

ASX Announcement

Friday, 28 February 2025

Growth strategy on track as HALO Invest gains momentum

- Strong growth in operating revenue, up 45.5% to \$18.75 million compared with the prior corresponding period (pcp), driven by growth in brokerage revenue.
- Continued growth in brokerage revenue of 89.0% to \$15.2 million versus pcp. The monthly brokerage revenue for February 2025 is set to be the highest ever recorded at ~1.4 million.
- Strategic investment in offshore expansion on track, with new product releases either completed or scheduled for Q2 2005 and client acquisition gathering momentum.
- Net loss after tax of \$14.54 million is attributable to expenses associated with ongoing growth in the UK market and was significantly impacted by previously reported non-cash elements.

HALO Technologies Holdings Ltd (ASX: HAL) ('HALO' or 'The Company') today released its results for the full year ended 31 December 2024. This ASX announcement was approved and authorised by the Board of HALO Technologies Holdings Limited.

Solid base of Funds Under Management

Over the reporting period, HALO has continued to invest in progressing its growth strategy in a disciplined and proactive manner. The focus remains on client acquisition, generating growth in FUM and fostering innovation.

The Company has maintained its focus on growing direct and third-party distribution channels, with progress already made across a range of initiatives including the recruitment and on-boarding of several dealer groups in Australia and the establishment of HALO Invest in the United Kingdom. It is expected that these initiatives will support ongoing growth in FUM over time.

While Funds Under Management (FUM) was steady in the reporting period at \$434.4 million the Company recorded strong growth in the 12 months to 30 June 2024 of 93.0% from \$221.9 million to \$428.0 million.

Financial Results

HALO's growth in FUM over the past 18 months has resulted in significant growth in operating revenue, driven by brokerage to \$18.75 million, up 45.5% compared with the prior corresponding period.

Brokerage revenue in the period was up 89.0% to \$15.2 million compared with the prior corresponding period. This was accompanied by a fall in subscription revenue of 26.9% to \$3.53 million. Total revenue and other income (gross revenue) increased by 34.0% to \$19.04 million over the prior corresponding period.

Over the period, brokerage revenue increased as a proportion of total revenue from contracts with customers. Brokerage revenue involves a higher cost of sales relative to subscription revenue,

meaning that total margins are significantly impacted by period-to-period variations in the relative proportions between these two components of revenue.

The Company reported a net loss after tax of \$14.54 million compared to a loss of \$7.2 million in 2023. The result reflects HALO's continued strategic investment in growing distribution channels in Australia and overseas.

Total costs were primarily attributable to continued investment in the UK operations of ~\$5.8 million, and increased IT expenses of (\$0.7 million), which mainly consist of fees to third party data providers.

The result was also significantly impacted by non-cash elements, including the impairment of investments in Success Publishing Pty Limited of \$1.3 million and DomaCom Limited of \$0.6 million.

Accounting for the non-cash nature of certain expenses, the Company reported an underlying EBITDA loss of (\$10.65 million) compared to (\$3.20 million) in the prior corresponding period.

United Kingdom growth strategy on track

HALO Invest has completed and launched its equities research product and is undertaking marketing initiatives which includes promotion through third-party websites and a PR campaign aimed at its target market.

The first release of the investment platform is nearing completion, and we are in active discussions looking to complete commercials with clients. We have a strong pipeline of interest, and we are engaging to turn that into real clients.

The first release of the investment platform provides UK based advisors a platform with various account wrappers and an ability to invest in global equities and ETFs via auto-invest model portfolios. Further product releases are scheduled for April and June. The planned April release will create the ability to invest and hold Managed Funds + D2C while the June release aims to add execution only functionality.

"2025 promises to be a big year for growth in our overseas customer base through Glasgow based HALO Invest. With a solid platform in the Australian market on which to build, we are looking forward to taking our unique product offerings across the UK," said Mr George Paxton, CEO of HALO.

Outlook

Our growth strategy is bearing fruit with continued rapid growth in brokerage revenue and a solid base of funds under management now established over the last 12 months. Going forward, we intend to continue to invest in growing HALO Invest in the UK and enhancing our software, client offerings and client interfaces. This continues to be the critical focus for the business as we progress the strategy of expansion into the UK market through HALO Invest.

For further information please contact:

Mario Falchoni

Investor Relations

P: 0418 401 415

E: m.falchoni@halo-technologies.com

About HALO

HALO Technologies is an online global equities research and trade execution software solution provider that brings sophisticated institutional-grade analytical frameworks and market insights to everyday investors. HALO includes two integrated offerings in HALO Global, designed for 'hands on' investors who want professional grade tools without the cost, and HALO Trading which offers global trade execution capability and ready-made themed investment portfolios that are ideal for 'low touch' investors, values based' investors and Self-Managed Superannuation Funds. For further information, please visit: www.halo-technologies.com/