

1. Company details

| | |
|-------------------|-------------------------------------|
| Name of entity: | Halo Technologies Holdings Ltd |
| ABN: | 73 645 531 219 |
| Reporting period: | For the year ended 31 December 2024 |
| Previous period: | For the year ended 31 December 2023 |

2. Results for announcement to the market

| | 2024 \$ | 2023 \$ | Change \$ | Change % |
|--|--------------|-------------|--------------|-------------|
| Revenue from ordinary activities | 19,036,872 | 13,444,911 | 5,591,961 | 42% |
| Loss from ordinary activities after tax attributable to the owners of Halo Technologies Holdings Ltd | (14,543,762) | (7,204,676) | (7,339,086) | 102% |
| Loss for the year attributable to the owners of Halo Technologies Holdings Ltd | (14,543,762) | (7,204,676) | (7,339,086) | 102% |
| Underlying earnings before interest, tax, depreciation and amortisation (Underlying EBITDA*) | (10,654,606) | (3,208,512) | (7,446,094) | 232% |

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$14,543,762 (31 December 2023: \$7,204,676).

* Underlying EBITDA

Underlying EBITDA reflects the net results for the year after adding back the effects of interest, tax, depreciation and amortisation, acquisition costs and fair value movements in financial assets. The directors consider such a measure to reflect the core earnings of the Group. Underlying EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-cash and significant items. In accordance with ASIC's Regulatory Guidance 230, the Group's reconciliation of its statutory net profit after tax ('NPAT') for the current and previous reporting period to underlying EBITDA is included in the directors' report.

3. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|---------------------------|--------------------------|
| Net tangible assets per ordinary security | (1.19) | 9.79 |

4. Audit qualification or review

The financial statements have been audited and unmodified audit opinion with an emphasis of matter in relation to going concern has been issued. Refer to the attached auditors' report for further details.

5. Attachments

The Annual Report of Halo Technologies Holdings Ltd for the year ended 31 December 2024 is attached.

6. Signed

As authorised by the Board of Directors



Signed _____

George Paxton
Executive Director and CEO

Date: 28 February 2025

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Halo Technologies Holdings Ltd

ABN 73 645 531 219

Annual Report - 31 December 2024

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Halo Technologies Holdings Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2024.

Directors

The following persons were directors of Halo Technologies Holdings Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

| | |
|-----------------|-----------------------------|
| Ivan Oshry | Non-Executive Chairman |
| Matthew Roberts | Executive Managing Director |
| George Paxton | Executive Director and CEO |
| Nicolas Bryon | Executive Director and CPO |
| Philippa Lewis | Non-Executive Director |
| Peter Oxlade | Non-Executive Director |

Principal activities

During the financial year, the principal continuing activities of the Group consisted of providing equities research and analysis capability, portfolio management tools, international trade execution capability and themed investments through the Halo Technologies and Macrovue investment platforms.

Significant changes in the state of affairs

On 28 August 2024, the company commenced the issuance of 6,750,000 Convertible Notes at an issue price of \$1.00 per Note to raise up to \$6,750,000. The notes are convertible on the date that the volume weighted average share price of the company's shares for the preceding 90 days is not less than \$0.41 at a rate equal to \$0.35 per new share. To the extent not converted, the Notes must be redeemed on the day that is 60 months from the date of issue. Convertible notes are unsecured and carry interest at the rate of 12% per annum on the outstanding principal, payable quarterly in arrears. As at 31 December 2024, the company has raised \$3,611,000 by the issuance of convertible notes as detailed in note 16.

There were no other significant changes in the state of affairs of the Group during the financial year.

Review of operations

The loss for the Group after providing for income tax amounted to \$14,543,762 (31 December 2023: \$7,204,676).

Underlying EBITDA

The table below provides a reconciliation between statutory results and the underlying EBITDA for the year. The underlying EBITDA is a financial measure that is not prescribed by Australian Accounting Standards ('AAS') and represents the statutory result under AAS adjusted for interest, tax, depreciation, acquisition costs and fair value movements in financial assets. The directors consider underlying EBITDA to reflect the core earnings of the Group.

| | Consolidated | |
|--|----------------------------|---------------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Statutory loss after income tax | (14,543,762) | (7,204,676) |
| Interest revenue | (291,601) | (564,721) |
| Finance cost | 78,383 | 22,307 |
| Depreciation and amortisation | 1,591,411 | 1,302,054 |
| Acquisition costs | - | 1,001,014 |
| Decrease in fair value of financial assets | 1,095,476 | 2,910,232 |
| Impairment of financial assets | 1,246,523 | - |
| Income tax expense/(benefit) | 168,964 | (674,722) |
| Underlying EBITDA | <u>(10,654,606)</u> | <u>(3,208,512)</u> |

The Group's operating revenue (net revenue from contracts with customers) of \$18.7 million increased by 45% over the prior comparative period ('pcp') which was mainly attributable to organic brokerage revenue growth due to higher funds under management compared to pcp.

The Group reported an underlying EBITDA of \$10,654,606 (loss) compared to \$3,208,512 (loss) in the pcp, primarily due to the 'annualised' additional growth headcount across the business during the current period of \$2.8 million (primarily the UK

operations), increased legal and professional fees \$2.2 million, increase in overheads primarily due to the UK operations of \$2.0 million and increased IT expenses of \$0.7 million.

The loss for the year was impacted by non-cash impairment and fair value decrements in investment in financial assets of \$2.5 million (2023: \$2.9 million). The impairment was made based on the management's assessment of the underlying financial position and business operations of the respective investee entities.

Refer to note 2 of the notes to the consolidated financial statements for the directors' assessment of going concern.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Material business risks

Material business risks that could adversely affect the Group's future business, operations and financial prospects are listed below:

Reliance on key personnel

The Group's success, in part, depends upon the continued performance, efforts, abilities and expertise of its key management personnel, as well as other management and technical personnel, including those employed on a contractual basis. The loss of the services of certain personnel could adversely affect the time frames and cost structures as currently envisaged for the Group's business. If one or more of the senior executives or other personnel of the Group are unable or unwilling to continue in their present positions, the Group may not be able to replace them easily and its business may be disrupted and the financial condition and results of operations may be materially and adversely affected. The risks associated with these key executives have been mitigated, to a certain extent, through service agreements, management structures and policies in place that allow for succession planning and through key employees owning equity or participating in the employee incentive schemes operated by the Group.

Software, technology and system related risks

(i) Platform risks

The Group's software solutions, which incorporate its website, databases and systems are critically important to the Group's ability to attract and retain customers. The database of its customers, programs and processes, software repositories, and data analytics are a valuable asset for the continued success of the Group, and any irrecoverable loss would incur a financial cost to the Group as well as damage the reputation of the business. Further, the Group is reliant on Amazon Web Services to host the platform. If there is a disruption in these hosting services, the platform may not be accessible to users. Any significant or prolonged disruption of the hosting services may cause irreparable harm to the Group's reputation and relationships with re-sellers and customers and may have a material adverse effect on the Group's business and financial performance.

The distributed systems evolve with new functionality and increased utilisation. Security is achieved by placing controls at different levels to ensure any single breach still leaves the security of the core system intact. These policies across the Group's infrastructure minimise potential service interruption due to malicious activity, hardware failure, software failure, natural disaster, or other catastrophe. These policies reduce the probability of an outage occurring, the severity of an outage, and the time to bring services back into operation if an outage is unavoidable. A combination of automated, semi-automated and manual processes is used to achieve these outcomes.

(ii) Internet and data security breaches

There is a risk that, despite the Group's best efforts to combat cyber risks (including firewalls, a privacy policy and policies to restrict unauthorised access to data), a cyber-attack or a data breach may occur, or a third party may otherwise gain access to the confidential information of the Group's customers or its internal systems. This could result in a breach of law by the Group, or a breach of client agreements, and may significantly damage the Group's reputation and brand name. Any breach of this nature may have a material adverse effect on the Group's financial and operational performance in the future.

Changes in the regulatory environment in key markets

The wealth management sector is heavily regulated. As a service provider to the industry, the Group is exposed to changes in laws and regulations. These laws and regulations affect the Group's business. Obligations may be imposed by regulators, such as Australian Securities and Investments Commission, Australian Prudential Regulation Authority, Australian Transaction Reports and Analysis Centre, Australian Competition and Consumer Commission and the Australian Taxation Office. Failure to comply with, or appropriately respond to, any changing laws, regulations and industry compliance requirements in which

the Group operates could have adverse implications for the Group's reputation and financial performance. The Group seeks to mitigate the potential impact of these risks where possible by monitoring regulatory change and implementing appropriate process or system changes as required.

Increased competition

The wealth management sector is highly competitive as there are a variety of solutions available to investors. The Group competes against traditional fund managers (including industry funds), full-service and execution only stockbrokers and alternative providers of low-cost products. The directors believe that the Group's offering provides a better service and functionality than alternatives currently available in the market. There is the possibility that alternative providers may improve their product offering, or saturate marketing in the target markets of the Group thereby negatively impacting on the growth of the Group. Competitors may have significant experience and resources to develop competing products which may affect the Group's financial performance and position.

Risks associated with acquisitions

The Group has undertaken a number of acquisitions in recent financial years and is seeking to acquire further businesses to integrate into its existing operations. Such acquisitions can create integration risk, pricing risk, reputational risk and a variety of other issues including disaffected clients, directors and employees of the acquired business. These issues can potentially have adverse consequences from a strategic, financial and/or operational perspective. The Group will draw on its past experience to mitigate the risks within the control of the Group, such as seeking to retain key acquired staff within the combined business.

Environmental, social, and governance (ESG) considerations

The Group recognises the increasing focus on ESG factors, including climate-related risks. The Group acknowledges the importance of sustainable business practices and remains committed to assessing and disclosing material climate-related risks where applicable. Based on the internal risk assessment, climate-related risks do not currently pose a material financial or operational risk to the Group's business. Unlike industries reliant on physical assets, the Group does not have significant exposure to climate-related physical risks, such as extreme weather events impacting operating facilities. The core business activities generate relatively low direct greenhouse gas emissions. Current climate-related regulations, such as carbon pricing mechanisms, have a limited direct impact on the Group's operations. The Group engages with technology and cloud service providers that incorporate sustainability measures, but there is no material risks identified in the Group's supply chain related to climate change at this stage. The Group will continue to reassess and update ESG disclosures in line with regulatory and market expectations.

