



HALO TECHNOLOGIES HOLDINGS LTD | ACN 645 531 219

Prospectus

For an initial public offer of up to 33,333,333 Shares at an issue price of \$1.20 per Share to raise up to \$40,000,000 (before costs) (**IPO Offer**).

This Prospectus also incorporates the offer of 3,354,124 Shares to Participating Employees (or their nominees) (**Employee Offer**).

It is proposed that the IPO Offer and Employee Offer (together, **Offers**) will close at 5.00pm (AEDT) on 4 April 2022. The Directors reserve the right to close the Offers earlier or to extend this date without notice. Applications must be received before that time.

Lead Manager: Lodge Corporate Pty Ltd



IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay. **The Shares offered by this Prospectus should be considered as speculative.**

Introduction



HALO is an online global equities research and trade execution software solution that brings sophisticated institutional-grade analytical frameworks and market insights to everyday investors. HALO's investment software solution offering can be divided into two integrated elements – HALO Global and HALO Trading.

The integration of these products allows a seamless experience for any investor seeking to discover and research investment ideas, execute them, add thematic portfolios, access market analysis and more. Together, these principal offerings deliver the ideal tools for low-touch and self-directed investors and financial adviser networks.

Important information - Prospectus

Offers

The IPO Offer contained in this Prospectus is an invitation to acquire fully paid ordinary shares (**Shares**) in HALO Technologies Holdings Ltd (ACN 645 531 219) (**HALO** or **Company**).

This Prospectus is issued by the Company and the Selling Shareholders for the purposes of Chapter 6D of the Corporations Act 2001 (Cth) (**Corporations Act**).

Lodgement and listing

This Prospectus is dated **28 February 2022** and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. None of ASIC, the Australian Securities Exchange (**ASX**) or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. HALO will apply within seven days after the date of this Prospectus to ASX for Listing and quotation of the Shares on the official list of the Australian Securities Exchange (the **Official List**).

No securities will be issued or sold on the basis of this Prospectus later than 13 months after the date of this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered as speculative.

ASX Bookbuild Facility

The Company may elect to use ASX Bookbuild and make a certain percentage of the Shares available under the IPO Offer available via the ASX Bookbuild Facility during the Offer Period for the IPO Offer.

If the Company proceeds to conduct a bookbuild using the ASX Facility, it will announce this (together with all relevant parameter information and other details as required by the ASX Settlement Operating Rules and the Corporations Act) on its website at www.halotechnologies.com.au when the IPO Offer opens. The announcement will include details of the ASX ticker under which eligible investors will be able to participate in the Company's bookbuild using the ASX Facility.

Note to Applicants

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor.

It is important that you read this Prospectus carefully and in full before deciding whether to invest in HALO. In considering the prospects of HALO, you should consider the risk factors that could affect the financial performance of HALO. You should carefully consider these factors in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest. Some of the risk factors that should be considered by prospective investors are set out in Section 7. There may be risk factors in addition to these that should be considered in light of your personal circumstances. No person named in this Prospectus, nor any other person, guarantees the performance of HALO, the repayment of capital by HALO or the payment of a return on the Shares.

No person is authorised to give any information or make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by HALO or the Directors. You should rely only on information in this Prospectus.

Exposure Period

The Corporations Act prohibits HALO from processing applications to subscribe for Shares under this Prospectus (**Applications**) in the seven-day period after the date of lodgement of this Prospectus. This period may be extended by ASIC by up to a further seven days (**Exposure Period**). The Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

Obtaining a copy of this Prospectus

This Prospectus is available to Australian investors in electronic form at <https://www.halo-technologies.com/ipo>. The Offers constituted by this Prospectus are available only to persons within Australia.

