

Australian Bond Exchange Holdings Limited

ABN: 11 629 543 193

Condensed Consolidated Interim Financial Statements

For the Half-Year Ended 31 December 2025

Australian Bond Exchange Holdings Limited

ABN: 11 629 543 193

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For the Half-Year Ended 31 December 2025

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Australian Bond Exchange Holdings Limited

ABN: 11 629 543 193

Directors' Report

31 December 2025

The Directors present their report, together with the financial statements for Australian Bond Exchange Holdings Limited ACN 629 543 193 ('ABEH', the "Company") and its controlled entities ('ABE' or the "Group"), for the half-year ended 31 December 2025.

Directors

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

Names	Position
Bradley McCosker	Managing Director
Mark O'Leary	Director
Robert Shaw	Non-Executive Director

Directors have been in office for the whole of the half-year to the date of this report.

Principal activities

Australian Bond Exchange Holdings Limited ("ABEH") is the holding company of various controlled entities ("ABE" or "the Group"). The Group operates through three main entities: Australian Bond Exchange Pty Ltd ACN 605 038 935 AFSL 484453 ("ABEPL"), ABE Distribution Pty Ltd ACN 673 177 912 ("ABE Distribution") and ABE Capital Management Pty Ltd ACN 671 874 552 ("ABE Capital Management"). The Group provides fixed income advice and dealing services in corporate and government bonds and other debt securities.

ABE operates in the global financial markets predominantly in debt securities trading and advisory services. During the year, ABE continued the development of a securities trading and settlement system and method, in addition to its operation as a specialist fixed income dealer and broker.

ABEPL holds Australian Financial Services Licence No. 484453 (AFSL) issued by the Australian Securities and Investments Commission (ASIC) which was successfully varied on 28 August 2025. The varied AFSL enabled ABEPL to terminate its 'corporate authorised representative' agreement which have been in place with Novus Capital since late 2023, thereby saving on the payment of 'corporate authorised representative fees'. The varied AFSL will also provide ABEPL with additional revenue opportunities.

ABE's business includes providing investment advice and trade execution services and providing financial advisers and brokers with access to an Over the Counter ("OTC") trade execution and settlement service where they can provide their clients with direct, efficient and cost-effective access to the global OTC bond and debt securities market. Revenue comes from the following activities:

- securities trading;
- brokerage on transaction as part of our financial advice and dealing services division; and
- Origination and arranging fees.

ABE also has an active technology development programme with a specific emphasis on Artificial Intelligence and transaction technologies focused on global markets.

Review of operations

The consolidated loss of the Group amounted to \$1,647,816 (December 2024: loss of \$1,920,086).

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Directors' Report

31 December 2025

Review of operations (cont'd)

The reduction in the net loss for the current period of \$0.3 million is attributed mainly to the results of the cost reduction activities management have undertaken over the past year. ABE has successfully streamlined its cost base and operational model, positioning itself for sustainable growth growing forward. The total cost base reduced by 7% period on period with the majority of that reduction coming from employee cost reduction. The leaner structure provides a strong foundation for future expansion and efficiency. Total revenue and other income increased marginally driven by higher institutional sales volumes in the current period. The Company remains resilient and adaptable, closely monitoring market trends while maintaining an agile approach to emerging opportunities and challenges.

During the half year, ABE continued its product innovation strategy for private investors with the launch of the Rakuten market-linked security to the Australian market. ABE also participated in the senior secured medium-term notes issued by Zagga Investments 2 Pty Ltd ATF Zagga Investments Lending Trust 7. This reinforces ABE's commitment to providing access to global investment opportunities typically unavailable to Australian investors.

The institutional business showed strong activity during the period, surpassing \$10 billion in order flow for the first half of the year, already surpassing FY 2025 volumes.

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Financial position

The net liabilities of the Group as at 31 December 2025 are \$2,469,726 (30 June 2025: Net liabilities \$823,366).

Notwithstanding the significant financial headwinds ABE faces, as reflected in the Company's financial results and overall performance, including ongoing cash flow pressures, the Company is confident that, through continued management actions and strategic focus, it will remain viable and continue as a going concern.

Financing activities

During the current period, ABE received debt funding totalling \$210,000 from related parties, providing immediate liquidity to support ABE's near-term operational and strategic objectives. The loans are repayable within 3 years from the date of drawdown.

In February 2026 the Group successfully completed a capital raise of \$0.9 million (net of costs) via the issue of shares. The proceeds are intended to support working capital and settle outstanding trade payables.

Significant changes in state of affairs

During the current period, ABE commenced a restructuring of its subsidiary entities, notably with the intention of ceasing its operations in Singapore and redirecting its efforts towards revenue diversification and stabilisation initiatives within Australia. This is expected to lead to a further reduction in the cost base in future periods.

Events after the reporting date

In January 2026, the Group received an additional \$80,000 loan from an existing lender.