UK operations

Expanding UK operations is a key growth driver for the Australian Group in its pursuit of profitability. However, this presents risks such as regulatory complexities, competitive market pressures, liquidity and economic fluctuations. These risks can be mitigated through thorough market research, strong compliance frameworks, strategic partnerships, and agile financial planning. A proactive risk management approach will ensure the expansion aligns with Group's profitability goals while securing long-term success in the UK market

Likely developments and expected results of operations

Strong growth in Funds Under Management

Over the period, the Group has continued to invest in progressing its growth strategy in a disciplined and proactive manner. The focus remains on client acquisition, generating growth in Funds Under Management (FUM) and fostering innovation. Average FUM for full year 2024 rose by 48.8% to \$425.5 million compared to the pcp.

Overseas growth strategy on track

HALO Invest was formally launched in the United Kingdom in December 2023, led by Douglas Boyce, an experienced finance executive within the UK financial services industry. The HALO Global Equity Research platform (HALO's traditional subscription model) commenced a pilot period on 4 November 2024. This product is now live in the UK. Marketing of the product has commenced in February 2025. The HALO Wealth Management Platform is planned for release over the coming months focussing on Advisor and D2C (direct-to-consumer) auto-investing in model portfolios of Listed Securities (ETFs and Equities) and Unlisted Products (Managed Funds). It is expected that Halo Invest will onboard its first wealth management clients within the next 5 months. Trading integrations are well advanced as are specific client account and advisor functionality required in the UK to enable platform FUM growth.

Outlook

The Group continues to show strong growth in FUM and brokerage revenue. Going forward, the Group will continue its strategic initiatives to grow its B2B (business-to-business) network and subscriber base in Australia and to invest in the growth of HALO Invest as it launches its business activities in the UK

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name: Ivan Oshry
Title: Non-Executive Chairman
Qualifications: BA LLB (University of Natal), H Dip Company Law (University of Witwatersrand), H Dip Tax Law (University of Witwatersrand), Fellow Securities Institute (Australia)
Experience and expertise: Ivan is an experienced corporate lawyer and company director having practised law both in Australia and overseas for more than 30 years, specialising in mergers and acquisitions, private equity and capital raisings and as such brings a wealth of experience to the company. He has also spent time working as a corporate adviser and in business and as such is in the unique position of having practical experience at the coal face, having led and been involved in many large transactions, both local and internationally. He adds value to the company at all levels.

Ivan is currently the Director of Jamieson Health Products Australia Pty Ltd, a subsidiary of Jamieson Wellness Inc (Canada), Opusxenta Pty Ltd, Amalgamated Australian Investment Group Limited and SPM Fresh Holdings Pty Ltd.

Other current directorships: Non-Executive Director of EZZ Life Science Holdings Limited (ASX: EZZ) (appointed on 27 October 2020)
Former directorships (last 3 years): None
Special responsibilities: Member of the Nomination and Remuneration Committee and Member of the Audit and Risk Committee
Interests in shares: 213,645 ordinary shares
Interests in rights: None

Name: Matthew Roberts
Title: Executive Managing Director
Experience and expertise: Matthew has over 20 years' experience in financial services specialising in unique business structures, mergers, acquisitions and the development and growth of companies in Australia, Europe and the USA. He is a Responsible Manager to the Australian Stock Exchange and is a former member of the Australian Digital Commerce Association's (ADCA) Advisory Board. He specialises in corporate advisory and capital raising in the mining, finance and service industries. He is on the board of numerous financial services businesses as well as mining.

Matthew is currently the Director of Amalgamated Australian Investment Group Limited, Ascot Securities Pty Ltd, Australian Investment and Insurance Group Pty Ltd, Australian Stock Report Pty Limited, Teakle Financial Planning Pty Ltd, APSEC Funds Holdings Pty Ltd, HC Securities Pty Ltd, Amalgamated Australian Investment Solutions Pty Limited, The SMSF Review Pty Ltd and Atlantic Pacific Securities Pty Ltd.

Other current directorships: None
Former directorships (last 3 years): Non-Executive Director of Domacom Limited (ASX: DCL) (retired on 12 April 2023)
Special responsibilities: None
Interests in shares: 50,606,817 ordinary shares
Interests in rights: None

Name: George Paxton
Title: Executive Director and CEO
Qualifications: BA (Hons) Law & Economics (Queen Mary, University of London); CFA Charter holder and is RG146 compliant
Experience and expertise: George is an experienced finance executive and has spent more than 15 years working in financial services including mergers and acquisitions, funds management, equity and credit research. He has extensive experience of valuation techniques and global accounting standards gained from time working across UK, Asia, the USA and Australia.

George is currently the Director of Amalgamated Australian Investment Group Limited, Ascot Securities Pty Ltd, Australian Investment and Insurance Group Pty Ltd, Australian Stock Report Pty Limited, APSEC Funds Holdings Pty Ltd, Infinity Financial Advice Pty Ltd, HC Securities Pty Ltd, Amalgamated Australian Investment Solutions Pty Limited, SMSF Report Pty Ltd, Nutex Investments Pty Ltd and LEL Australia Pty Ltd.

Other current directorships: None
Former directorships (last 3 years): Non-Executive Director of Domacom Limited (ASX: DCL) (resigned on 2 August 2024)
Special responsibilities: None
Interests in shares: 8,071,131 ordinary shares
Interests in rights: None

Name: Nicolas Bryon
Title: Executive Director and Chief Product Officer
Qualifications: BEc (Hons) from Macquarie University, Sydney
Experience and expertise: Nicolas is the creator of the Halo Global software solution as it stands today. He has been involved in creating management information systems since early in his career when he was first employed at QANTAS in 1995. He brings substantial experience in managing development teams to deliver world-class product and infrastructure as well as providing the financial market and trading system knowledge to deliver world class applications that retail, high net worth individuals and advisors alike require to manage their day-to-day investing activities.

Nicolas has been involved in analysing companies and managing portfolios in financial markets for more than 20 years in various capacities. With all this experience, he is able to provide unique insights in content and design to deliver continued product development opportunities that will be applicable across the globe. Nicolas is currently the director of Baige Holdings Pty Ltd, Webster CT Pty Ltd and Halleberry Investments Pty Ltd and is the Appointer of The Bryon Family Trust.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 7,916,667 ordinary shares
Interests in rights: None

Name: Philippa Lewis
Title: Non-Executive Director
Experience and expertise: Philippa Lewis is strategic futurist and start up entrepreneur. She has a successful commercialisation track record as a founder, director and CEO in the digital, MedTech, Biotech, retail, franchising, health and aged care sectors. Philippa has founded over ten companies, led local and North American IPOs, reverse mergers, complex M&A transactions, and has formed multilateral joint ventures with North American, European and Asian entities.

Philippa has extensive expertise in strategic capital management. She has raised over \$120 million for various enterprises and has assisted many young founders to develop and raise capital. She has successfully raised capital globally; from seed, angel, institutional, HNWs, through to pre/post IPO capital.

Philippa is a professional Company Director, corporate advisor and executive coach. She currently serves on several boards as Non-Executive Chair of Imunexus Therapeutics Ltd; a public unlisted company in the immunology therapeutics sector; she is a non-executive director on the board of The Global Centre for Modern Aging, and

research consulting NGO, Halo Technologies, a fintech public company listed on the ASX in 2021 and is Chair for its subsidiary Halo Tech Group UK. Ms Lewis has served as Chair of EZZ Life Science (ASX: EZZ), a company that develops and manufactures healthcare products; ASX and TSV listed MedTech company Simavita Ltd (ASX: SVA) between 2008 and 2016. She also chaired the board of Life spot Health Ltd (ASX: LSH) and was chair and co-founder of Karista from 2016 - 2018, a private company servicing the aged, disability and community care sectors through a bespoke digital consumer choice platform.

She has served as a non-executive director of the Medical Technology Association of Australia and holds several advisory and mentoring roles with SME boards and CEOs. Philippa has been engaged in designing, advising and consulting for government projects and the funding of government and private grants.

She is a member of the Australian Institute of Company Directors and the Resolution Institute. She is also a qualified legal Arbitrator and has completed Public Company Directors and Chair course as well as the Public Company Directors certificate from Simon Fraser University. She has been nominated as Zurich Business Leader of the Year and Telstra Businesswoman of the Year.

| | |
|--------------------------------------|---|
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | Member of the Nomination and Remuneration Committee and Chair of the Audit and Risk Committee |
| Interests in shares: | None |
| Interests in rights: | None |

| | |
|---------------------------|--|
| Name: | Peter Oxlade |
| Title: | Non-Executive Director |
| Experience and expertise: | Peter is a highly experienced Senior Executive with more than 40 years' experience in financial markets, specialising in derivatives and leveraged products. He gained his initial experience working in stockbroking and foreign exchange broking before moving into senior management roles. Peter has successfully established retail and institutional business units for several global financial companies and helped pioneer the popularisation of Contracts for Difference (CFDs) in Australia and the Asia Pacific. Peter held executive director positions at CGS CIMB Securities Singapore Pte Ltd and CGS CIMB Financial Services Pte Ltd. |

| | |
|--------------------------------------|---|
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | Chair of the Nomination and Remuneration Committee and Member of the Audit and Risk Committee |
| Interests in shares: | None |
| Interests in rights: | None |

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Eryl Baron was appointed as the company secretary on 23 January 2025. Eryl is a corporate governance and finance professional with extensive experience as a company secretary and governance advisor working with both private and public listed companies in a wide variety of sectors. Eryl Baron has worked with Boardroom Pty Ltd for over 4 years and is a Group Practice Leader. Prior to working with BoardRoom she was Chief Financial Officer & Company Secretary of an ASX-listed mining company for 15 years and prior to that worked as CFO or Financial Controller and Company Secretary for small to medium public and private companies.