Important information - Prospectus

They are not available to persons in other jurisdictions (including the United States). Persons having received a copy of this Prospectus in its electronic form may, before the Closing Date, obtain a paper copy of this Prospectus (free of charge) by telephoning the HALO Offer Information Line on 1300 737 760. If you are eligible to participate in the IPO Offer and are calling from outside Australia, you should call +61 2 9290 9600. Applications for Shares may only be made on an Application Form attached to or accompanying this Prospectus, or in its paper copy form which may be downloaded in its entirety from <https://www.halo-technologies.com/ipo>. For further instructions on how to apply for Shares under the IPO Offer refer to Section 9.8.

Note - by making an Application, you represent and warrant that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus.

Statements of past performance

This Prospectus includes information regarding the past performance of HALO. Investors should be aware that past performance is not indicative of future performance of HALO.

Financial performance

Section 6 sets out in detail the Financial Information referred to in this Prospectus (**Financial Information**). The basis of preparation of the Financial Information is set out in Section 6.2.

All references to FY19, FY20 and FY21 appearing in this Prospectus are to the financial years ended 31 December, unless otherwise indicated.

The Financial Information has been prepared in accordance with the recognition and measurement principles prescribed by the Australian Accounting Standards issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

The Financial Information is presented in an abbreviated form. It does not include all of the presentation and disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

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

Forward looking statements

This Prospectus may contain forward looking statements which are identified by a reference to perceived prospects and words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties. All forward looking statements are based on the best estimate assumptions of the Directors and on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus are expected (but are not guaranteed) to take place.

Any forward looking statement is subject to various risk factors that could cause Halo's actual results to differ materially from the results expressed or anticipated in these statements. Such statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of HALO, the Directors and management of HALO. Forward looking statements should be read in conjunction with, and are qualified by reference to, risk factors as set out in Section 7, general assumptions as set out in Section 6.12 and other information in this Prospectus.

HALO cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. HALO does not intend to update or revise forward-looking statements, or publishing prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information, contained in this Prospectus, except where required by law.

This Prospectus, including the overview of HALO in Section 5, uses market data, industry forecasts and projections. HALO has based some of this information on market research prepared by third parties. There is no assurance that any of the forecasts contained in the reports, surveys and any research of third parties which are referred to in this Prospectus, will be achieved. HALO has not independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 7.

Important information - Prospectus

Selling restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The Offers are not being extended to any investor outside Australia. No action has been taken to register or qualify the Shares or the Offers, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia (including in electronic form) may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe and such restrictions. Any failure to comply with such restriction may constitute a violation of applicable securities laws.

This Prospectus may not be distributed to, or relied upon by, any person in the United States. In particular, the Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the US Securities Act) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless the Shares are registered under the US Securities Act or are offered and sold in transactions exempt from, or not subject to the registration requirements of the US Securities Act and any other applicable US securities laws.

Refer to Section 9.13 for more detail on selling restrictions that apply to the offer and sale of Shares in jurisdictions outside of Australia.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://www.halo-technologies.com/ipo>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on 1300 737 760 during office hours or by emailing the Company at corporateactions@boardroomlimited.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

No cooling off rights

Cooling off rights do not apply to an investment in Shares offered under this Prospectus. This means that, unless you are notified by the Company to the contrary, you cannot withdraw your Application.

Photographs and diagrams

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

Company website

Any references to documents included on Halo's website at www.halotechnologies.com.au are for convenience only, and none of the documents or other information available on Halo's website is incorporated herein by reference.

Defined terms and time

Defined terms and abbreviations used in this Prospectus have the meanings given in the glossary of this Prospectus. Unless otherwise stated or implied, references to times in this Prospectus are to Sydney time (GMT +10 -AEDT).

Privacy

By completing an Application Form or otherwise applying for securities, you are providing personal information to the Company and the Share Registry, which is contracted by the Company to manage applications. For information on how this information may be used, your rights to request access to it and the Company's privacy practices, refer to Section 11.12.

Questions

Instructions on how to apply for Shares are set out in Section 9.8 of this Prospectus and on the back of the Application Form.

If you have any questions in relation to the Offers, please call the HALO Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am until 5.30pm (Sydney time) Monday to Friday. If you have any questions about whether to invest in HALO you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company.

