

1. Company details

Name of entity:	Halo Technologies Holdings Ltd
ABN:	73 645 531 219
Reporting period:	For the half-year ended 30 June 2025
Previous period:	For the half-year ended 30 June 2024

2. Results for announcement to the market

	30 Jun 2025 \$	30 Jun 2024 \$	Change \$	Change %
Revenue from ordinary activities	7,987,846	9,838,722	(1,850,876)	(19%)
Loss from ordinary activities after tax attributable to the owners of Halo Technologies Holdings Ltd	(6,059,935)	(8,035,078)	1,975,143	(25%)
Loss for the half-year attributable to the owners of Halo Technologies Holdings Ltd	(6,059,935)	(8,035,078)	1,975,143	(25%)
Underlying earnings before interest, tax, depreciation and amortisation (EBITDA)*	(6,065,848)	(4,573,816)	(1,492,032)	33%

* Underlying EBITDA

Underlying EBITDA reflects the net results for the year after adding back the effects of interest, tax, depreciation and amortisation, non-cash impairment 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. 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.

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 \$6,059,935 (30 June 2024: \$8,035,078).

Refer to the directors' report for detailed commentary on the results.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(6.00)</u>	<u>(1.19)</u>

4. Audit qualification or review

The financial statements were subject to a review by the auditors, and a modified review report with an emphasis of matter paragraph has been issued. The modified opinion arose regarding the recoverability of intangible assets. Refer to the attached auditors' review report for further details.

5. Attachments

The Interim Report of Halo Technologies Holdings Ltd for the half-year ended 30 June 2025 is attached.

6. Signed

As authorised by the Board of Directors



Signed _____

Date: 29 August 2025

George Paxton
Executive Director and CEO

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Halo Technologies Holdings Ltd

ABN 73 645 531 219

Interim Report - 30 June 2025

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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 half-year ended 30 June 2025.

Directors

The following persons were directors of Halo Technologies Holdings Ltd during the whole of the financial half-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 half-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.

Dividends

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

Significant changes in the state of affairs

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

Review of operations

The loss for the Group after providing for income tax amounted to \$6,059,935 (30 June 2024: \$8,035,078).

Underlying EBITDA

The table below provides a reconciliation between statutory results and the underlying EBITDA for the period. 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, non-cash impairments and fair value movement in financial assets. The directors consider underlying EBITDA to reflect the core earnings of the Group.

	Consolidated	
	30 Jun 2025	30 Jun 2024
	\$	\$
Statutory net loss after income tax	(6,059,935)	(8,035,078)
Interest revenue	(179,886)	(170,580)
Finance cost	208,527	1,721
Depreciation and amortisation	909,768	755,310
Decrease in fair value of financial assets	-	1,095,476
Impairment/(reversal of impairment) of financial assets	(1,125,000)	1,546,523
Income tax expense	180,678	232,812
Underlying EBITDA	(6,065,848)	(4,573,816)

The Group's operating revenue (net revenue from contracts with customers) of \$7.8 million decreased by 19% over the prior comparative period ('pcp') mainly attributable to volatility in advisor numbers at various B2B clients during current half-year exacerbated by market volatility during April 2025 triggered by Trump's tariffs trade war, resulting in lower brokerage levels in HY25 compared to HY24.

The Group reported an underlying EBITDA of \$6,065,848 (loss) compared to \$4,573,816 (loss) in the pcp, primarily due to the 'annualised' additional growth headcount across the business during the current period of \$0.7 million (including the UK operations), decrease in legal and professional fees of \$0.3 million, and increased IT expenses of \$0.4 million primarily due to the UK operations as well as an increase in finance costs of \$0.2 million due to the interest payable on the convertible notes.

The loss for the period was impacted by non-cash adjustments and fair value decrements in investment in financial assets. 30 June 2024 loss was impacted by \$1.5 million impairment of financial assets and \$1.1 million decrease in fair value of financial assets. During the current half-year ended 30 June 2025, the Group recognised \$1.1 million reversal of impairment of financial assets. The reversal was recognised due to a deed of settlement and subsequent realisation of redeemable convertible notes. Refer to note 5 of the notes to the consolidated financial statements for further details.