In February 2026, ABE secured commitments from sophisticated investors to raise \$982,071 (\$901,353 net of costs) through the issue of 32,735,709 new fully paid ordinary shares at an issue price of \$0.03 per share.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods,

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Directors' Report

31 December 2025

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2025 has been received and can be found on page 4 of the financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Director:

Bradley McCosker

Director:

Mark O'Leary

Dated: 26 February 2026

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AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AUSTRALIAN BOND EXCHANGE HOLDINGS LIMITED

In accordance with s 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Australian Bond Exchange Holdings Limited. As the lead audit partner for the review of the financial report of Australian Bond Exchange Holdings Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Australian Bond Exchange Holdings Limited and the entities it controlled during the period.

Prosperity Audit Services

PROSPERITY AUDIT SERVICES



LUKE MALONE
Partner
26 February 2026
Sydney

Australian Bond Exchange Holdings Limited

ABN: 11 629 543 193

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2025

		31 December 2025	31 December 2024
	Note	\$	\$
Revenue	6	1,397,081	1,145,346
Other income	6	146,040	368,870
Employee benefits expense		(1,180,288)	(1,444,811)
Brokerage Costs		(86,627)	(85,001)
Finance expenses		(234,972)	(121,063)
Depreciation and amortisation expense		(343,105)	(333,921)
Other expenses	7	(1,338,305)	(1,449,506)
Loss before income tax		(1,640,176)	(1,920,086)
Income tax expense		(7,640)	-
Loss for the period		(1,647,816)	(1,920,086)
Other comprehensive income, net of income tax			
Items that will be reclassified to profit or loss when specific conditions are met			
Exchange differences on translating foreign controlled entities		1,456	7,167
Other comprehensive income, net of income tax		1,456	7,167
Total comprehensive loss for the period		(1,646,360)	(1,912,919)
Loss attributable to:			
Members of the parent entity		(1,647,816)	(1,920,086)
Non-controlling interest		-	-
		(1,647,816)	(1,920,086)
Total comprehensive loss attributable to:			
Members of the parent entity		(1,646,360)	(1,912,919)
Non-controlling interest		-	-
		(1,646,360)	(1,912,919)
Earnings per share from continuing operations			
Basic loss per share (cents)		(1.26)	(1.70)
Diluted loss per share (cents)		(1.26)	(1.70)

The accompanying notes form part of these financial statements.

Australian Bond Exchange Holdings Limited

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Condensed Consolidated Interim Statement of Financial Position

As at 31 December 2025

		31 December 2025	30 June 2025
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	28,755	1,008,212
Trade and other receivables	9	463,067	489,012
Other assets	10	284,423	255,976
TOTAL CURRENT ASSETS		776,245	1,753,200
NON-CURRENT ASSETS			
Property, plant and equipment		97,626	111,143
Intangible assets	11	2,236,336	2,276,323
Right-of-use assets	12	890,840	1,113,548
Investments		10	10
Other assets	10	354,833	354,833
TOTAL NON-CURRENT ASSETS		3,579,645	3,855,857
TOTAL ASSETS		4,355,890	5,609,057
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	822,226	534,312
Borrowings	14	2,065,423	2,099,836
Current tax liabilities		7,640	-
Lease liabilities	12	471,760	444,853
Employee benefits	15	665,132	564,397
TOTAL CURRENT LIABILITIES		4,032,181	3,643,398
NON-CURRENT LIABILITIES			
Borrowings	14	2,110,844	1,870,289
Lease liabilities	12	529,070	768,479
Employee benefits	15	52,321	49,057
Long-term provisions		101,200	101,200
TOTAL NON-CURRENT LIABILITIES		2,793,435	2,789,025
TOTAL LIABILITIES		6,825,616	6,432,423
NET LIABILITIES		(2,469,726)	(823,366)
EQUITY/ (DEFICIENCY)			
Issued capital	16	21,970,127	21,970,127
Accumulated losses		(25,191,354)	(23,543,538)
Reserves	17	751,501	750,045
TOTAL DEFICIENCY		(2,469,726)	(823,366)

The accompanying notes form part of these financial statements.

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Condensed Consolidated Interim Statement of Changes in Equity For the Half-Year Ended 31 December 2025

	Issued Capital	Accumulated Losses	Other Reserves	Non-Controlling Interests	Total
Note	\$	\$	\$	\$	\$
Balance at 1 July 2025	21,970,127	(23,543,538)	750,045	-	(823,366)
Loss attributable to members of the parent entity	-	(1,647,816)	-	-	(1,647,816)
Other comprehensive income	-	-	1,456	-	1,456
Total comprehensive (loss)/income for the half-year	-	(1,647,816)	1,456	-	(1,646,360)
Balance at 31 December 2025	21,970,127	(25,191,354)	751,501	-	(2,469,726)

	Issued Capital	Accumulated Losses	Other Reserves	Non-Controlling Interests	Total
Note	\$	\$	\$	\$	\$
Balance at 1 July 2024	21,329,562	(19,380,080)	747,566	17,588	2,714,636
Loss attributable to members of the parent entity	-	(1,920,086)	-	-	(1,920,086)
Other comprehensive income	-	-	7,167	-	7,167
Total comprehensive (loss)/income for the half-year	-	(1,920,086)	7,167	-	(1,912,919)
Transactions with owners in their capacity as owners					
Purchase of non-controlling interest	-	-	-	(17,588)	(17,588)
Balance at 31 December 2024	21,329,562	(21,300,166)	754,733	-	784,129

The accompanying notes form part of these financial statements.