Corporate Directory

DIRECTORS

Ivan Oshry
Non-Executive Chair

Matthew Roberts
Managing Director

George Paxton
Executive Director and CEO

Nicolas Bryon
Executive Director

Louise McElvogue
Non-Executive Director

Philippa Lewis
Non-Executive Director

COMPANY SECRETARY

Boardroom Pty Ltd
Level 12
225 George Street
SYDNEY NSW 2000

PROPOSED ASX CODE

HAL

REGISTERED OFFICE

Level 12
225 George Street
SYDNEY NSW 2000

LEAD MANAGER

Lodge Corporate Pty Ltd
10/46 Market Street, Sydney 2000
SYDNEY NSW 2000

LEGAL ADVISERS

Steinepreis Paganin
Level 4
16 Milligan St
PERTH WA 6000

and

Oshry Lawyers
Level 4
10 Barrack Street
SYDNEY NSW 2000

INVESTIGATING ACCOUNTANT AND INDEPENDENT EXPERT

RSM Corporate Australia Pty Ltd
Level 13
60 Castlereagh Street
SYDNEY NSW 2000

AUDITOR

BDO Audit Pty Ltd
Level 11
1 Margaret Street
SYDNEY NSW 2000

SHARE REGISTRY

Boardroom Pty Limited
Level 12
225 George Street
SYDNEY NSW 2000

Table of Contents

Introduction	1
1. Important Offer Information	2
2. Chairman's Letter	12
3. Investment Overview	14
3.1 Introduction	14
3.2 Key features of HALO's business	15
3.3 Key strengths of HALO	19
3.4 Key growth drivers for HALO	19
3.5 Key risks of investing in HALO	20
3.6 Key Financial Information	25
3.7 HALO's Directors and Senior Management	27
3.8 Significant interests of key people and related party transactions	30
3.9 Key Offer Statistics	34
3.10 Overview of the Offers	34
4. Industry Overview	39
5. Company Overview	43
6. Financial Information	53
7. Key Risks	74
7.1 Introduction	74
7.2 Business Risks	74
7.3 General risks	80
8. Board, Management And Corporate Governance	84
8.1 Board of Directors	84
8.2 Senior Management	85
8.3 Interests of Directors	86
8.4 Agreements with Directors and Related Parties	88
8.5 Corporate Governance	89
8.6 Board committees	91
9. Details Of The Offers	95
9.1 Key Dates	95
9.2 Description of the IPO Offer	95
9.3 Minimum Subscription and Maximum Subscription	96
9.4 No Underwriting	96
9.5 Purpose of the IPO Offer	96
9.6 Employee Offer	96
9.7 Use of Funds	96
9.8 Applications	97
9.9 Application policy under the IPO Offer	98
9.10 Capital Structure	98
9.11 Substantial Shareholders	99
9.12 Lead Manager	99
9.13 Foreign Selling Restrictions	99
9.14 ASX Listing, Registers and Holding Statements	101
9.15 Dividend Policy	102
9.16 Brokerage, Commission and Stamp Duty	102
9.17 Withdrawal of Offers	102
9.18 Further Enquiries	102

Table of Contents

10. Independent Limited Assurance Report	104
11. Additional Information	110
11.1 Incorporation	110
11.2 Corporate Structure	110
11.3 Constitution and Rights Attaching to Shares	110
11.4 Terms and Conditions of Performance Rights and Performance Rights Plans	112
11.5 Terms and Conditions of Performance Rights Plans	117
11.6 Terms and Conditions of Employee Share Plan	121
11.7 Interests of Experts and advisers	123
11.8 Expenses of the Offers	124
11.9 Litigation and claims	124
11.10 Consents	124
11.11 Australian taxation considerations	125
11.12 Privacy	128
11.13 Governing law	128
12. Material Contracts	140
13. Directors' Authorisation	141
14. Glossary	143
Appendix A	148
Annexure A	153



1.