Matters subsequent to the end of the financial half-year

Halo Technologies Holdings Ltd is seeking to raise up to \$11 million by way of a pro rata renounceable rights issue of shares to eligible shareholders. In this regard, the Group has signed an underwriting agreement with Lodge Corporate Pty Limited on 22 August 2025. Management is expecting to close the rights issue and receive funds of up to \$11 million by 30 September 2025.

No other matter or circumstance has arisen since 30 June 2025 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.

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 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Ivan Oshry
Non-Executive Chairman

29 August 2025
Sydney



George Paxton
Executive Director and CEO

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

As lead auditor for the review of Halo Technologies Holdings Ltd for the half-year ended 30 June 2025,
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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Matina Moffitt
Director
BDO Audit Pty Ltd

Sydney, 29 August 2025

Halo Technologies Holdings Ltd
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2025



		Consolidated	
	Note	30 Jun 2025	30 Jun 2024
		\$	\$
Revenue and other income			
Revenue from contracts with customers	4	7,807,960	9,668,142
Other income		8,314	-
Interest revenue		179,886	170,580
Total revenue and other income		<u>7,996,160</u>	<u>9,838,722</u>
Expenses			
Trading costs		(5,937,154)	(6,708,023)
Decrease in fair value of financial asset		-	(1,095,476)
Employee benefits expense		(3,398,844)	(2,679,951)
Legal and professional expenses		(2,219,705)	(2,427,470)
Other expenses		(482,100)	(864,911)
Marketing and brand expenses		(313,024)	(513,897)
Information technology and system expenses		(1,467,258)	(1,024,357)
Depreciation and amortisation expense	8	(909,768)	(755,310)
ASX listing fees		(64,037)	(23,349)
Finance costs		(208,527)	(1,721)
Reversal/(impairment) of financial assets	5	1,125,000	(1,546,523)
Total expenses		<u>(13,875,417)</u>	<u>(17,640,988)</u>
Loss before income tax expense		(5,879,257)	(7,802,266)
Income tax expense		<u>(180,678)</u>	<u>(232,812)</u>
Loss after income tax expense for the half-year attributable to the owners of Halo Technologies Holdings Ltd		(6,059,935)	(8,035,078)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(242,984)</u>	<u>91,658</u>
Other comprehensive income for the half-year, net of tax		<u>(242,984)</u>	<u>91,658</u>
Total comprehensive income for the half-year attributable to the owners of Halo Technologies Holdings Ltd		<u>(6,302,919)</u>	<u>(7,943,420)</u>
		Cents	Cents
Basic earnings per share	13	(4.71)	(6.23)
Diluted earnings per share	13	(4.71)	(6.23)

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

		Consolidated	
	Note	30 Jun 2025	31 Dec 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		3,877,182	4,946,495
Client trust accounts	14	395,668,700	434,803,285
Trade and other receivables	6	1,509,466	1,608,847
Income tax refund due		316,076	316,076
Other assets	7	4,202,714	4,262,711
Total current assets		<u>405,574,138</u>	<u>445,937,414</u>
Non-current assets			
Intangible assets	8	5,011,271	5,120,956
Other assets	7	2,626,728	2,626,179
Total non-current assets		<u>7,637,999</u>	<u>7,747,135</u>
Total assets		<u>413,212,137</u>	<u>453,684,549</u>
Liabilities			
Current liabilities			
Client trust accounts	14	395,668,700	434,803,285
Trade and other payables	9	3,514,122	2,831,902
Contract liabilities		3,438,263	4,161,820
Borrowings	10	475,352	140,665
Employee benefits		428,564	310,499
Deferred research and development tax incentive		2,588,202	1,001,520
Total current liabilities		<u>406,113,203</u>	<u>443,249,691</u>
Non-current liabilities			
Contract liabilities		4,169,492	3,258,282
Borrowings	10	5,468,611	3,473,000
Employee benefits		169,284	109,110
Total non-current liabilities		<u>9,807,387</u>	<u>6,840,392</u>
Total liabilities		<u>415,920,590</u>	<u>450,090,083</u>
Net assets/(liabilities)		<u>(2,708,453)</u>	<u>3,594,466</u>
Equity			
Issued capital		24,163,779	24,163,779
Reserves	11	185,608	428,592
Accumulated losses		(27,057,840)	(20,997,905)
Total equity/(deficiency)		<u>(2,708,453)</u>	<u>3,594,466</u>