Former company secretaries

Sally McDow was appointed as the company secretary on 9 September 2024 and resigned on 23 January 2025. Natalie Climo was the company secretary of the company until her resignation on 9 September 2024.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2024, and the number of meetings attended by each director were:

| | Full Board | | Nomination and Remuneration Committee | | Audit and Risk Committee | |
|-----------------|------------|------|---------------------------------------|------|--------------------------|------|
| | Attended | Held | Attended | Held | Attended | Held |
| Ivan Oshry | 10 | 10 | 1 | 1 | 4 | 4 |
| Matthew Roberts | 9 | 10 | - | - | - | - |
| George Paxton | 9 | 10 | - | - | - | - |
| Nicolas Bryon | 9 | 10 | - | - | - | - |
| Philippa Lewis | 9 | 10 | 1 | 1 | 4 | 4 |
| Peter Oxlade | 10 | 10 | 1 | 1 | 4 | 4 |

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Nomination and Remuneration Committee ('NRC') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The NRC is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The NRC has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group. The NRC remains committed to transparency in executive remuneration, ensuring that compensation aligns with both our ongoing growth and expansion strategies while remaining competitive in the market. It remains focused on aligning executive incentives with business performance, fostering sustainable growth, and the industry.

The reward framework is designed to align executive reward to shareholders' interests. The NRC has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the NRC. The NRC may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

As prescribed by the Listing Rules of the ASX, the aggregate non-executive directors' remuneration is determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 1 March 2022, where the shareholders approved a maximum annual aggregate remuneration of \$360,000.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the NRC based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Short-term incentives ('STI') are payable to KMP at the discretion of the NRC and were not directly linked to the Group profitability. During the year ended 31 December 2024, discretionary cash bonus was determined by the NRC reflecting the individual contributions of the KMP.

The long-term incentives ('LTI') include share-based payments. Shares are awarded to executives over a period of one to two years based on EBITDA targets being achieved. The NRC reviewed the long-term equity-linked performance incentives specifically for executives during the financial year ended 31 December 2024. No new awards were granted during the current financial year. Performance rights granted in the 2022 have expired during the current financial year. Refer to the 'share-based compensation' section below for further details of LTI awards issued by the Group.

Group performance and link to remuneration

LTI comprising of share-based payments are directly linked to the performance of the Group. LTI vesting is subject to achievement of pre-determined EBITDA targets. Certain cash bonuses are payable at the discretion of the NRC.

Use of remuneration consultants

During the financial year ended 31 December 2024, the Group did not engage any remuneration consultants.

Voting and comments made at the company's 2023 Annual General Meeting ('AGM') held in May 2024:

At the 2022 AGM, 69.88% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2022. As more than 25% of the eligible votes were cast against the remuneration report the company received a 'first strike'. At the 2023 AGM 59.23% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2023. As more than 25% of the eligible votes were again cast against the remuneration report the company received a 'second strike'.

As more than 25% of votes were cast against the adoption of 2023 remuneration report, a conditional resolution to Spill the Board was required ('Spill Resolution'). The Spill Resolution was voted in the AGM and was not carried as 56.32% of the votes were cast against the Spill Resolution.

The Board has reviewed the current remuneration practice and believes the remuneration structure as it currently stands is appropriate for the company. The Board will continue to review the executive remuneration structure to ensure the company remains competitive with peers.

Details of remuneration

Amounts of remuneration

The KMP of the Group consisted of the directors of Halo Technologies Holdings Ltd. Details of the remuneration of KMP of the Group are set out in the following tables.

The KMP of the Group consisted of the directors of Halo Technologies Holdings Ltd.

| 2024 | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | Total |
|------|----------------------|------------|--------------|--------------------------|--------------------|----------------------|-------|
| | Cash salary and fees | Cash bonus | Non-monetary | Super-annuation | Long service leave | Equity-settled | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |

Non-Executive Directors:

| | | | | | | | |
|----------------|---------|---|---|---|---|---|---------|
| Ivan Oshry | 150,000 | - | - | - | - | - | 150,000 |
| Philippa Lewis | 116,000 | - | - | - | - | - | 116,000 |
| Peter Oxlade | 72,000 | - | - | - | - | - | 72,000 |

Executive Directors:

| | | | | | | | |
|-----------------|------------------|----------------|----------|----------|----------|----------|------------------|
| Matthew Roberts | 516,630 | 200,000 | - | - | - | - | 716,630 |
| George Paxton | 358,333 | - | - | - | - | - | 358,333 |
| Nicolas Bryon | 316,667 | - | - | - | - | - | 316,667 |
| | <u>1,529,630</u> | <u>200,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,729,630</u> |

| 2023 | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | Total |
|------|----------------------|------------|--------------|--------------------------|--------------------|----------------------|-------|
| | Cash salary and fees | Cash bonus | Non-monetary | Super-annuation | Long service leave | Equity-settled | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |

Non-Executive Directors:

| | | | | | | | |
|-----------------|---------|---|---|---|---|---|---------|
| Ivan Oshry | 150,000 | - | - | - | - | - | 150,000 |
| Philippa Lewis | 72,000 | - | - | - | - | - | 72,000 |
| Brent Goldman* | 48,000 | - | - | - | - | - | 48,000 |
| Peter Oxlade ** | 18,000 | - | - | - | - | - | 18,000 |

Executive Directors:

| | | | | | | | |
|-----------------|----------------|----------|----------|----------|----------|----------|----------------|
| Matthew Roberts | 150,000 | - | - | - | - | - | 150,000 |
| George Paxton | 150,000 | - | - | - | - | - | 150,000 |
| Nicolas Bryon | 150,000 | - | - | - | - | - | 150,000 |
| | <u>738,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>738,000</u> |

* Represents remuneration received from the appointment date 10 February 2023 to the resignation date 29 September 2023.

** Represents remuneration received from the appointment date 2 October 2023 to 31 December 2023.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name | Fixed remuneration | | At risk - STI | | At risk - LTI | |
|---------------------------------|--------------------|------|---------------|------|---------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| <i>Non-Executive Directors:</i> | | | | | | |
| Ivan Oshry | 100% | 100% | - | - | - | - |
| Philippa Lewis | 100% | 100% | - | - | - | - |
| Brent Goldman | - | 100% | - | - | - | - |
| Peter Oxlade | 100% | 100% | - | - | - | - |
| <i>Executive Directors:</i> | | | | | | |
| Matthew Roberts | 72% | 100% | 28% | - | - | - |
| George Paxton | 100% | 100% | - | - | - | - |
| Nicolas Bryon | 100% | 100% | - | - | - | - |

Service agreements

Remuneration and other terms of employment for KMP are formalised in fixed-term service agreements. Details of these agreements are as follows:

Name: Ivan Oshry
Title: Non-Executive Chairman
Agreement commenced: 1 March 2022
Term of agreement: 5 years
Details: The director is engaged to provide services to the company in the role of a full time Chair and is required to provide the services for 5 business days per week, receiving a monthly consultant fee of \$12,500 per month (\$150,000 per annum, pro-rated) for the year ended 31 December 2024.

Name: Philippa Lewis
Title: Non-Executive Director
Agreement commenced: 1 March 2022
Term of agreement: 3 years
Details: The director is engaged to provide services to the company as a non-executive director, receiving monthly directors fee of \$9,667 per month (\$116,000 per annum, pro-rated) for the year ended 31 December 2024.

Name: Peter Oxlade
Title: Non-Executive Director
Agreement commenced: 2 October 2023
Term of agreement: 3 years
Details: The director is engaged to provide services to the company as a non-executive director, receiving monthly directors fee of \$6,000 per month (\$72,000 per annum, pro-rated) for the year ended 31 December 2024.

Name: Matthew Roberts
Title: Executive Managing Director
Agreement commenced: 1 March 2022
Term of agreement: 5 years
Details: The director is engaged to provide services to the company in the role of a full time Managing Director and is required to provide the services for 5 business days per week. Effective from March 2024 a monthly consultant fee of \$45,830 per month (\$549,960 per annum) is payable.

Name: George Paxton
Title: Executive Director and CEO
Agreement commenced: 1 March 2022
Term of agreement: 5 years
Details: The director is engaged to provide services to the company in the role of a full time CEO for 5 business days per week. Effective from May 2024 a monthly consultant fee of \$33,334 per month (\$400,000 per annum) is payable.

Name: Nicolas Bryon
Title: Executive Director and CPO
Agreement commenced: 1 January 2022
Term of agreement: 5 years
Details: The director is engaged to provide services to the company in the role of a full time CPO and is required to provide the services for 5 business days per week. Effective from May 2024 a monthly consultant fee of \$29,167 per month (\$350,000 per annum) is payable.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to KMP as part of compensation during the year ended 31 December 2024.

Options

There were no options over ordinary shares issued to KMP as part of compensation that were outstanding as at 31 December 2024.

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of KMP in this financial year or future reporting years are as follows:

| Grant date | Particulars | Expiry date | Fair value per right at grant date |
|---------------|---|--|------------------------------------|
| 11 April 2022 | Executive Tranche 2: 11,250,000 performance rights were made available subject to the Group achieving 31 December 2023 targets as follows: If EBITDA is less than \$11.25 million, no performance rights vest. 50% of performance rights vest if FY 2023 EBITDA is between \$11.25 million and \$12.75 million. 75% of performance rights vest if FY 2023 EBITDA is between \$12.75 million and \$14.25 million. 100% of performance rights vest if FY 2023 EBITDA is greater than \$14.25 million. | 60 days after the Group's 31 December 2023 audited financial statements released to ASX. | 2.1 cents |

As EBITDA targets were not met, no performance rights vested. All outstanding rights have expired during the current financial year.

Performance rights granted carry no dividend or voting rights.