Important Offer Information

1. Important Offer Information

1.1 Key Offer Statistics

	Minimum Subscription (\$35,000,000) ¹	Maximum Subscription (\$40,000,000) ²
Offer Price	\$1.20 per Share	
Total number of Shares available under the IPO Offer ³	29,166,667	33,333,333
Total number of Shares available under the Employee Offer	3,354,124	3,354,124
Gross proceeds of the IPO Offer ³	\$35,000,000	\$40,000,000
Total number of Shares on issue following the Offers (undiluted)	128,354,125	132,520,791
Market capitalisation (undiluted)¹	\$154,024,950	\$159,024,949
Performance Rights ⁴	18,958,333	18,958,333
Total number of Shares on issue following the Offers (diluted)	147,312,458	151,479,124
Market capitalisation (fully-diluted)	\$176,774,950	\$181,774,949

Notes:

1. Assuming the Minimum Subscription of \$35,000,000 is achieved under the IPO Offer and includes the Sell Down.
2. Assuming the Maximum Subscription of \$40,000,000 is achieved under the IPO Offer and includes the Sell Down.
3. Includes the Sell Down.
4. Refer to Section 11.4 for the terms and conditions of the Performance Rights.

1. Important Offer Information

1.2 Indicative Timetable

Action	Date
Lodgement of Prospectus with ASIC	28 February 2022
Exposure period ends	14 March 2022
Offers open	15 March 2022
Offers close (Closing Date)	4 April 2022
Settlement of the Offers	6 April 2022
Completion of the Offers - Issue of Shares	7 April 2022
Expected dispatch of shareholder holding statements	7 April 2022
Expected commencement of trading of Shares on ASX	11 April 2022

* This timetable is indicative only and may change. Unless otherwise indicated, all times are Sydney time. The Company by agreement with the Lead Manager, reserves the right to vary any and all of the above dates and times without notice (including, subject to the Listing Rules and the Corporations Act, to close the Offers early, to extend the Closing Date, or to cancel or withdraw the Offers, in each case without notifying any recipient of this Prospectus or Applicants). If the Offers are cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Applications received under the Offers are irrevocable and may not be varied or withdrawn except as required by law. Investors are encouraged to submit their Applications as soon as possible after the Offers open. No cooling-off rights apply to the Offers. The admission of the Company to the Official List and the commencement of quotation of the Shares are subject to confirmation from ASX.

1.3 How to invest

Applications for Shares can only be made by completing and lodging an Application Form attached to or accompanying this Prospectus.

Instructions on how to apply for Shares under the IPO Offer are set out in Section 9.8 and on the back of the Application Form.

1.4 Questions

Please call the HALO Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am until 5.30pm (Sydney time) Monday to Friday.

If you are unclear in relation to any matter relating to the Offers or are uncertain as to whether the Company is a suitable investment for you, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in HALO.

This Prospectus is important and should be read in its entirety before deciding whether to invest in the Company.



2.

Chairman's Letter

2. Chairman's Letter



Ivan Oshry LLB, Etc
Chairperson

Dear Investor,

On behalf of the Board, I am pleased to offer you the opportunity to become a shareholder in HALO Technologies Holdings Ltd (**HALO** or the **Company**).

HALO is an online global equities research and trade execution software solution that brings sophisticated institutional-grade analytical frameworks and market insights to everyday investors. HALO's investment software solution offering can be divided into two integrated elements – HALO Global and HALO Trading.

HALO Global provides a multi-functional research and investment software solution comprised of company analysis and portfolio management tools.

HALO Trading offers global trade execution for individual company and ETF investment and transaction feeds from non-HALO platforms. In addition, HALO provides ready-to-invest proprietary thematic portfolios, known as 'vues', which is a unique offering to investors. Investors in HALO's vues maintain beneficial ownership of their underlying positions, and benefit from active management of portfolios by expert analysts and in-built administration tools. The integration of these products allows a seamless experience for any investor seeking to discover and research investment ideas, execute them, add thematic portfolios, access market analysis and more.