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

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 half-year	-	-	(8,035,078)	(8,035,078)
Other comprehensive income for the half-year, net of tax	-	91,658	-	91,658
Total comprehensive income for the half-year	-	91,658	(8,035,078)	(7,943,420)
<i>Transactions with owners in their capacity as owners:</i>				
Transfer from share-based payments reserve	-	(118,623)	118,623	-
Balance at 30 June 2024	<u>24,168,643</u>	<u>91,658</u>	<u>(14,370,598)</u>	<u>9,889,703</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 January 2025	24,163,779	428,592	(20,997,905)	3,594,466
Loss after income tax expense for the half-year	-	-	(6,059,935)	(6,059,935)
Other comprehensive income for the half-year, net of tax	-	(242,984)	-	(242,984)
Total comprehensive income for the half-year	-	(242,984)	(6,059,935)	(6,302,919)
Balance at 30 June 2025	<u>24,163,779</u>	<u>185,608</u>	<u>(27,057,840)</u>	<u>(2,708,453)</u>

		Consolidated	
	Note	30 Jun 2025	30 Jun 2024
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		7,635,935	10,357,137
Payments to suppliers and employees (inclusive of GST)		(12,784,296)	(12,791,408)
Other income - receipts from research and development tax incentive		1,594,996	420,984
Interest received		179,886	114,792
Interest and other finance costs paid		(209,491)	(1,721)
Income taxes paid		(180,678)	-
Net cash used in operating activities		(3,763,648)	(1,900,216)
Cash flows from investing activities			
Payments for intangible assets	8	(760,963)	(792,736)
Proceeds from settlement of investments in financial assets		1,125,000	-
Net cash from/(used in) investing activities		364,037	(792,736)
Cash flows from financing activities			
Proceeds from issue of convertible notes	10	1,946,611	-
Convertible notes pending allotment	10	49,000	-
Proceeds from short-term borrowings	10	475,352	-
Repayment of borrowings	10	(140,665)	(42,856)
Net cash from/(used in) financing activities		2,330,298	(42,856)
Net decrease in cash and cash equivalents		(1,069,313)	(2,735,808)
Cash and cash equivalents at the beginning of the financial half-year		4,946,495	8,536,175
Cash and cash equivalents at the end of the financial half-year		<u>3,877,182</u>	<u>5,800,367</u>

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 half-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

Suite 203, Level 2
1 York 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 29 August 2025.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 June 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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 during the financial half-year ended 30 June 2025 and are not expected to have any significant impact for the full financial year ending 31 December 2025. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The Financial statements have been prepared on a going concern basis, 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 \$6,059,935 (30 June 2024: loss of \$8,035,078) and net cash outflows used in operating activities of \$3,763,648 (30 June 2024: Net operating cash outflows \$1,900,216).

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. However, 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 30 June 2025, the Group had cash and cash equivalents of \$3,877,182;
- Current liabilities include \$2,588,202 deferred research and development tax incentive which will be recognised as income in the future reporting periods and does not require cash outflow;
- As detailed in note 10, the Group is in the process of completing the issuance of 6,750,000 Convertible Notes of \$1.00 per Note. As at 30 June 2025 the Group has issued 5,557,611 convertible notes (including 3,011,000 notes issued in 2024). The remaining Notes are expected to be issued during September 2025 to raise further Notes of \$1.2 million;

Note 2. Material accounting policy information (continued)

- 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. To this effect, as detailed in note 15 'Events after the reporting period', Halo Technologies Holdings Ltd is seeking to raise up to \$11 million by way of a pro rata renounceable rights issue of shares to eligible shareholders. In this regard, the Group has agreed to undertake a partially underwritten rights issue and is expecting to close the rights issue and receive funds of up to \$11 million by 30 September 2025; and
- The Group is confident in its ability to generate an additional annual revenue through the introduction of platform fees charged to its platform customers. Management has undertaken due diligence and considers the fee structure to be competitive within the current market. Management believes this revenue stream will provide a significant contribution to supporting the Group's ongoing operations.

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. As a result of these matters, there is material uncertainty related to the events or conditions that may cast significant doubt on whether the Company will continue as a going concern. Should the Group be unable to raise additional capital through the factors noted above, 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.

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.