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Condensed Consolidated Interim Statement of Cash Flows For the Half-Year Ended 31 December 2025

	31 December 2025	31 December 2024
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	25,487,949	27,750,977
Payments to suppliers and employees	(26,174,387)	(29,767,988)
Interest received	19,973	104,230
Finance costs	(197,341)	(5,087)
Net cash used in operating activities	<u>(863,806)</u>	<u>(1,917,868)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for intangible asset	<u>(66,994)</u>	<u>(223,549)</u>
Net cash used in investing activities	<u>(66,994)</u>	<u>(223,549)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of convertible notes	-	500,000
Repayment of borrowings	(12,290)	(12,290)
Repayment of lease liabilities	(246,262)	(190,995)
Proceeds from borrowings	14 <u>210,000</u>	<u>-</u>
Net (use in)/ provided by financing activities	<u>(48,552)</u>	<u>296,715</u>
Net decrease in cash and cash equivalents held	<u>(979,352)</u>	<u>(1,844,702)</u>
Cash and cash equivalents at beginning of half-year	<u>1,008,212</u>	<u>2,481,858</u>
Effects of exchange rate changes on cash and cash equivalents	<u>(105)</u>	<u>7,167</u>
Cash and cash equivalents at end of half-year	8 <u>28,755</u>	<u>644,323</u>

The accompanying notes form part of these financial statements.

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Notes to the Condensed Consolidated Interim Financial Statements For the Half - Year Ended 31 December 2025

1 Reporting entity

The condensed consolidated interim financial statements cover Australian Bond Exchange Holdings Limited ("ABEH" or the "Company") and its controlled entities (the "Group"). Australian Bond Exchange Holdings Limited is a for-profit Company, incorporated and domiciled in Australia.

Comparatives are consistent with prior periods, unless otherwise stated.

2 Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with *AASB 134: Interim Financial Reporting* and the *Corporations Act 2001*.

These condensed consolidated interim financial statements do not include all of the information required for a full annual financial report and should be read in conjunction with the 2025 Annual Report and any public announcements made by the Company during the interim reporting period, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The condensed consolidated interim financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The condensed consolidated interim financial statements were approved by the Board of Directors on 26 February 2026.

3 Summary of Material Accounting Policies

The accounting policies applied by the Group in the condensed consolidated interim financial report are consistent with those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2025.

4 Going concern

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Group will meet its financial obligations in the normal course of business for the foreseeable future, being a period of at least 12 months from the date these financial statements are approved.

The Directors note the following events and conditions which have been considered in assessing the appropriateness of the going concern assumptions:

- The Group incurred a loss after tax of \$1,647,816 (31 December 2024: \$1,920,086) for the half-year ended 31 December 2025 and incurred net cash outflows from operating and investing activities of \$930,800 (31 December 2024: \$2,141,417). This is reflective of the time taken to build the necessary platforms and achieve sufficient revenues to achieve profitability, consistent with other early-stage businesses. Sufficient revenues for immediate profitability have not been achieved as yet and the Group has restructured the cost base in the last twelve months reflective of this.
- As at 31 December 2025 the Group recorded net current liabilities of \$3,255,936 (30 June 2025: \$1,890,198) and a net asset deficiency of \$2,469,726 (30 June 2025: \$823,366). Net current liabilities of \$3,255,936 (30 June 2025: net current liabilities of \$1,890,198) primarily reflect the inclusion of convertible notes of \$2 million, which cannot be called for cash settlement early.
- As at 31 December 2025 the Group had cash and cash equivalents of \$28,755 (30 June 2025: \$1,008,212) reflecting the cash outflows of net cash outflows from operating and investing activities of \$930,800 (31 December 2024: \$2,141,417).
- In addition to loans made to the Group in FY 2025 by ABE Guardian Pty Ltd as trustee of Australian Credit Opportunities Fund ("ACOF") with a face value totalling \$1,785,000, during the half-year ended 31 December 2025, ACOF advanced a further unsecured loan for an amount of \$80,000. Interest on all loans is capitalised quarterly in arrears at 10% per annum (reducible to 8% per annum in the absence of an Event of Default).