Additional information

The earnings of the Group for the four years to 31 December 2024 are summarised below:

| | 2024 \$ | 2023 \$ | 2022 \$ | 2021 \$ |
|---------------------------------------|--------------|-------------|-------------|------------|
| Revenue from contracts with customers | 18,745,271 | 12,880,190 | 9,621,347 | 5,832,737 |
| Underlying EBITDA | (10,654,606) | (3,208,512) | (249,558) | 829,909 |
| (Loss)/profit after income tax | (14,543,762) | (7,204,676) | (2,026,221) | 2,776,754 |

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

| | 2024 | 2023 | 2022 | 2021 |
|--|---------|--------|--------|------|
| Share price at financial year end (\$) | 0.07 | 0.19 | 0.18 | - |
| Basic earnings per share (cents per share) | (11.29) | (5.56) | (1.65) | 2.67 |
| Diluted earnings per share (cents per share) | (11.29) | (5.56) | (1.65) | 2.67 |

Additional disclosures relating to KMP

Shareholding

The number of shares in the company held during the financial year by each KMP of the Group, including their personally related parties, is set out below:

| | Balance at the start of the year | Issued on vesting of performance rights | Additions | Other | Balance at the end of the year |
|------------------------|----------------------------------|---|-----------|----------|--------------------------------|
| <i>Ordinary shares</i> | | | | | |
| Ivan Oshry | 213,645 | - | - | - | 213,645 |
| Matthew Roberts | 50,606,817 | - | - | - | 50,606,817 |
| George Paxton | 8,071,131 | - | - | - | 8,071,131 |
| Nicolas Bryon | 7,916,667 | - | - | - | 7,916,667 |
| Philippa Lewis | - | - | - | - | - |
| Peter Oxlade | - | - | - | - | - |
| | <u>66,808,260</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>66,808,260</u> |

Other transactions with key management personnel and their related parties

During the financial year, the following transactions occurred with director related entities:

- Trading costs of \$10,972,961 were paid to Atlantic Pacific Securities Pty Limited ('APS') - a director related entity of Matthew Roberts.
- Trading costs of \$1,002,077 were paid to Australian Stock Report Pty Ltd ('ASR') - a director related entity of Matthew Roberts and George Paxton.
- Management fees of \$1,363,636 were paid to Amalgamated Australian Investment Group Limited ('AAIG') - a director related entity of Ivan Oshry, Matthew Roberts and George Paxton.
- Legal and professional expenses of \$60,000 were paid to Oshry Lawyers, a director related entity of Ivan Oshry.

Other assets recognised in the financial statements of the Group as at 31 December 2024 include prepaid trading costs of \$2,807,162 paid to APS and \$3,777,452 paid to ASR. All transactions were made on normal commercial terms and conditions and at market rates.

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares of Halo Technologies Holdings Ltd under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of Halo Technologies Holdings Ltd issued on the exercise of options during the year ended 31 December 2024 and up to the date of this report.

Shares under performance rights

There were no unissued ordinary shares of Halo Technologies Holdings Ltd under performance rights outstanding at the date of this report.

Shares issued on the vesting of performance rights

There were no ordinary shares of Halo Technologies Holdings Ltd issued on the vesting of performance rights during the year ended 31 December 2024 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 27 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 27 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of BDO Audit Pty Ltd

There are no officers of the company who are former partners of BDO Audit Pty Ltd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Ivan Oshry
Non-Executive Chairman



George Paxton
Executive Director and CEO

28 February 2025
Sydney

DECLARATION OF INDEPENDENCE BY MATINA MOFFITT TO THE DIRECTORS OF HALO TECHNOLOGIES HOLDINGS LTD

As lead auditor of Halo Technologies Holdings Ltd for the year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Halo Technologies Holdings Ltd and the entities it controlled during the period.



Matina Moffitt

Director

BDO Audit Pty Ltd

Sydney

28 February 2025

Halo Technologies Holdings Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2024



| | Note | Consolidated | |
|--|------|---------------------|---------------------|
| | | 2024 | 2023 |
| | | \$ | \$ |
| Revenue and other income | | | |
| Revenue from contracts with customers | 5 | 18,745,271 | 12,880,190 |
| Research and development tax incentive | | - | 790,032 |
| Interest revenue | | 291,601 | 564,721 |
| Total revenue and other income | | <u>19,036,872</u> | <u>14,234,943</u> |
| Expenses | | | |
| Trading costs | | (12,914,017) | (7,324,711) |
| Legal and professional expenses | | (6,647,092) | (4,475,741) |
| Employee benefits expense | | (5,742,146) | (2,952,912) |
| Information technology and system expenses | | (2,334,197) | (1,632,344) |
| Depreciation and amortisation expense | 6 | (1,591,411) | (1,302,054) |
| Decrease in fair value of financial assets | 10 | (1,095,476) | (2,910,232) |
| Marketing and brand expenses | | (973,265) | (1,124,523) |
| ASX listing fees | | (56,299) | (46,857) |
| Other expenses | | (732,861) | (322,660) |
| Finance costs | 6 | (78,383) | (22,307) |
| Impairment of financial assets | 6 | (1,246,523) | - |
| Total expenses | | <u>(33,411,670)</u> | <u>(22,114,341)</u> |
| Loss before income tax benefit/(expense) | | (14,374,798) | (7,879,398) |
| Income tax benefit/(expense) | 7 | <u>(168,964)</u> | <u>674,722</u> |
| Loss after income tax benefit/(expense) for the year attributable to the owners of Halo Technologies Holdings Ltd | | (14,543,762) | (7,204,676) |
| Other comprehensive income | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Foreign currency translation | | <u>171,969</u> | - |
| Other comprehensive income for the year, net of tax | | <u>171,969</u> | - |
| Total comprehensive income for the year attributable to the owners of Halo Technologies Holdings Ltd | | <u>(14,371,793)</u> | <u>(7,204,676)</u> |
| | | Cents | Cents |
| Basic earnings per share | 33 | (11.29) | (5.56) |
| Diluted earnings per share | 33 | (11.29) | (5.56) |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

| | Note | Consolidated 2024 \$ | Consolidated 2023 \$ |
|---|------|----------------------------|----------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 8 | 4,946,495 | 8,536,175 |
| Client trust accounts | 22 | 434,803,285 | 439,392,876 |
| Trade and other receivables | 9 | 1,608,847 | 3,315,620 |
| Income tax receivable | 7 | 316,076 | - |
| Other assets | 11 | 4,262,711 | 4,231,914 |
| Total current assets | | <u>445,937,414</u> | <u>455,476,585</u> |
| Non-current assets | | | |
| Financial assets at fair value through profit or loss | 10 | - | 1,095,476 |
| Other investments in financial assets | 12 | - | 1,290,735 |
| Property, plant and equipment | | - | 1,266 |
| Intangible assets | 13 | 5,120,956 | 5,152,113 |
| Other assets | 11 | 2,626,179 | 2,707,329 |
| Deferred tax | 7 | - | 371,357 |
| Total non-current assets | | <u>7,747,135</u> | <u>10,618,276</u> |
| Total assets | | <u>453,684,549</u> | <u>466,094,861</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Client trust accounts | 22 | 434,803,285 | 439,392,876 |
| Trade and other payables | 14 | 2,831,902 | 1,128,580 |
| Contract liabilities | 15 | 4,161,820 | 4,075,057 |
| Borrowings | 16 | 140,665 | 42,856 |
| Employee benefits | 17 | 310,499 | 240,849 |
| Deferred research and development tax incentive | 18 | 1,001,520 | - |
| Total current liabilities | | <u>443,249,691</u> | <u>444,880,218</u> |
| Non-current liabilities | | | |
| Contract liabilities | 15 | 3,258,282 | 3,316,263 |
| Borrowings | 16 | 3,473,000 | - |
| Employee benefits | 17 | 109,110 | 65,257 |
| Total non-current liabilities | | <u>6,840,392</u> | <u>3,381,520</u> |
| Total liabilities | | <u>450,090,083</u> | <u>448,261,738</u> |
| Net assets | | <u>3,594,466</u> | <u>17,833,123</u> |
| Equity | | | |
| Issued capital | 19 | 24,163,779 | 24,168,643 |
| Reserves | 20 | 428,592 | 118,623 |
| Accumulated losses | | (20,997,905) | (6,454,143) |
| Total equity | | <u>3,594,466</u> | <u>17,833,123</u> |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

| Consolidated | Issued capital \$ | Reserves \$ | Retained profits/ (accumulated losses) \$ | Total equity \$ |
|--|-----------------------------|-----------------------|---|---------------------------|
| Balance at 1 January 2023 | 24,168,643 | 118,623 | 750,533 | 25,037,799 |
| Loss after income tax benefit for the year | - | - | (7,204,676) | (7,204,676) |
| Other comprehensive income for the year, net of tax | - | - | - | - |
| Total comprehensive income for the year | - | - | (7,204,676) | (7,204,676) |
| Balance at 31 December 2023 | <u>24,168,643</u> | <u>118,623</u> | <u>(6,454,143)</u> | <u>17,833,123</u> |
| Consolidated | Issued capital \$ | Reserves \$ | (Accumulated losses) \$ | Total equity \$ |
| Balance at 1 January 2024 | 24,168,643 | 118,623 | (6,454,143) | 17,833,123 |
| Loss after income tax expense for the year | - | - | (14,543,762) | (14,543,762) |
| Other comprehensive income for the year, net of tax | - | 171,969 | - | 171,969 |
| Total comprehensive income for the year | - | 171,969 | (14,543,762) | (14,371,793) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Share buy-back (note 19) | (4,864) | - | - | (4,864) |
| Options on issuance of convertible notes (note 20) | - | 138,000 | - | 138,000 |
| Balance at 31 December 2024 | <u>24,163,779</u> | <u>428,592</u> | <u>(20,997,905)</u> | <u>3,594,466</u> |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

| | Note | Consolidated | |
|---|-------|--------------|--------------|
| | | 2024 \$ | 2023 \$ |
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 20,412,543 | 13,288,317 |
| Payments to suppliers and employees (inclusive of GST) | | (27,964,659) | (19,412,846) |
| Other income - receipts from research and development tax incentive | | 1,422,504 | 1,594,344 |
| Interest received | | 335,813 | 451,945 |
| Interest and other finance costs paid | | (21,843) | (22,307) |
| Income taxes refunded | | - | 1,669 |
| Income taxes paid | | (113,683) | - |
| Net cash used in operating activities | 32 | (5,929,325) | (4,098,878) |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | - | (6,402) |
| Payments for intangible assets | 13 | (1,564,300) | (2,558,221) |
| Loan receivable | 9 | - | (200,000) |
| Repayment of loan | 9 | 200,000 | - |
| Net cash used in investing activities | | (1,364,300) | (2,764,623) |
| Cash flows from financing activities | | | |
| Proceeds from issue of convertible notes | 16,32 | 3,011,000 | - |
| Convertible notes pending allotment | 16,32 | 600,000 | - |
| Share buy-back | 19 | (4,864) | - |
| Proceeds from borrowings | 32 | 140,665 | 42,856 |
| Repayment of borrowings | 32 | (42,856) | (57,416) |
| Net cash from/(used in) financing activities | | 3,703,945 | (14,560) |
| Net decrease in cash and cash equivalents | | (3,589,680) | (6,878,061) |
| Cash and cash equivalents at the beginning of the financial year | | 8,536,175 | 15,414,236 |
| Cash and cash equivalents at the end of the financial year | 8 | 4,946,495 | 8,536,175 |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Halo Technologies Holdings Ltd as a Group consisting of Halo Technologies Holdings Ltd (the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year (referred to as the 'Group'). The financial statements are presented in Australian dollars, which is Halo Technologies Holdings Ltd's functional and presentation currency.