Note 3. 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 4. The Group operates 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	
	30 Jun 2025	30 Jun 2024	30 Jun 2025	31 Dec 2024
	\$	\$	\$	\$
Australia	7,807,960	9,668,142	3,963,273	4,112,078
United Kingdom	-	-	1,047,998	1,008,878
	<u>7,807,960</u>	<u>9,668,142</u>	<u>5,011,271</u>	<u>5,120,956</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 4. Revenue from contracts with customers

	Consolidated 30 Jun 2025	30 Jun 2024
	\$	\$
Brokerage revenue	6,122,067	7,914,347
Subscription revenue	1,685,893	1,753,795
Revenue from contracts with customers	<u>7,807,960</u>	<u>9,668,142</u>

Disaggregation of revenue

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

	Consolidated 30 Jun 2025	30 Jun 2024
	\$	\$
<i>Geographical regions</i>		
Australia	<u>7,807,960</u>	<u>9,668,142</u>
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	6,122,067	7,914,347
Services transferred over time	1,685,893	1,753,795
	<u>7,807,960</u>	<u>9,668,142</u>

Note 5. Impairment expense

	Consolidated 30 Jun 2025	30 Jun 2024
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Impairment of assets include the following:</i>		
Impairment of loan receivable	-	200,000
Impairment of redeemable convertible notes	-	1,346,523
Reversal of impairment of redeemable convertible notes	<u>(1,125,000)</u>	<u>-</u>
Total (reversal)/impairment of financial assets	<u>(1,125,000)</u>	<u>1,546,523</u>

Reversal of impairment of financial assets:

During the previous financial year, management decided to fully impair the carrying amount of the convertible note in Success Publishing Pty Ltd. The Group undertook steps and issued demands to recover from Success Publishing Pty Ltd the two convertible notes totalling \$1,125,000 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.

During the current half-year, the Group recovered \$1,275,000 comprising \$1,125,000 in recovery of convertible notes and \$150,000 recovery of interest on loan notes receivable. As a result, impairment recognised in the prior year has been reversed during the current financial half-year. Interest received \$150,000 is included as interest revenue in the statement of profit or loss and other comprehensive income.

Note 6. Trade and other receivables

	Consolidated	
	30 Jun 2025	31 Dec 2024
	\$	\$
<i>Current assets</i>		
Trade receivables	283,784	268,310
Related party receivables	1,225,682	1,340,537
	<u>1,509,466</u>	<u>1,608,847</u>

Note 7. Other assets

	Consolidated	
	30 Jun 2025	31 Dec 2024
	\$	\$
<i>Current assets</i>		
Prepayments	73,910	239,976
Prepaid trading costs	4,043,095	4,012,735
Other current assets	85,709	10,000
	<u>4,202,714</u>	<u>4,262,711</u>
<i>Non-current assets</i>		
Prepaid trading costs	2,572,428	2,571,879
Security deposits	54,300	54,300
	<u>2,626,728</u>	<u>2,626,179</u>
	<u>6,829,442</u>	<u>6,888,890</u>

Note 8. Intangible assets

	Consolidated	
	30 Jun 2025	31 Dec 2024
	\$	\$
<i>Non-current assets</i>		
Platform development - at cost	9,650,272	8,889,309
Less: Accumulated amortisation	(5,686,999)	(4,777,231)
	<u>3,963,273</u>	<u>4,112,078</u>
Licence - at cost	<u>1,047,998</u>	<u>1,008,878</u>
	<u>5,011,271</u>	<u>5,120,956</u>

Note 8. Intangible assets (continued)

Reconciliations

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

Consolidated	Platform build \$	Licence \$	Total \$
Balance at 1 January 2025	4,112,078	1,008,878	5,120,956
Additions	760,963	-	760,963
Exchange differences	-	39,120	39,120
Amortisation expense	(909,768)	-	(909,768)
Balance at 30 June 2025	<u>3,963,273</u>	<u>1,047,998</u>	<u>5,011,271</u>

Note 9. Trade and other payables

	Consolidated 30 Jun 2025 \$	31 Dec 2024 \$
<i>Current liabilities</i>		
Trade payables	677,091	730,298
Payable to related parties	2,044,281	1,536,993
Interest payable	55,576	56,540
Accrued expenses and other payables	737,174	508,071
	<u>3,514,122</u>	<u>2,831,902</u>