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Notes to the Condensed Consolidated Interim Financial Statements For the Half - Year Ended 31 December 2025

4 Going concern (cont'd)

- During the current period, the Group entered into loan agreements for an amount totalling \$130,000 with a related party of ABE on the basis that the entity is controlled by a director of ABE. Interest is payable at 10% per annum (reducible to 8% per annum in the absence of an Event of Default) for up to three years on an unsecured basis. Interest is capitalised quarterly in arrears with the principal and capitalised interest repayable on or before the maturity date. Additional loans totalling \$80,000, with the same terms, was received in January 2026.

In light of the events and conditions, material uncertainty exists in relation to the Group's ability to continue as a going concern, and therefore whether it may be able to realise its assets and discharge its liabilities in the normal course of operations. As a consequence, the Directors have regard to the following in assessing the appropriateness of the going concern assumption:

- the Group has cash and cash equivalents of \$512,700 at the date of this report.
- in February 2026 the Group successfully completed a capital raise of \$0.9 million (net of costs) via the issue of shares equalling 25% of its total capital. The proceeds are intended to primarily settle outstanding trade and other payables of \$0.5 million. The Group expects there to be adequate cash available from the share issue and from revenue to fund its ongoing working capital requirements. The Group will continue to closely monitor its liquidity and seek additional capital where required, subject to shareholder approval.
- Management and Directors have forecast the Group's financial performance, cash flows and financial position as part of its management and monitoring of the Group's operations for a period of at least 12 months following the expected date of issuance of the consolidated financial statements in order to assess the ongoing liquidity of the Group and its ability to meet its financial commitments as and when they fall due in the normal course of business.

The achievement of the forecast will require the Group to perform at levels above those achieved historically and is in part dependent on:

- continued successful development of its technological products in a manner that generates sufficient operating cash flows from third party customers, which requires ongoing investment;
- continued expansion of the corporate advisory business and the engagement of new affiliate partners;
- projected continuing growth in financial product sales volumes to both existing and new clients;
- the Group's ability to continue sales and client acquisition growth rates consistent with that achieved and from the implementation of initiatives underpinning the Group's strategy;
- continuing to closely manage costs and improving operating cash flows;
- favourable future economic and market conditions, where there is increasing market awareness for creating investor appetite for fixed income investments; and
- the availability and opportunity to identify appropriate financial products upon which to base further product innovation.

Should the Group's financial performance and cash outflows be similar to historical financial performance and cash flows, it will need to raise additional capital in the near term to allow the Group to meet its financial obligations for a period of at least 12 months from the date these financial statements are approved.

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

5 Critical Accounting Estimates and Judgements

The preparation of interim financial statements requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving significant estimates and judgements were the same as those that applied to the consolidated financial report for the year ended 30 June 2025. During the period, management reviewed estimates in respect of:

- Software and software development costs;
- Provisions;
- Unconsolidated entities; and
- Value-in-use calculations.

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Notes to the Condensed Consolidated Interim Financial Statements For the Half - Year Ended 31 December 2025

6 Revenue and Other Income

Revenue from continuing operations - contracts with customers

Revenue from contracts with customers has been disaggregated as follows:

	31 December 2025	31 December 2024
Note	\$	\$
Type of customer contract		
- Commission revenue	296,184	290,199
- Other services	183,128	200,000
	(a) 479,312	490,199
Net income from financial instruments at fair value through profit or loss		
- Securities trading income	917,769	655,147
Total revenue	1,397,081	1,145,346

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

Other Income

- Interest received	19,973	104,230
- Other income	56,067	144,640
- R&D refundable tax rebate	70,000	120,000
Total other income	146,040	368,870

7 Result for the Half-Year

The result for the half-year includes the following specific expenses:

	31 December 2025	31 December 2024
	\$	\$
Other expenses:		
Rent expense	92,028	57,571
Advertising	55,855	67,252
Administration and management fees	397,406	533,417
Legal and professional fees	203,916	230,043
Insurance	150,194	186,899
Accounting fees	145,555	128,514
Information technology related expenses	293,351	244,810
Public relations	-	1,000

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Notes to the Condensed Consolidated Interim Financial Statements For the Half - Year Ended 31 December 2025

8 Cash and Cash Equivalents

	31 December 2025	30 June 2025
	\$	\$
Cash at bank and in hand	<u>28,755</u>	1,008,212
	<u>28,755</u>	<u>1,008,212</u>

Cash and cash equivalents do not include the amount of \$790,628 (30 June 2025: \$34,585,534) held in client trust accounts at 31 December 2025.

