (New Shares) of the Company in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

11.6.2 Singapore

This Prospectus and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, nor be made the subject of an invitation

for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are an "institutional investor" (as defined in the SFA) or an "accredited investor" (as defined in the SFA).

In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares.

As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

11.7 LEGAL PROCEEDINGS

As at the Prospectus Date, there are no current, pending or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company or its subsidiaries are directly or indirectly concerned, which is likely to have a material adverse impact on the business or financial position of the Company.

11.8 ASIC RELIEF AND ASX WAIVERS AND CONFIRMATIONS

11.8.1 ASIC relief

The Company has not sought any exemptions, modifications or relief from ASIC in relation to the Offer.

11.8.2 ASX waivers

ASX has given in-principle advice that ASX would be likely to grant ABE a waiver from ASX Listing Rule 10.14 to the extent necessary to permit ABE to issue up to 4,950,000 Shares to Directors under ABE's ELFSP without Shareholder approval on the following conditions:

- this Prospectus contains the information required by ASX Listing Rule 10.15 in respect of the proposed issue of Shares. This information is set out in this Section, and in Section 5.4;
- the date by which ABE will issue the Shares under the ELFSP must be no later than three

years from the date of ABE's admission to the Official List of ASX. The proposed issue dates are set out in Section 5.4.3; and

- details of any Shares issued to the Directors (and their associates) under the ELFSP must be published in ABE's annual report relating to the period in which they were issued.

11.9 CONSENT TO BE NAMED AND STATEMENT OF DISCLAIMERS OF RESPONSIBILITY

Each of the parties listed below in this Section 11.9 (each a consenting party), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the consenting parties listed below has given and has not, at the time of lodgement of its Prospectus with ASIC, withdrawn its written consent to the inclusion of statements in this Prospectus that are specified below in the form and context in which the statements appear:

- KrestonSW Audit Pty Ltd has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the Accounting Adviser to the Offer and the provider of the Independent Limited Assurance Report referred to in Section 8;
- PKF has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the Tax Adviser to the Offer and the provider of the Taxation Report referred to in Section 10;
- Thomson Geer has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the Australian Legal Adviser to the Offer;
- Each of Stockmarket Place Pty Limited and Pulse Markets Pty Limited has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as a Joint Lead Manager to the Offer;
- Adams Pluck has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the provider of the Intellectual Property Report referred to in Section 9;
- Hogan Lovells Lee & Lee has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the Singapore Legal Adviser to the Company; and

- Computershare has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the Share Registry to the Offer.

No consenting party referred to in this Section 11.9 has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as stated above or in a report included in this Prospectus with its consent. Each consenting party referred to in this Section 11.9 has not authorised or caused the issue of this Prospectus, does not make any offer of Shares and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus, except as stated above in this Section 11.9 or in a report included in this Prospectus with its consent.

11.10 COSTS OF THE OFFER

All expenses connected with the Offer are being borne by the Company. These expenses include Joint Lead Managers and other adviser fees (referred to in Section 5.4.4 and Section 11.3) and other costs including initial ASX listing fees and other incidental costs.

If the Minimum Subscription is raised under the Offer, the estimated costs of the Offer are approximately \$920,000.

If the Offer is fully subscribed at the Maximum Subscription, the estimated costs of the Offer are approximately \$1.27 million.

11.11 GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the laws applicable in New South Wales, Australia and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

11.12 STATEMENT OF DIRECTORS

This Prospectus has been authorised by each Director of the Company who has consented to its lodgement with ASIC and ASX and its issue and has not withdrawn that consent.

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Term	Meaning
ABE	The Company and its subsidiaries (being ABE PL, ABE Settlements, ABX Operations, ABE Capital Markets, BX Provider Services) and, where the context requires, the business conducted by those entities.
ABE Capital Markets	ABE Capital Markets Pte Ltd (Singapore UEN: 202125898H).
ABE HL or the Company	Australian Bond Exchange Holdings Limited ACN 629 543 193.
ABE PL	Australian Bond Exchange Pty Ltd ACN 605 038 935.
ABE Settlements	ABE Settlements Pty Limited ACN 629 723 922.
ABX Operations	ABX Operations Pty Ltd ACN 625 740 427.
Advisory Board	The product advisory board of the Company, the membership of which is summarised in Section 5.3.
AFS	Australian Financial Services.
AFSL	Australian Financial Services Licence.
Allotment Date	29 November 2021
API	Application Programming Interface.
Applicant	A person who submits an Application.
Application	An application to subscribe for Shares offered under this Prospectus.
Application Form	The application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility).
Application Monies	Amounts received in dollars by the Company from Applications for Shares under this Prospectus.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange that it operates, as the context requires.
ASX Listing Rules	The ASX Listing Rules of the ASX.
ASX Recommendations	The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 3rd edition.
Board	The Board of Directors of the Company.
Bond or bond	A fixed income instrument that represents a loan made by an investor to a borrower (typically a corporate organisation, government or government agency). This includes other "bond" like securities such as yield enhanced securities.
Bond Investor	An investment company, fund, bank or large corporate investor in bonds.
Broker	Any ASX participating organisation selected by the Joint Lead Managers or financial advisers to act as a broker to the Offer.
Broker Firm Offer	The offer of Shares under this Prospectus to Australian resident clients of Brokers who have received a firm allocation from their Broker.
BX Provider Services	BX Provider Services Pty Ltd ACN 625 741 666.
CCP	Central counterparty clearing.
CGT	Capital gains tax.
Chairperson's List Offer	The offer of Shares under this Prospectus to select investors nominated by the Company in eligible jurisdictions, who receive a "Chairperson's List Offer" invitation to acquire Shares under this Prospectus.
Company	Australian Bond Exchange Holdings Limited ACN 629 543 193.
Completion	The completion of the Offer, being the date on which Shares are issued or transferred to Successful Applicants in accordance with the terms of the Offer.
Corporations Act	Corporations Act 2001 (Cth).
CPI	The Australian Consumer Price index.
Director	A member of the Board.
ELFSP	The Company's Executive Loan Funded Share Plan.
ETF	Exchange Traded Fund.
Existing Shareholders	The shareholders holding Existing Shares of the Company immediately prior to Completion.
Existing Shares	Ordinary shares in the Company held by all Existing Shareholders immediately prior to Completion.
Exposure Period	The period specified in section 727(3) of the Corporations Act, being a minimum period of seven days after the date of lodgement of the Prospectus with ASIC, during which an Application must not be accepted. ASIC may extend this period to no more than 14 days after the date of lodgement of the Prospectus with ASIC.
Financial Information	Together, the Statutory Historical Financial Information and the Pro Forma Historical Financial Information on ABE set out in Section 7.