Halo Technologies Holdings Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Boardroom Pty Ltd
Level 8, 210 George Street
Sydney NSW 2000

Principal place of business

Level 4
10 Barrack Street
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Going concern

The financial statements have been prepared on a going concern basis, of which contemplates continuity of normal business activity and realisation of assets and settlement of liabilities in the ordinary course of business. The Group incurred a net loss after tax of \$14,543,762 (2023: loss of \$7,204,676) and net cash outflows used in operating activities of \$5,929,325 (2023: Net operating cash outflows \$4,098,878). As a result of the above factors and in the absence of the capital raise, this gives rise to material uncertainty, which may cast significant doubt over the going concern assumption.

The directors consider that there are reasonable grounds to conclude that the Group will continue as a going concern after consideration of the following:

- As at 31 December 2024, the Group had cash and cash equivalents of \$4,946,495;
- As at 31 December 2024, the Group is in a net current asset position of \$2,687,723;
- The Group's losses are not entirely of a trading nature but rather relate to write-off of an investment in Domacom Limited (\$1.1 million) and funding of the acquisition of Halo Invest in the United Kingdom and providing it with establishment funding and regulatory capital (\$6 million). The Australian and UK operations are expected to be profitable in the 2026 financial year;
- As detailed in note 16 'Borrowings', the Group is in the process raising additional long-term funding and commenced the issuance of 6,750,000 Convertible Notes at an issue price of \$1.00 per Note. As at 31 December 2024, the company has received \$3,611,000 in relation to Convertible Notes; and
- The Group is of the reasonable view it has an ongoing ability to raise capital to meet its future operating and investment requirements in light of historical record of its related parties in raising capital.

Accordingly, the financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. Should the capital raise not be achieved, there is material uncertainty as to whether the Group will be able to continue as a going concern and therefore the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

Note 2. Material accounting policy information (continued)

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, with the exception of certain investments in financial assets measured at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Halo Technologies Holdings Ltd ('company' or 'parent entity') as at 31 December 2024 and the results of all subsidiaries for the year then ended. Halo Technologies Holdings Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Halo Technologies Holdings Ltd's functional and presentation currency.

Note 2. Material accounting policy information (continued)

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The Group recognises revenue in accordance with AASB 15. The specific revenue recognition policies are as follows:

Brokerage revenue

Brokerage revenue is recognised at a point in time upon execution of a trade contract resulting in the delivery of the service to the client and all the performance obligations having been met.

Subscription revenue

Subscription revenue is recognised over time, which is over the subscription contract term when the related services are performed, and the performance obligations are satisfied. Subscription revenue received in advance is included in contract liabilities in the statement of financial position. Refer to the contract liabilities section below for the accounting policy regarding revenue received in advance.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants including research and development tax incentives

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and that the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the

Note 2. Material accounting policy information (continued)

carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Client funds (note 22)

Client funds are held in segregated bank accounts as part of the Group's safeguarding policy and are excluded from the amount of cash and cash equivalents held by the Group, as they are not available for use by the Group.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Note 2. Material accounting policy information (continued)

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

The loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Prepaid trading costs

Prepaid trading costs comprise subscription costs that have been paid in advance of the service being performed. These expenses are deferred and recognised as trading costs in the following reporting period, when the related services are provided.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development costs

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Licences

Licences acquired are not amortised based on having an indefinite life. This judgement is reassessed every year. Instead, licences are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost less accumulated impairment losses. Management considers that the useful lives of licences are indefinite because there is no foreseeable limit to the cash flows these assets can generate.

Impairment of non-financial assets

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 might be impaired. Non-financial assets are reviewed 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 2. Material accounting policy information (continued)

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the services to the customer. Refer to the subscription revenue section above.

Convertible note

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is recognised as a liability and measured on the amortised cost basis until extinguished on either conversion or redemption. The remainder of the proceeds are allocated to the conversion option. Where the instrument grants the holder an equity instrument (a call option granting the holder the right, for a specified period of time, to convert it into a fixed number of ordinary shares of the entity), these are accounted in equity. The carrying amount of the equity instrument represented by the option to convert the instrument into ordinary shares is determined by deducting the fair value of the financial liability from the fair value of the compound financial instrument.

Finance costs

Finance costs are expensed in the period in which they are incurred based on the effective interest method.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 2. Material accounting policy information (continued)

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Halo Technologies Holdings Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 December 2024. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces AASB 101 'Presentation of Financial Statements', although many of the requirements have been carried forward unchanged and is accompanied by limited amendments to the requirements in AASB 107 'Statement of Cash Flows'. The standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 January 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Capitalised development costs

The Group capitalises development costs for projects in accordance with the Group's capitalisation policy. Capitalisation of costs is based on management's assessment of future economic benefits controlled and available to the Group. Management incorporates various key estimates and assumptions in its assessment of the technological and economic feasibility of the project when determining the capitalisation of expenses as development costs.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves assessing the value of the asset at fair value less costs of disposal and using value-in-use models which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Operating segments

Identification of reportable operating segments

The main business activities of the Group are the provision of equity research and portfolio management services. The Board of Directors are identified as the Chief Operating Decision Maker ('CODM'), and they consider the performance of the main business activities on an aggregated basis to determine the allocation of resources.

Based on the internal reports that are used by the CODM, the Group has one operating segment being the provision of equity research and portfolio management services. There is no aggregation of operating segments.

The operating segment information is the same information as provided throughout these financial statements and is therefore not duplicated. Information relating to revenue from products and services is included in note 5. The Group operated predominantly in Australia. The Group commenced operations in the United Kingdom with the acquisition of Halo Invest Ltd on 3 October 2023.

The information reported to the CODM is on a monthly basis.

Geographical information

| | Sales to external customers | | Geographical non-current assets | |
|----------------|-----------------------------|-------------------|---------------------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | \$ | \$ | \$ | \$ |
| Australia | 18,745,271 | 12,880,190 | 4,112,078 | 4,139,074 |
| United Kingdom | - | - | 1,008,878 | 1,014,190 |
| | <u>18,745,271</u> | <u>12,880,190</u> | <u>5,120,956</u> | <u>5,153,264</u> |

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 5. Revenue from contracts with customers

| | Consolidated | |
|---------------------------------------|-------------------|-------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Brokerage revenue | 15,213,627 | 8,047,884 |
| Subscription revenue | 3,531,644 | 4,832,306 |
| Revenue from contracts with customers | <u>18,745,271</u> | <u>12,880,190</u> |

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

| | Consolidated | |
|---|-------------------|-------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Geographical regions | | |
| Australia | <u>18,745,271</u> | <u>12,880,190</u> |
| Timing of revenue recognition | | |
| Services transferred at a point in time | 15,213,627 | 8,047,884 |
| Services transferred over time | 3,531,644 | 4,832,306 |
| | <u>18,745,271</u> | <u>12,880,190</u> |

Note 6. Expenses

| | Consolidated | |
|--|------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Loss before income tax includes the following specific expenses: | | |
| <i>Depreciation</i> | | |
| Computer equipment | - | 6,902 |
| Office equipment | 1,266 | 188 |
| Total depreciation | <u>1,266</u> | <u>7,090</u> |
| <i>Amortisation</i> | | |
| Development costs | 1,590,145 | 1,294,964 |
| Total depreciation and amortisation | <u>1,591,411</u> | <u>1,302,054</u> |
| <i>Impairment of assets included the following:</i> | | |
| Impairment of loan receivable in the interim period | 200,000 | - |
| Impairment of redeemable convertible notes (note 12) | 1,346,523 | - |
| Collection of previously impaired loan receivable and interest | <u>(300,000)</u> | <u>-</u> |
| | 1,246,523 | - |
| <i>Finance costs</i> | | |
| Interest and finance charges paid/payable on borrowings | <u>78,383</u> | <u>22,307</u> |
| <i>Net foreign exchange loss</i> | | |
| Net foreign exchange (gain)/loss | <u>(16,159)</u> | <u>22,022</u> |
| <i>Superannuation expense</i> | | |
| Defined contribution superannuation expense | <u>285,424</u> | <u>251,895</u> |

Note 7. Income tax

| | Consolidated | |
|---|-----------------------|-------------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Income tax expense/(benefit)</i> | | |
| Current tax | (202,393) | (1,669) |
| Deferred tax - origination and reversal of temporary differences | <u>371,357</u> | <u>(673,053)</u> |
| Aggregate income tax expense/(benefit) | <u><u>168,964</u></u> | <u><u>(674,722)</u></u> |
| Deferred tax included in income tax expense/(benefit) comprises: | | |
| Decrease/(increase) in deferred tax assets | <u>371,357</u> | <u>(673,053)</u> |
| <i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i> | | |
| Loss before income tax benefit/(expense) | <u>(14,374,798)</u> | <u>(7,879,398)</u> |
| Tax at the statutory tax rate of 25% | (3,593,700) | (1,969,850) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| True-up adjustment | 404,471 | 213,242 |
| Impairment of investments | 336,631 | 727,558 |
| Other permanent differences | 622,764 | 467,798 |
| Sundry items | <u>378,386</u> | <u>(113,470)</u> |
| | (1,851,448) | (674,722) |
| Tax losses not recognised | 1,080,927 | - |
| Deferred tax assets not recognised/derecognised | <u>939,485</u> | <u>-</u> |
| Income tax expense/(benefit) | <u><u>168,964</u></u> | <u><u>(674,722)</u></u> |

| | Consolidated | |
|---|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Tax losses not recognised</i> | | |
| Unused tax losses for which no deferred tax asset has been recognised | <u>14,374,798</u> | - |
| Potential tax benefit at statutory tax rates | <u>3,593,700</u> | - |

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 7. Income tax (continued)

| | Consolidated | |
|---|---------------------|----------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Deferred tax asset/(liability)</i> | | |
| Deferred tax asset/(liability) comprises temporary differences attributable to: | | |
| Amounts recognised in profit or loss: | | |
| Tax losses | - | 2,924,558 |
| Accrued expenses | - | 50,091 |
| Contract liabilities | - | (1,546,246) |
| Employee benefits | - | 92,947 |
| Development costs | - | (1,034,481) |
| Others | - | (115,512) |
| | <u>-</u> | <u>371,357</u> |
| Deferred tax asset | - | 371,357 |
| Movements: | | |
| Opening balance | 371,357 | (301,696) |
| Credited/(charged) to profit or loss | (371,357) | 673,053 |
| | <u>-</u> | <u>371,357</u> |
| Closing balance | - | 371,357 |
| | | |
| | Consolidated | |
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Income tax refund due</i> | | |
| Income tax refund due | 316,076 | - |
| | <u>316,076</u> | <u>-</u> |

Note 8. Cash and cash equivalents

| | Consolidated | |
|-----------------------|---------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Cash at bank | 4,346,495 | 8,536,175 |
| Cash held in trust* | 600,000 | - |
| | <u>4,946,495</u> | <u>8,536,175</u> |

*Cash held in trust represents proceeds from convertible notes raised as at 31 December 2024 which were pending allotment to the noteholders. Amounts held in trust can be used by Halo Technologies Holdings Ltd on completion of allotment which occurred in January 2025.