9 Trade and Other Receivables

	31 December 2025	30 June 2025
	\$	\$
CURRENT		
Trade receivables	18,537	-
Allowance for expected credit losses	-	-
	<u>18,537</u>	-
GST receivable	662	-
R&D tax rebate receivable	332,731	262,731
Other receivables	111,137	226,281
Total current trade and other receivables	<u>463,067</u>	<u>489,012</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The amounts are contractually due within two days of recognition of the receivable.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

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Notes to the Condensed Consolidated Interim Financial Statements For the Half - Year Ended 31 December 2025

10 Other Assets

		31 December 2025	30 June 2025
	Note	\$	\$
CURRENT			
Prepayments		272,338	233,985
Deposits		12,085	21,991
		<u>284,423</u>	<u>255,976</u>
NON - CURRENT			
Bank guarantee	(a)	<u>354,833</u>	354,833

- (a) A bank guarantee is held as security in favour of the lessor in respect of the office lease. As the deposit is secured under these terms, it is not accessible by the Group. The potential exposure is treated as a contingent liability. Further information is presented in Note 12.

11 Intangible Assets

		31 December 2025	30 June 2025
		\$	\$
Software		1,788,769	1,744,930
Accumulated amortisation and impairment		(811,968)	(704,987)
		<u>976,801</u>	1,039,943
Software development costs		1,331,355	1,308,200
Accumulated amortisation and impairment		(71,820)	(71,820)
		<u>1,259,535</u>	1,236,380
Total Intangible assets		<u>2,236,336</u>	2,276,323

(a) Movements in carrying amounts of intangible assets

		Software	Software development costs	Total
	Note	\$	\$	\$
Half-year ended 30 June 2025				
Balance at the beginning of the half-year		1,039,943	1,236,380	2,276,323
Transfers	(b)	43,839	(43,839)	-
Additions		-	66,994	66,994
Amortisation		(106,981)	-	(106,981)
Impairment		-	-	-
Closing value at 31 December 2025		<u>976,801</u>	<u>1,259,535</u>	<u>2,236,336</u>

**Notes to the Condensed Consolidated Interim Financial Statements
For the Half - Year Ended 31 December 2025**

11 Intangible Assets (cont'd)

(i) When the software is available for use, the asset is transferred from software development costs to software in line with the Group's accounting policy.

(b) Transfers

When the software is available for use, the asset is transferred from software development costs to software in line with the Group's accounting policy.

(c) Impairment

Impairment expenses relate to capitalised software development costs for projects which were abandoned during the year. The Group therefore recognised an impairment expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in line with its accounting policy.

(d) Impairment testing

The Group identifies its operations as a single cash-generating unit ('CGU') and, therefore, the recoverable amount has been determined at the Group level.

The recoverable amount of the Group's CGU has been determined by value-in-use ('VIU') calculations. The calculations use cash flow projections based on the business plan approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The recoverable amount was last assessed at 31 December 2025 and the following key assumptions were used in the VIU model:

- a) Revenue growth rate of 160% for the first 6 months to 30 June 2026, a 24% increase in the 2027 financial year and a 7% increase in each of years 2 to 5;
- b) Pre-tax discount rate of 20% (30 June 2025: 20%);
- c) Long term growth rate of 2% (30 June 2025: 2%) beyond five-year period for the CGU; and
- d) Operating costs and overheads based on current expenditure levels adjusted for inflationary increases.

Sensitivity analysis:

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

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

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Notes to the Condensed Consolidated Interim Financial Statements For the Half - Year Ended 31 December 2025

11 Intangible Assets (cont'd)

Sensitivity

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

- Revenue growth rate in financial year 2027 would need to decrease to 15% with the Group achieving a revenue growth rate of 160% for the first 6 months to 30 June 2026 before intangible assets would need to be impaired, with all other assumptions remaining constant.
- Revenue growth rate in years 2 to 5 would need to decrease to 4% in each of the years before intangible assets would need to be impaired, with all other assumptions remaining constant.
- The pre-tax discount rate would need to increase to 34% before intangible assets would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of \$7.5 million intangible assets is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

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

12 Right-of-use Assets and Lease Liabilities

The Company leases an office premises with a term of 5 years without an option to extend. The terminating date of the lease is 19 December 2027. The lease is subject to a 3.75% annual fixed increase and incorporates a monthly lease incentive which is subject to the Group meeting its obligations on time under the agreement.

A bank guarantee for \$354,833 is held as security in favour of the lessor in respect of the office lease entered into. As the deposit is secured under these terms, it is not accessible by the Group. The potential exposure is treated as a contingent liability. Refer to Note 10 and Note 22 for further details.