Note 10. Borrowings

	Consolidated 30 Jun 2025 \$	31 Dec 2024 \$
<i>Current liabilities</i>		
Loan - Premium Funding Pty Ltd	-	140,665
Short-term loan	475,352	-
	<u>475,352</u>	<u>140,665</u>
<i>Non-current liabilities</i>		
Convertible notes payable	5,419,611	2,873,000
Convertible notes pending allotment	49,000	600,000
	<u>5,468,611</u>	<u>3,473,000</u>
	<u>5,943,963</u>	<u>3,613,665</u>

Short-term loan

The loan is secured against the Group's assets and carries interest at the rate of 17% per annum. The short-term loan is repayable by 30 April 2026.

Convertible notes

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 30 June 2025, the Group has issued 5,557,611 (31 December 2024: 3,011,000) convertible notes at a face value of \$1.00 each amounting to a total borrowing of \$5,557,611 (31 December 2024: \$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

Note 10. Borrowings (continued)

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 (refer to note 11). This represents management's estimate of the value of the conversion features at the inception of convertible notes.

Note 11. Reserves

	Consolidated	
	30 Jun 2025	31 Dec 2024
	\$	\$
Foreign currency reserve	(71,015)	171,969
Share-based payments reserve	118,623	118,623
Convertible notes option reserve	138,000	138,000
	<u>185,608</u>	<u>428,592</u>

Movements in reserves

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

Consolidated	Foreign currency translation \$	Share-based payments \$	Convertible notes option \$	Total \$
Balance at 1 January 2025	171,969	118,623	138,000	428,592
Foreign currency translation	(242,984)	-	-	(242,984)
Balance at 30 June 2025	<u>(71,015)</u>	<u>118,623</u>	<u>138,000</u>	<u>185,608</u>

Note 12. Dividends

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

Note 13. Earnings per share

	Consolidated	
	30 Jun 2025	30 Jun 2024
	\$	\$
Loss after income tax attributable to the owners of Halo Technologies Holdings Ltd	<u>(6,059,935)</u>	<u>(8,035,078)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>128,636,395</u>	<u>128,940,257</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>128,636,395</u>	<u>128,940,257</u>
	Cents	Cents
Basic earnings per share	(4.71)	(6.23)
Diluted earnings per share	(4.71)	(6.23)

Note 14. Client trust accounts and amounts owing to clients

The Group recognises as an asset the amounts held in Client Trust Accounts, the balance of which was \$395,668,700 at 30 June 2025 (31 December 2024: \$434,803,285). A related liability amounting to \$395,668,700 (31 December 2024: \$434,803,285) 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 15. Events after the reporting period

Halo Technologies Holdings Ltd is seeking to raise up to \$11 million by way of a pro rata renounceable rights issue of shares to eligible shareholders. In this regard, the Group has agreed to undertake a partially underwritten rights issue and is expecting to close the rights issue and receive funds of up to \$11 million by 30 September 2025.

No other matter or circumstance has arisen since 30 June 2025 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.

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In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Ivan Oshry
Non-Executive Chairman

29 August 2025
Sydney



George Paxton
Executive Director and CEO

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Halo Technologies Holdings Ltd

Report on the Half-Year Financial Report

Qualified conclusion

We have reviewed the half-year financial report of Halo Technologies Holdings Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, 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 half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, except for the effects of the matter described in the *Basis for qualified conclusion* section, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for qualified conclusion - Impairment of group's intangible assets

As disclosed in Note 8 to the financial report, the Group's intangible assets are carried at \$5,011,271 million as at 30 June 2025. The intangible assets are carried at cost less accumulated amortisation and impairment. With respect to *Australian Accounting Standard AASB 136 Impairment of Assets* when impairment indicators are present an entity shall estimate the recoverable amount of the asset. In our view, the carrying amount of these assets exceeds their recoverable amount, and an impairment loss should have been recognised in accordance with *AASB 136 Impairment of Assets*. Management has not recorded any impairment adjustment, and as a result, intangible assets are overstated by approximately \$2,863,069 million, and net loss before tax is understated by the same amount.

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

relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating 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 conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2025 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'M. Moffitt'.

Matina Moffitt
Director

Sydney, 29 August 2025