Note 9. Trade and other receivables

| | Consolidated | |
|-------------------------------------|------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Trade receivables | 268,310 | 132,273 |
| Other receivables | - | 420,984 |
| Related party receivables (note 29) | 1,340,537 | 2,562,363 |
| Loan receivable* | - | 200,000 |
| | <u>1,608,847</u> | <u>3,315,620</u> |

* During the financial year, the Group received full repayment of the short-term loan of \$200,000 along with outstanding interest.

Allowance for expected credit losses

The Group has recognised a loss of \$nil (31 December 2023: \$nil) in profit or loss in respect of the expected credit losses for the year ended 31 December 2024.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

| Consolidated | Expected credit loss rate | | Carrying amount | | Allowance for expected credit losses | |
|--------------|---------------------------|------|-----------------|----------------|--------------------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | % | % | \$ | \$ | \$ | \$ |
| Not overdue | - | - | <u>268,310</u> | <u>553,257</u> | <u>-</u> | <u>-</u> |

Note 10. Financial assets at fair value through profit or loss

| | Consolidated | |
|--|--------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Listed ordinary shares - designated at fair value through profit or loss | <u>-</u> | <u>1,095,476</u> |

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

| | | |
|------------------------|-------------|------------------|
| Opening fair value | 1,095,476 | 4,005,708 |
| Revaluation decrements | (1,095,476) | (2,910,232) |
| Closing fair value | <u>-</u> | <u>1,095,476</u> |

Refer to note 24 for further information on fair value measurement.

The above investment represents the Group's approximately 13% holding of listed shares in Domacom Ltd (ASX: DCL). DCL shares have been suspended from trading since February 2024, no recent audited financial information is available and the operating environment for the entity appears to have deteriorated. As a result, management has determined the fair value of DCL investment to be zero.

Note 11. Other assets

| | Consolidated | |
|---------------------------------|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Prepayments | 239,976 | 172,073 |
| Prepaid trading costs (note 29) | 4,012,735 | 4,049,841 |
| Other current assets | 10,000 | 10,000 |
| | 4,262,711 | 4,231,914 |
| <i>Non-current assets</i> | | |
| Prepaid trading costs (note 29) | 2,571,879 | 2,653,029 |
| Security deposits | 54,300 | 54,300 |
| | 2,626,179 | 2,707,329 |
| | 6,888,890 | 6,939,243 |

Note 12. Other investments in financial assets

| | Consolidated | |
|---|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Redeemable convertible notes at amortised cost | 1,346,523 | 1,290,735 |
| Less: Provision for impairment | (1,346,523) | - |
| | - | 1,290,735 |
| <i>Reconciliation</i> | | |
| Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below: | | |
| Opening carrying amount | 1,290,735 | 1,177,959 |
| Interest accrued on loan notes | 55,788 | 112,776 |
| Impairment of convertible notes | (1,346,523) | - |
| Closing carrying amount | - | 1,290,735 |

During the year, the Group conducted an assessment of its investment in convertible notes in Success Publishing Pty Ltd in accordance with applicable accounting standards. As part of this review, the Group considered various qualitative and quantitative factors, including the financial performance and liquidity position of the investee. Based on the evaluation, it was determined that Success Publishing Pty Ltd has incurred significant financial losses and is experiencing ongoing operational challenges that raise substantial doubt about its ability to continue as a going concern. These financial difficulties have adversely impacted the investee's ability to generate sufficient cash flows, meet its debt obligations, and execute its business plan.

As a result, management has decided to fully impair the carrying amount of the convertible note.

The Group has taken steps and issued demands to recover from Success Publishing Pty Ltd the two convertible notes totalling \$1.3 million plus interest. In response, Success Publishing Pty Ltd have proposed and agreed to enter a deed setting out an arrangement for the full repayment of the convertible note by instalments with a final payment by no later than 30 September 2025 and in which it is proposed to include provisions that if there is a default, proceedings can be commenced, and Success Publishing Pty Ltd will consent to a default judgment.

Note 13. Intangible assets

| | Consolidated | |
|--------------------------------|-------------------------|-------------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Platform development - at cost | 8,889,309 | 7,325,764 |
| Less: Accumulated amortisation | <u>(4,777,231)</u> | <u>(3,187,841)</u> |
| | <u>4,112,078</u> | <u>4,137,923</u> |
| Licence - at cost | 1,008,878 | 1,014,190 |
| Less: Accumulated amortisation | - | - |
| | <u>1,008,878</u> | <u>1,014,190</u> |
| | <u><u>5,120,956</u></u> | <u><u>5,152,113</u></u> |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| Consolidated | Platform build \$ | Licence \$ | Total \$ |
|-----------------------------|-------------------------|-------------------------|-------------------------|
| Balance at 1 January 2023 | 3,888,856 | - | 3,888,856 |
| Additions | 1,544,031 | 1,014,190 | 2,558,221 |
| Amortisation expense | <u>(1,294,964)</u> | - | <u>(1,294,964)</u> |
| Balance at 31 December 2023 | 4,137,923 | 1,014,190 | 5,152,113 |
| Additions | 1,564,300 | - | 1,564,300 |
| Exchange differences | - | (5,312) | (5,312) |
| Amortisation expense | <u>(1,590,145)</u> | - | <u>(1,590,145)</u> |
| Balance at 31 December 2024 | <u><u>4,112,078</u></u> | <u><u>1,008,878</u></u> | <u><u>5,120,956</u></u> |

Note 14. Trade and other payables

| | Consolidated | |
|-------------------------------------|-------------------------|-------------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Trade payables | 730,298 | 670,660 |
| Payable to related parties | 1,536,993 | 218,336 |
| Interest payable | 56,540 | - |
| Accrued expenses and other payables | <u>508,071</u> | <u>239,584</u> |
| | <u><u>2,831,902</u></u> | <u><u>1,128,580</u></u> |

Refer to note 23 for further information on financial instruments.

Note 15. Contract liabilities

| | Consolidated | |
|---|---------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Contract liabilities | 4,161,820 | 4,075,057 |
| <i>Non-current liabilities</i> | | |
| Contract liabilities | 3,258,282 | 3,316,263 |
| | <u>7,420,102</u> | <u>7,391,320</u> |
| <i>Reconciliation</i> | | |
| Reconciliation of contract liabilities at the beginning and end of the current and previous financial year are set out below: | | |
| Opening balance | 7,391,320 | 7,758,062 |
| Gross payments received in advance | 3,560,426 | 4,465,564 |
| Transfer to revenue | (3,531,644) | (4,832,306) |
| Closing balance | <u>7,420,102</u> | <u>7,391,320</u> |

Contract liabilities represent the obligation to provide subscription services to customers who have paid upfront for such services.

Note 16. Borrowings

| | Consolidated | |
|-------------------------------------|---------------------|---------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Loan payable | 140,665 | 42,856 |
| <i>Non-current liabilities</i> | | |
| Convertible notes payable | 2,873,000 | - |
| Convertible notes pending allotment | 600,000 | - |
| | <u>3,473,000</u> | <u>-</u> |
| | <u>3,613,665</u> | <u>42,856</u> |

Refer to note 23 for further information on financial instruments.

On 28 August 2024, the Group commenced the issuance of 6,750,000 convertible notes at an issue price of \$1.00 per Note to raise up to \$6,750,000. As at 31 December 2024, the Group has issued 3,011,000 convertible notes at a face value of \$1.00 each amounting to a total borrowing of \$3,011,000. The notes are convertible on the date that the volume weighted average share price of the company's shares for the preceding 90 days is not less than \$0.41 at a rate equal to \$0.35 per new share. To the extent not converted, the Notes must be redeemed on the day that is 60 months from the date of issue. Convertible notes are unsecured and carry interest at the rate of 12% per annum on the outstanding principal, payable quarterly in arrears.

An amount of \$138,000 has been transferred to 'convertible notes option reserve' in equity. This represents management's estimate of the value of the conversion features at the inception of convertible notes. Refer to note 20 for further details.

Note 17. Employee benefits

| | Consolidated | |
|--------------------------------|----------------|----------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Annual leave | 310,499 | 240,849 |
| <i>Non-current liabilities</i> | | |
| Long service leave | 109,110 | 65,257 |
| | <u>419,609</u> | <u>306,106</u> |

Note 18. Deferred research and development tax incentive

| | Consolidated | |
|---|--------------|------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Deferred research and development tax incentive | 1,001,520 | - |

Note 19. Issued capital

| | 2024 | Consolidated | | 2023 |
|------------------------------|-------------|--------------|------------|------------|
| | Shares | 2023 | 2024 | Shares |
| | | Shares | \$ | \$ |
| Ordinary shares - fully paid | 128,636,395 | 129,495,213 | 24,163,779 | 24,168,643 |

Movements in ordinary share capital

| Details | Date | Shares | \$ |
|--|------------------|--------------------|-------------------|
| Balance | 1 January 2023 | 129,505,629 | 24,168,643 |
| Share buy-back and cancellation pursuant to employee share scheme (forfeited shares) | 13 March 2023 | (10,416) | - |
| Balance | 31 December 2023 | 129,495,213 | 24,168,643 |
| Share buy-back and cancellation pursuant to employee share scheme (forfeited shares) | 5 March 2024 | (845,798) | (4,864) |
| Share buy-back and cancellation pursuant to employee share scheme (forfeited shares) | 31 March 2024 | (13,020) | - |
| Balance | 31 December 2024 | <u>128,636,395</u> | <u>24,163,779</u> |

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 19. Issued capital (continued)

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group may consider raising capital when an opportunity to invest in a business or company is seen as potentially value adding relative to the current company's share price at the time of the investment.