	31 December 2025	30 June 2025
	\$	\$
Right-of-use assets	2,227,089	2,227,089
Accumulated depreciation	(1,336,249)	(1,113,541)
	<u>890,840</u>	<u>1,113,548</u>

Movements in carrying amounts

Right-of-use assets

	Buildings \$	Total \$
Half-year ended 31 December 2025		
Balance at beginning of half-year	1,113,548	1,113,548
Depreciation charge	(222,708)	(222,708)
Balance at the end of half-year	<u>890,840</u>	<u>890,840</u>

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Notes to the Condensed Consolidated Interim Financial Statements For the Half - Year Ended 31 December 2025

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

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	31 December 2025	30 June 2025
	\$	\$
<i>Current</i>		
Lease liabilities	518,977	505,750
<i>Non-current</i>		
Lease liabilities	546,422	805,910

Lease liabilities included in the statement of financial position of \$1,000,830 (30 June 2025: \$1,213,332) incorporates current liability of \$471,760 and non-current liability of \$529,070 as of 31 December 2025 (current liability of \$444,853 and non-current liability of \$768,479 as of 30 June 2025).

Amounts recognised in Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

	31 December 2025	31 December 2024
	\$	\$
Interest expense on lease liabilities	33,759	45,885
Depreciation of right-of-use assets	222,708	222,708
	256,467	268,593

13 Trade and Other Payables

	31 December 2025	30 June 2025
	\$	\$
CURRENT		
Trade payables	312,908	124,519
Other payables	509,318	409,793
	822,226	534,312

Trade payables are usually unsecured and are usually paid within 30 days of recognition. As at the date of this report, certain trade payables remain outstanding beyond normal trading terms due to the Group's working capital constraints. Subsequent to the half year-end, the Group successfully completed a capital raise of \$0.9 million (net of costs) via the issue of shares. The proceeds are intended to support working capital and settle outstanding trade payables.

The carrying amounts of trade and other payable are considered to be reasonable approximations of their values, due to their short-term nature.

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Notes to the Condensed Consolidated Interim Financial Statements For the Half - Year Ended 31 December 2025

14 Borrowings

		31 December 2025	30 June 2025
	Note	\$	\$
CURRENT			
Convertible notes	(a)	2,000,000	2,000,000
Interest on convertible notes and loan		48,567	47,840
Interest on loans from related parties		-	35,878
Finance lease obligations		16,856	16,118
		2,065,423	2,099,836
NON-CURRENT			
Loans from related parties	(c)	2,034,171	1,785,000
Finance lease obligations	(b)	76,673	85,289
		2,110,844	1,870,289

(a) Convertible notes

The Group has previously issued a total of 2,000,000 convertible notes for an aggregate consideration of \$2,000,000. No convertible notes were issued during the current period. The terms and conditions of the convertible notes remain unchanged:

- i. The convertible notes are unsecured and rank at least equally with all past and future unsubordinated and unsecured obligations of the Group.
- ii. Interest accrues at a rate of 8% per annum, payable in cash quarterly or shares at the noteholder's election.
- iii. The convertible notes mature three years from the date of issue, being 15 April 2027 for the first tranche of 500,000, 10 May 2027 for the second tranche of 500,000, 6 June 2027 for the third tranche of 500,000 and 20 August 2027 for the fourth tranche.
- iv. Conversion price is the lower of 80% of the 90-day volume weighted average price of the Company's shares at the time of conversion and \$0.40, but not less than \$0.07. This gives rise to a derivative financial liability with a fair value of \$nil.
- v. All notes are convertible at any time 12 months after the date of issuance, at the discretion of the noteholders.
- vi. If the convertible notes have not converted prior to the maturity date, any outstanding amounts must be repaid by the Group to the noteholder.

(b) Finance lease obligations

The Group entered into a finance lease to purchase a motor vehicle. The lease is payable in 60 monthly instalments at an interest rate of 8.99%. A residual value of \$55,413 is payable in full at the end of the lease.

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Notes to the Condensed Consolidated Interim Financial Statements For the Half - Year Ended 31 December 2025

14 Borrowings (cont'd)

(c) Loans from related parties

- (a) In the previous financial year, the Group entered into four unsecured loan agreements with Australian Credit Opportunities Fund ("ACOF"), a related party. During the current period, a further unsecured loan agreement was entered into with ACOF, with a face value of \$80,000. The following terms apply:
- i. On 15 December 2025, the Group entered into a variation to its existing loan facility agreements. Prior to this date, interest accrued at a rate of 10% per annum (reducible to 8% per annum where no event of default occurred and all payments were made when due) and was payable in cash quarterly in arrears. Under the revised terms, interest is no longer payable quarterly in cash and is instead capitalised at 8% on the absence of default to the outstanding loan balance.
 - ii. The loan and capitalised interest is repayable three years from the date of issue, being 31 January 2028 for \$494,780, 24 February 2028 for \$510,082, 13 March 2028 for \$204,033, 14 April 2028 for \$612,099 and 16 October 2028 for \$81,333. The outstanding loan balance at 31 December 2025 is \$1,902,326 (30 June 2025: \$1,785,000).
 - iii. The loan may be repaid in full or partially at any time, upon the repayment of interest to the date of the repayment. The Group repaid \$15,000 during the previous year ended 30 June 2025.
 - iv. Redraw is not permitted.
- (b) The Group entered into an unsecured loan agreement with an entity which is a related party of ABE on the basis that the entity is controlled by a director of ABE. The following terms apply:
- v. Interest accrues at a rate of 8% per annum. Interest is capitalised to the loan balance quarterly in arrears.
 - vi. The loan is repayable three years from the date of issue, being 28 October 2028 for \$131,845. The outstanding loan balance at 31 December 2025 is \$131,845 (30 June 2025: \$nil).
 - vii. The loan may be repaid in full or partially at any time, upon the repayment of interest to the date of the repayment.