FY2019	The financial year commencing on 1 July 2018 and ending on 30 June 2019.
FY2020	The financial year commencing on 1 July 2019 and ending on 30 June 2020.
FY2021	The financial year commencing on 1 July 2020 and ending on 30 June 2021.
GFC	Global financial crisis.
Investigating Accountant	KrestonSW Audit Pty Ltd.
Investigating Accountant's Report	The Independent Limited Assurance Report as set out in Section 8.
IT	Information Technology.
Joint Lead Managers	Stock Marketplace Pty Limited and Pulse Markets Pty Limited.
Listing	Admission of the Company to the official list of ASX.
Maximum Subscription	\$10.4 million.
Minimum Subscription	\$5.2 million.
New Shares	The new Shares to be issued under the Offer.
NPP	New Payment Platform.
Offer	The Offer of Shares under this Prospectus.
Offer Information Line	1300 395 841 (within Australia) or +61 3 9415 4393 (outside Australia) between 8:30am and 5:00pm (Sydney Time), Monday to Friday
Offer Period	The period from 29 October 2021 to 19 November 2021*.
Offer Price	\$0.65 per Share.
Official List	The Official List of entities that ASX has admitted and not removed from listing.
Option	An option to acquire a Share.
OTC	Over-the-counter.
Perpetual	Perpetual Corporate Trust Limited.
Pulse	Pulse Markets Pty Limited.
Prospectus	This document (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document.
Retail Offer	The offer of Shares to the general public in Australia who may apply for Shares using the Application Form.
Settlement	The settlement in respect of the Shares the subject of the Offer.
SFA	Securities and Futures Act (Singapore).
Share	A fully paid ordinary share in the capital of the Company.
Share Registry	Computershare Limited ACN 005 485 825.
Shareholder	A holder of Shares.
SMP	Stock Marketplace Pty Limited.
Successful Applicant	A person who submits an Application to subscribe for Shares offered under this Prospectus, which is successful.
SMSF	Self-Managed Super Fund.
US Securities Act	The United States Securities Act 1933.

* Assumes a 7 day exposure period. Dates are indicative only and subject to change without notice.

Board Members

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

Company Secretary

Steve Alperstein

Financial Controller and Company Secretary

Peter Foltman

Singapore Legal Adviser

Hogan Lovells Lee & Lee
 50 Collyer Quay
 #10-01 OUE Bayfront
 Singapore 049321
 Singapore

Investigating Accountant

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

Tax Adviser

PKF
 Level 8,
 1 O'Connell St
 Sydney NSW 2000

Registered Office

c/- RBW Accountants
 Suite 501, 83 York Street
 Sydney NSW 2000

Auditor

Kreston Stanley Williamson
 Level 1, 34 Burton Street
 Kirribilli NSW 2061

Australian Legal Adviser

Thomson Geer
 Level 14, 60 Martin Place
 Sydney NSW 2000

Joint Lead Managers

Stockmarket Place Pty Limited
 Berry Street
 North Sydney NSW 2060

Pulse Markets Pty Ltd
 Suite 24,04 Level 24
 Governor Phillip Tower
 1 Farrer Place
 Sydney NSW 2000

Patent Attorney

Adams Pluck
 Suite 4, Level 3
 20 George Street
 Hornsby NSW 2077

Share Registry

Computershare
 Yarra Falls, 452 Johnston Street
 Abbotsford VIC 3067
 Phone: 1300 395 841 (within Australia)
 or +61 3 9415 4393 (outside Australia)
 between 8:30am and 5:00pm (Sydney Time),
 Monday to Friday

Website

<https://www.bondexchange.com.au/>