The Group's wholly-owned subsidiary holds an Australian Financial Services Licence and is subject to regulatory financial requirements that include maintaining a minimum level of net tangible assets. The directors confirm that the Group has maintained adequate capital during the year ended 31 December 2024 and 31 December 2023 to satisfy its regulatory capital requirements.

The capital risk management policy remains unchanged from the 31 December 2023 Annual Report.

Note 20. Reserves

| | Consolidated | |
|----------------------------------|---------------------|----------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Foreign currency reserve | 171,969 | - |
| Share-based payments reserve | 118,623 | 118,623 |
| Convertible notes option reserve | 138,000 | - |
| | <u>428,592</u> | <u>118,623</u> |

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Convertible notes option reserve

The reserve represents the value of the conversion option with the convertible notes issued by the company. Refer to note 16 the terms of the convertible notes including the options.

Note 20. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

| Consolidated | Foreign currency translation \$ | Share-based payments \$ | Convertible notes option \$ | Total \$ |
|--|--|-------------------------------|--------------------------------------|----------------|
| Balance at 1 January 2023 | - | 118,623 | - | 118,623 |
| Balance at 31 December 2023 | - | 118,623 | - | 118,623 |
| Foreign currency translation | 171,969 | - | - | 171,969 |
| Options on issuance of convertible notes | - | - | 138,000 | 138,000 |
| Balance at 31 December 2024 | <u>171,969</u> | <u>118,623</u> | <u>138,000</u> | <u>428,592</u> |

Note 21. Dividends

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Franking credits

| | Consolidated | |
|--|---------------------|------------|
| | 2024 \$ | 2023 \$ |
| Franking credits available for subsequent financial years based on a tax rate of 25% | <u>-</u> | <u>-</u> |

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 22. Client trust account and amounts owned to clients

The Group recognises as an asset the amounts held in Client Trust Accounts, the balance of which was \$434,803,285 (31 December 2023: \$439,392,876). A related liability amounting to \$434,803,285 (31 December 2023: \$439,392,876) representing the amounts owing to clients from such accounts is also recognised. Such amounts, held on behalf of clients, are part of the broker business process to facilitate customer trade execution on the Group's platform.

Note 23. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed, including sensitivity analysis.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. The Group monitors capital on the basis of the debt to adjusted capital ratio.

Note 23. Financial instruments (continued)

Market risk

Foreign currency risk

Foreign exchange risk arises from recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The Group is not exposed to any significant foreign currency risk.

Price risk

Price risk is the risk that the fair value of investments decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual entity's investments or factors affecting all financial instruments in the market. Price risk exposure arises from the Group's investments.

Price risk is managed by monitoring the underlying value of the investments in relation to the price of the investments and also taking a long-term investment time frame into account.

The Group is exposed to direct equity price risk on its financial assets that are carried at fair value. The table below summarises the impact of a 15% (2023: 15%) movement in the market value of these assets:

| Consolidated - 2024 | % change | Average price increase | | Average price decrease | |
|---|----------|-------------------------------------|----------------------|-------------------------------------|----------------------|
| | | Effect on profit or loss before tax | Effect on net assets | Effect on profit or loss before tax | Effect on net assets |
| Investment in listed ordinary securities at fair value through profit or loss | 15% | - | - | (15%) | - |
| Consolidated - 2023 | % change | Average price increase | | Average price decrease | |
| | | Effect on profit or loss before tax | Effect on net assets | Effect on profit or loss before tax | Effect on net assets |
| Investment in listed ordinary securities at fair value through profit or loss | 15% | 164,321 | 123,241 | (15%) | (123,241) |

Interest rate risk

The Group's main interest rate risk arises from its cash at the bank and cash held in client trust accounts, both of which carry variable rates of interest.

An official increase/decrease in interest rates of 50 (31 December 2023: 100) basis points would have a favourable/adverse effect on profit before tax and equity of \$25,138 (31 December 2023: \$87,134) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses on trade receivables and contract assets through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Note 23. Financial instruments (continued)

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves through monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| Consolidated - 2024 | 1 year or less \$ | Between 1 and 2 years \$ | Between 2 and 5 years \$ | Over 5 years \$ | Remaining contractual maturities \$ |
|--|----------------------|--------------------------------|--------------------------------|--------------------|--|
| Non-derivatives | | | | | |
| <i>Non-interest bearing</i> | | | | | |
| Trade payables | 730,298 | - | - | - | 730,298 |
| Related party payables | 1,536,993 | - | - | - | 1,536,993 |
| Amounts payable to clients | 434,803,285 | - | - | - | 434,803,285 |
| <i>Interest-bearing - fixed rate</i> | | | | | |
| Convertible notes payable (including interest) | 433,320 | 433,320 | 4,910,960 | - | 5,777,600 |
| Loan payable | 140,665 | - | - | - | 140,665 |
| Total non-derivatives | 437,644,561 | 433,320 | 4,910,960 | - | 442,988,841 |

| Consolidated - 2023 | 1 year or less \$ | Between 1 and 2 years \$ | Between 2 and 5 years \$ | Over 5 years \$ | Remaining contractual maturities \$ |
|--------------------------------------|----------------------|--------------------------------|--------------------------------|--------------------|--|
| Non-derivatives | | | | | |
| <i>Non-interest bearing</i> | | | | | |
| Trade payables | 670,660 | - | - | - | 670,660 |
| Related party payables | 218,336 | - | - | - | 218,336 |
| Amounts payable to clients | 439,392,876 | - | - | - | 439,392,876 |
| <i>Interest-bearing - fixed rate</i> | | | | | |
| Loan payable | 42,856 | - | - | - | 42,856 |
| Total non-derivatives | 440,324,728 | - | - | - | 440,324,728 |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 24. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

| Consolidated - 2024 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|---|---------------|---------------|---------------|-------------|
| <i>Assets</i> | | | | |
| Investments in listed ordinary securities * | - | - | - | - |
| Total assets | - | - | - | - |

* The investment is in a listed entity and is usually a level 1 FV measurement, with the share price readily available from the market. During the year, however, the shares have been suspended, and therefore the investment now represents a level 3 fair value measurement. Due to the extended time of the suspension and with no financial information of the entity available, management has determined the fair value of the investment to be zero at the reporting date.

| Consolidated - 2023 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|---|---------------|---------------|---------------|-------------|
| <i>Assets</i> | | | | |
| Investments in listed ordinary securities | 1,095,476 | - | - | 1,095,476 |
| Total assets | 1,095,476 | - | - | 1,095,476 |

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 25. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2024 and 31 December 2023.

Note 26. Commitments

The Group had no commitments as at 31 December 2024 and 31 December 2023.

Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company, and its network firms:

| | Consolidated | |
|---|--------------|---------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Audit services - BDO Audit Pty Ltd</i> | | |
| Audit or review of the financial statements | 88,800 | 82,500 |
| <i>Other services - BDO Audit Pty Ltd</i> | | |
| Other assurance services | 25,750 | 75,000 |
| | 114,550 | 157,500 |
| <i>Other services - network firms</i> | | |
| Tax advisory services | 58,300 | 51,570 |
| | 58,300 | 51,570 |

Note 28. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

| | Consolidated | |
|------------------------------|--------------|---------|
| | 2024 | 2023 |
| | \$ | \$ |
| Short-term employee benefits | 1,729,630 | 738,000 |
| Post-employment benefits | - | - |
| Long-term benefits | - | - |
| Termination benefits | - | - |
| Share-based payments | - | - |
| | 1,729,630 | 738,000 |
| | 1,729,630 | 738,000 |

Note 29. Related party transactions

Parent entity

Halo Technologies Holdings Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 30.

Key management personnel

Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the directors' report.

Note 29. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

| | Consolidated | |
|---|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Payment for goods and services: | | |
| Trading costs paid to Atlantic Pacific Securities Pty Limited ('APS') - a director related entity of Matthew Roberts | 10,972,961 | 5,866,741 |
| Trading costs paid to Australian Stock Report Pty Ltd ('ASR') - a director related entity of Matthew Roberts and George Paxton | 1,002,077 | 1,224,388 |
| Payment for other expenses: | | |
| Management fees paid to Amalgamated Australian Investment Group Limited ('AAIG') - a director related entity of Ivan Oshry, Matthew Roberts and George Paxton | 1,363,636 | 1,390,701 |
| Legal and professional expenses paid to Oshry Lawyers a director related entity of Ivan Oshry | 60,000 | 90,000 |
| Interest paid to AAIG | - | 22,307 |

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

| | Consolidated | |
|---|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Current receivables: | | |
| Receivable from APS | 408,902 | 1,698,491 |
| Receivable from other related party | 2,703 | 1,877 |
| Receivable from AAIG | 928,932 | 861,995 |
| Prepaid trading costs paid to APS | 1,710,715 | 1,810,721 |
| Prepaid trading costs paid to ASR | 2,302,020 | 2,239,120 |
| Non-current receivables: | | |
| Prepaid trading costs paid to APS | 1,096,447 | 1,186,194 |
| Prepaid trading costs paid to ASR | 1,475,432 | 1,466,835 |
| Current payables: | | |
| Payable to ASR | 1,428,513 | 208,738 |
| Other payables to other related parties | 108,480 | 9,598 |

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

| Name | Principal place of business / Country of incorporation | Ownership interest | |
|--|---|--------------------|-----------|
| | | 2024 % | 2023 % |
| Halo Technologies Pty Ltd | Australia | 100% | 100% |
| Macrovue Pty Ltd | Australia | 100% | 100% |
| Halo Investment Co Pty Ltd | Australia | 100% | 100% |
| Macro Accounts Pty Ltd | Australia | 100% | 100% |
| Push Notifications Pty Ltd | Australia | 100% | 100% |
| Share Sales Direct Pty Ltd | Australia | 100% | 100% |
| Halo Technologies Invest Co | United States of America | 100% | 100% |
| Halo Invest Ltd (formerly Resilient Fund Managers Ltd) | United Kingdom | 100% | 100% |

Note 31. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

| | Parent | |
|----------------------------|-------------|------------|
| | 2024 \$ | 2023 \$ |
| Loss after income tax | (3,234,015) | (795,786) |
| Total comprehensive income | (3,234,015) | (795,786) |

Statement of financial position

| | Parent | |
|----------------------------------|-------------|-------------|
| | 2024 \$ | 2023 \$ |
| Total current assets | 957,007 | 216,153 |
| Total assets | 27,182,467 | 28,457,362 |
| Total current liabilities | 4,928,674 | 6,575,690 |
| Total liabilities | 8,401,674 | 6,575,690 |
| Equity | | |
| Issued capital | 24,163,779 | 24,168,643 |
| Convertible notes option reserve | 138,000 | - |
| Accumulated losses | (5,520,986) | (2,286,971) |
| Total equity | 18,780,793 | 21,881,672 |

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2024 and 31 December 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2024 and 31 December 2023.