15 Employee Benefits

		31 December 2025	30 June 2025
	Note	\$	\$
CURRENT			
Other employee benefits		107,272	5,501
Leave obligations		401,721	402,757
Deferred salaries	(a)	156,139	156,139
		<u>665,132</u>	<u>564,397</u>
NON-CURRENT			
Leave obligations		<u>52,321</u>	49,057

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

Australian Bond Exchange Holdings Limited

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Notes to the Condensed Consolidated Interim Financial Statements For the Half - Year Ended 31 December 2025

16 Issued Capital

	31 December 2025 \$	30 June 2025 \$
130,942,838 (30 June 2025: 130,942,838) Ordinary shares	21,970,127	21,970,127
Less: Treasury shares	-	-
	<u>21,970,127</u>	<u>21,970,127</u>

(a) Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(b) Treasury shares

Treasury shares relate to ELFSP shares, which are restricted until the associated loans are fully repaid. For the year-ended 30 June 2025, the remaining 1,195,223 shares were released from escrow and are eligible for trading subject to ABE's equitable mortgage and provision of the ELFSP.

17 Reserves

(a) Share-based payments reserve

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

	Note	Options No.	ELFSP shares No.	\$
Opening balance at 1 July 2025		5,151,384	1,195,223	732,407
Movement		-	-	-
Closing balance at 31 December 2025		<u>5,151,384</u>	<u>1,195,223</u>	<u>732,407</u>
		Options No.	ELFSP shares No.	\$
Opening balance at 1 July 2024		5,151,384	1,195,223	732,407
Movement		-	-	-
Closing balance at 30 June 2025		<u>5,151,384</u>	<u>1,195,223</u>	<u>732,407</u>

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Notes to the Condensed Consolidated Interim Financial Statements For the Half - Year Ended 31 December 2025

17 Reserves (cont'd)

(b) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income – foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Movement in foreign currency translation reserve:

	31 December 2025	30 June 2025
	\$	\$
Opening balance	17,638	15,159
Movement	1,456	2,479
Closing balance	<u>19,094</u>	<u>17,638</u>

18 Contractual Commitments

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

	31 December 2025	31 December 2024
	\$	\$
Partnership agreements for research and marketing service	<u>243,482</u>	<u>186,151</u>

19 Financial Risk Management

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at the end and for the year ended 30 June 2025.

20 Operating Segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. The Board of Directors and the Chief Executive Officer are identified as the Chief Operating Decision Makers ("CODM"), and they consider the performance of the main business activities on an aggregated basis to determine the allocation of resources.

Other activities undertaken by the Group, including investment management, are incidental to the main business activities.

Based on the internal reports that are used by the CODM, the Group has one operating segment being the provision of fixed income advice and dealing in Corporate and Government Bonds and fixed income instruments. The operating segment information is the same information as provided throughout the financial statements. The information reported to the CODM is on a regular basis.

Major customers and geographical information

All the Group's operations and revenue are generated in Australia and no single customer accounted for more than 10% of total revenue.

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Notes to the Condensed Consolidated Interim Financial Statements For the Half - Year Ended 31 December 2025

21 Dividends

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

22 Contingencies

The Group provides a bank guarantee to its lessor as security against loss or damage. The outstanding bank guarantee at 31 December 2025 was \$354,833, expiring on December 2027. The Group has met its obligations under the contract and accordingly, no claims have been made against the bank guarantees up to the date of this financial report.

The Group is also entitled to a monthly lease incentive under the terms of its office lease agreement, reducing the Group's lease payments. The condition of receiving the lease incentive is that the Group must continue to meet its obligations under the lease agreement. The value of the lease incentive is \$1,064,497. Should the Group fail to meet its obligations, the incentive would be suspended until such time the breach is remedied and therefore may impact the value of the lease liability.

23 Related Parties

During the current period, the Group entered into loan agreements for an amount totalling \$130,000 with a related party of ABE on the basis that the entity is controlled by a director of ABE.

In addition to loans made to the Group in FY 2025 by ABE Guardian Pty Ltd as trustee of Australian Credit Opportunities Fund ("ACOF"), a further unsecured loan agreement was entered into for an amount of \$80,000.

Refer to Note 14 for further information.

24 Events Occurring After the Reporting Date

In January 2026, the Group received an additional \$80,000 loan from an existing lender.