Note 31. Parent entity information (continued)

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2024 and 31 December 2023.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 32. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

| | Consolidated | |
|--|--------------------|--------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Loss after income tax benefit/(expense) for the year | (14,543,762) | (7,204,676) |
| Adjustments for: | | |
| Depreciation and amortisation | 1,591,411 | 1,302,054 |
| Net fair value loss on investments | 1,095,476 | 2,910,232 |
| Impairment of financial assets | 1,346,523 | - |
| Non-cash interest income | - | (112,776) |
| Change in operating assets and liabilities: | | |
| Decrease in trade and other receivables | 1,450,985 | 427,756 |
| Increase in income tax refund due | (316,076) | - |
| Decrease/(increase) in deferred tax assets | 371,357 | (371,357) |
| Decrease/(increase) in other operating assets | 50,353 | (215,289) |
| Increase/(decrease) in trade and other payables | 1,880,603 | (258,885) |
| Increase/(decrease) in contract liabilities | 28,782 | (366,742) |
| Decrease in deferred tax liabilities | - | (301,696) |
| Increase in employee benefits | 113,503 | 92,501 |
| Increase in deferred R&D tax incentive | 1,001,520 | - |
| Net cash used in operating activities | <u>(5,929,325)</u> | <u>(4,098,878)</u> |

Changes in liabilities arising from financing activities

| Consolidated | Loan payable \$ | Convertible notes \$ | Convertible notes pending allotment \$ | Total \$ |
|--|--------------------|-------------------------|---|------------------|
| Balance at 1 January 2023 | 57,416 | - | - | 57,416 |
| Net cash used in financing activities | <u>(14,560)</u> | <u>-</u> | <u>-</u> | <u>(14,560)</u> |
| Balance at 31 December 2023 | 42,856 | - | - | 42,856 |
| Net cash from financing activities | 97,809 | 3,011,000 | 600,000 | 3,708,809 |
| Options recognised in reserves (note 20) | <u>-</u> | <u>(138,000)</u> | <u>-</u> | <u>(138,000)</u> |
| Balance at 31 December 2024 | <u>140,665</u> | <u>2,873,000</u> | <u>600,000</u> | <u>3,613,665</u> |

Note 33. Earnings per share

| | Consolidated | |
|---|---------------------|--------------------|
| | 2024 \$ | 2023 \$ |
| Loss after income tax attributable to the owners of Halo Technologies Holdings Ltd | <u>(14,543,762)</u> | <u>(7,204,676)</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | <u>128,787,496</u> | <u>129,497,239</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>128,787,496</u> | <u>129,497,239</u> |
| | Cents | Cents |
| Basic earnings per share | (11.29) | (5.56) |
| Diluted earnings per share | (11.29) | (5.56) |

Note 34. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

| Entity name | Entity type | Place formed / Country of incorporation | Ownership interest % | Tax residency |
|--------------------------------|----------------|---|----------------------------|----------------|
| Halo Technologies Holdings Ltd | Body corporate | Australia (Parent Entity) | | Australia |
| Halo Technologies Pty Ltd | Body corporate | Australia | 100% | Australia |
| Macrovue Pty Ltd | Body corporate | Australia | 100% | Australia |
| Halo Investment Co Pty Ltd | Body corporate | Australia | 100% | Australia |
| Macro Accounts Pty Ltd | Body corporate | Australia | 100% | Australia |
| Push Notifications Pty Ltd | Body corporate | Australia | 100% | Australia |
| Share Sales Direct Pty Ltd | Body corporate | Australia | 100% | Australia |
| Halo Technologies Invest Co | Body corporate | United Kingdom | 100% | United Kingdom |
| Halo Invest Ltd | Body corporate | United Kingdom | 100% | United Kingdom |

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In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Ivan Oshry
Non-Executive Chairman

28 February 2025
Sydney



George Paxton
Executive Director and CEO

INDEPENDENT AUDITOR'S REPORT

To the members of Halo Technologies Holdings Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Halo Technologies Holdings Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material uncertainty related to going concern

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of intangible assets - impairment assessment

| Key audit matter | How the matter was addressed in our audit |
|--|---|
| <p>The Group is required to perform an impairment test on the carrying value of its assets in accordance with AASB 136 Impairment of Assets. The Group has tested its assets for impairment at the reporting date by comparing the carrying value to its recoverable amount. Recoverable amount has been determined through a value in use calculation. This is a key audit matter due to the balance of the intangible assets of \$5.1m (2023: \$5.2m) and the degree of estimation and assumptions required to be made by the Group.</p> | <p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • An assessment of the historical accuracy of management's forecasts in the context of the value in use model; • Evaluating the key inputs and assumptions used in the value in use model, in particular those relating to forecast revenue and discount rate applied; • Assessing the sensitivity of the key assumptions in the value in use model prepared by the Group; and • Reviewed the adequacy of the disclosures in Group financial statements. |

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2024 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

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

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 13 of the directors' report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of Halo Technologies Holdings Ltd, for the year ended 31 December 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility



is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

M. Moffitt

Matina Moffitt

Director

Sydney 28 February 2025

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The shareholder information set out below was applicable as at 24 February 2025.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

| | Ordinary shares | |
|---------------------------------------|-------------------|--------------------------|
| | Number of holders | % of total shares issued |
| 1 to 1,000 | 60 | 0.03 |
| 1,001 to 5,000 | 901 | 2.16 |
| 5,001 to 10,000 | 569 | 3.52 |
| 10,001 to 100,000 | 1,054 | 22.50 |
| 100,001 and over | 53 | 71.79 |
| | 2,637 | 100.00 |
| Holding less than a marketable parcel | 1,616 | 6.95 |

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

| | Ordinary shares | |
|---|-------------------|--------------------------|
| | Number held | % of total shares issued |
| BNP PARIBAS NOMS PTY LTD | 25,600,199 | 19.90 |
| MATTHEW ROBERTS HOLDINGS PTY LTD (M R FAMILY A/C) | 24,895,833 | 19.35 |
| BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT) | 16,030,733 | 12.46 |
| AMALGAMATED AUSTRALIAN INVESTMENT GROUP LIMITED | 6,041,666 | 4.70 |
| NICOLAS GEORGE ASHLEY BRYON | 3,958,334 | 3.08 |
| GEORGE PAXTON & ALEXANDRA PATERSON-RIDGEWAY (NUTEX A/C) | 3,958,333 | 3.08 |
| J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 1,600,000 | 1.24 |
| ANIDAN SUPER PTY LTD (HENK AND TERESA S/F A/C) | 1,200,000 | 0.93 |
| MR RODNEY PHILIP LAMBE | 900,000 | 0.70 |
| DIRECTOR'S INTEREST PTY LTD (FUND ONE UNIT A/C) | 500,000 | 0.39 |
| MR STEPHANE STANISIC | 349,748 | 0.27 |
| MR WAYNE LAWRENCE BATEMAN | 342,420 | 0.27 |
| NG2 HOLDINGS PTY LTD | 308,833 | 0.24 |
| MR HENK VANDERPLUYM | 300,000 | 0.23 |
| OATTS PTY LTD (OATTS SUPER FUND A/C) | 300,000 | 0.23 |
| MR LESLIE WABNIK & MRS JUNE LILY WABNIK (LW SUPERANNUATION NO 2 A/C) | 287,567 | 0.22 |
| NGUYEN VAN HIEN SUPERFUND PTY LTD (NGUYEN VAN HIEN S/F A/C) | 247,744 | 0.19 |
| A W MAHLER PTY LTD (THE MAHLER SUPER FUND A/C) | 243,312 | 0.19 |
| MR BEN NAIDU | 240,000 | 0.19 |
| MR NICOLAS GEORGE ASHLEY BRYON & MR NATHAN ADRIAN LAWS (LAWSY SUPER FUND A/C) | 238,378 | 0.19 |
| | 87,543,100 | 68.05 |

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Substantial holders in the company are set out below:

| | Ordinary shares | |
|-----------------------------|-----------------|--------------------------|
| | Number held | % of total shares issued |
| Matthew Roberts | 50,606,817 | 39.34 |
| George Paxton | 8,071,131 | 6.27 |
| Nicolas George Ashley Bryon | 7,916,667 | 6.15 |

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

| | |
|--------------------------------|---|
| Directors | Ivan Oshry Matthew Roberts George Paxton Nicolas Bryon Philippa Lewis Peter Oxlade |
| Company secretary | Eryl Baron |
| Registered office | Boardroom Pty Ltd Level 8, 210 George Street Sydney NSW 2000 |
| Principal place of business | Level 4 10 Barrack Street Sydney NSW 2000 |
| Share register | Boardroom Pty Ltd Level 8, 210 George Street Sydney NSW 2000 Telephone: 1300 737 760 |
| Auditor | BDO Audit Pty Ltd Level 11 1 Margaret Street Sydney NSW 2000 |
| Stock exchange listing | Halo Technologies Holdings Ltd shares are listed on the Australian Securities Exchange (ASX code: HAL) |
| Website | www.halo-technologies.com/ |
| Corporate Governance Statement | <p>The directors and management are committed to conducting the business of Halo Technologies Holdings Ltd in an ethical manner and in accordance with the highest standards of corporate governance. Halo Technologies Holdings Ltd has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations.</p> <p>The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, which is approved at the same time as the Annual Report, can be found at: www.halo-technologies.com/investors</p> |