In February 2026, ABE secured commitments from sophisticated investors to raise \$982,071 (\$901,353 net of costs) through the issue of 32,735,709 new fully paid ordinary shares at an issue price of \$0.03 per share.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Australian Bond Exchange Holdings Limited

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Directors' Declaration

In the opinion of the Directors of the Australian Bond Exchange Holdings Limited:

1. the condensed consolidated interim financial statements and notes, as set out on pages 5 to 21 are in accordance with the *Corporations Act 2001*, including:
 - (a) give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
 - (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. there are reasonable grounds to believe that the Australian Bond Exchange Holdings Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director
Bradley McCosker

Director
Mark O'Leary

Dated: 26 February 2026

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AUSTRALIAN BOND EXCHANGE HOLDINGS LIMITED

Report on the Condensed Consolidated Interim Financial Report

Qualified Conclusion

We have reviewed the consolidated interim financial report of Australian Bond Exchange Holdings Limited (the Company) and its controlled entities (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated statement of cash flows for the half-year then ended, a summary of material accounting policies and other explanatory information, and the Directors' declaration.

Based on our review, which is not an audit, except for the possible effects of the matter described in the Basis for Qualified Conclusion section, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial report of the Group does not comply with the *Corporations Act 2001* including:

- a. giving a true and fair view of the condensed consolidated interim financial position of the Group as at 31 December 2025, and of its financial performance and its cash flows for the half-year ended on that date; and
- b. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Qualified Conclusion

Included in the condensed consolidated statement of financial position are intangible assets of \$2,236,336 at 31 December 2025 and \$2,276,323 at 30 June 2025 as disclosed in Note 11. In accordance with the requirements of AASB 136 *Impairment of assets*, the Group has undertaken an impairment assessment of its intangible assets.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AUSTRALIAN BOND EXCHANGE HOLDINGS LIMITED

Due to the significant uncertainty of the future cash flows included in the Group's impairment model of the assets, we were unable to satisfy ourselves as to the appropriateness and reliability of the forecast of future cashflows. Therefore, we were unable to obtain sufficient appropriate review evidence about the carrying value of the intangible assets as at 31 December 2025 and the comparative period at 30 June 2025.

Consequently, we were unable to determine the quantum of adjustment to the carrying amount of the intangible assets in the consolidated statement of financial position and any accompanying adjustment to the consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2025, and the year ended 30 June 2025.

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty relating to going concern

We draw attention to Note 4 in the consolidated interim financial report, which describes the events or conditions which give rise to the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the condensed consolidated interim financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the condensed consolidated interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the condensed consolidated interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the condensed consolidated financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AUSTRALIAN BOND EXCHANGE HOLDINGS LIMITED

A review of a condensed consolidated interim financial report 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 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.

Prosperity Audit Services

PROSPERITY AUDIT SERVICES

A handwritten signature in blue ink, appearing to read "Luke Malone", with a long horizontal flourish extending to the right.

LUKE MALONE

Partner

26 February 2026

Sydney

27 February 2026

The Manager
Company Announcements
Australian Bond Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/ Madam

Australian Bond Exchange Holdings Limited – Half-year Report (Appendix 4D) for the half-year ended 31 December 2025

The Directors of Australian Bond Exchange Holdings Limited (the “Company”) announce the audited results of the consolidated group for the half-year ended 31 December 2025 as follows:

1 Details of the reporting period and the prior corresponding period

Current period: 1 July 2025 to 31 December 2025
Prior corresponding period: 1 July 2024 to 31 December 2024

2. Results for announcement to the market

	31 Dec 2025	Movement	Change
	\$	\$	%
Key information			
Revenue (net of other services income)	1,163,953	218,607	up 23%
Loss from ordinary activities after tax attributable to members	(1,647,816)	272,270	down 14%
Loss attributable to members of the Company	(1,647,816)	272,270	down 14%

3. Net tangible assets per ordinary share

	31 Dec 2025	31 Dec 2024	Change
	\$	\$	%
Security			
Ordinary shares	(0.043)	(0.024)	up 76%

4. Control gained or lost over entities during the period, for those having material effect

Not Applicable

5. Dividend payments

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

6. Dividend or distribution reinvestment plan details

There were no dividend or distribution reinvestment plans in place.

7. Investment in associates and joint ventures

Not Applicable

8. Accounting standards used by foreign entities

Not Applicable

9. Audit qualification or review

The consolidated interim financial statements were reviewed by the Group's Independent Auditor. The Independent Auditor's Review Report is included as part of the Consolidated Interim Financial Statements. A modified conclusion has been issued with respect to the carrying value of intangible assets. A material uncertainty related to going concern has been included in the Independent Auditor's Review Report and the auditor's conclusion is not modified in respect of this matter.

The above information in the Appendix 4D should be read in conjunction with the 31 December 2025 Consolidated Interim Financial Statements.