Together, these principal offerings deliver the ideal tools for low-touch and self-directed investors and financial adviser networks.

Since inception four years ago, the Group has experienced rapid growth in both user numbers and revenues. Although relatively young, the business is profitable. We expect that HALO will continue to grow strongly, organically leverage its existing marketing plan and existing partnerships, and through acquisition.

The funds raised under the IPO Offer will primarily be applied to fund several key growth projects and global marketing initiatives together with an in-depth review of a pool of potential acquisition targets to fast track growth in select offshore markets.

HALO intends to continue to invest in the development of its technology, which remains a source of competitive advantage and should enable HALO to extend its service offering and grow market share. Following completion of the Offers, and listing on the ASX, HALO will have a strong balance sheet to execute on its growth initiatives.

This Prospectus contains detailed information about the Offers and the financial and operating performance, and outlook for HALO. As with all companies, HALO is subject to a range of company-specific and general risks. These include the evolving regulatory landscape for financial services companies in Australia, risks associated with information technology and cybersecurity, adverse changes in, or failed responses to, consumer preferences or macroeconomic conditions, and access to and cost of its funding. The material risks associated with investing in HALO are detailed in Section 7.

I encourage you to carefully read this Prospectus in its entirety before making your investment decision and, if required, consult with your stockbroker, solicitor, accountant or other professional adviser.

As we begin this exciting chapter in HALO's history, I look forward to welcoming you as a Shareholder.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Ivan Oshry', with a horizontal line underneath.

Ivan Oshry
Chairperson



3.

Investment Overview

3. Investment Overview

3.1 Introduction

Topic	Summary	More information
What is HALO?	<p>HALO is an Australian fintech business that develops multi-functional integrated global equities research and investment software solutions for self-directed investors, self-funded retirees, and financial professionals.</p> <p>At the core of the business is the flagship product, the HALO Global Research and Investment Software Solution (HALO Global), which offers investors access to global company data and analytical tools coupled with various trading interfaces.</p> <p>HALO Global has been designed with more features to help users save time, make smarter investment decisions, and better manage their portfolios, including:</p> <ul style="list-style-type: none"> (a) comprehensive company analysis; (b) institutional-grade research tools; (c) global trade execution; (d) ready-to-invest thematic portfolios; (e) integrated account management across global custody and CHESS-sponsored holdings; and (f) adviser solutions to keep track of investments across client portfolios. <p>HALO's customer facing software solution is complemented and enhanced by HALO's continuing investment in its Omnibus Account Management System technology. This core technology is central to HALO's strategic development of future product offerings, which include functional changes to existing asset classes, as well as expansion into new asset classes.</p> <p>Through its software solution, HALO provides everyday investors with an extremely powerful and sophisticated research and trading capability with superior functionality, trade execution and cost-effectiveness.</p>	Section 5
In what industry does HALO operate?	<p>HALO operates in the global wealth management industry, providing investment research and investment solutions that enable financial advisers, equities brokers and private clients to analyse, manage and grow investments.</p>	Section 4
What is the purpose of the IPO Offer	<p>The IPO Offer is being conducted by the Company to:</p> <ul style="list-style-type: none"> (a) raise funds to enhance the functionality of the Group's products, implement increased global marketing strategies and pursue future growth, and acquisition opportunities; (b) facilitate the Sell Down; (c) apply for admission to the Official List of the ASX to broaden the Company's Shareholder base and provide a liquid market for its Shares; (d) provide HALO with access to capital markets, to provide financial flexibility; (e) repay debt; (f) pay for the transaction costs associated with a listing on ASX; and (g) assist HALO in attracting and retaining quality staff. 	Section 9.5

3. Investment Overview

3.2 Key features of HALO's business

Topic	Summary	More information
What is the Company's vision and strategy?	<p>HALO is committed to delivering accessible institutional grade investment technology to all types of investors. The Company has demonstrated a history of innovation by bringing additional functionality to the HALO client base through the development of complementary products and features and the acquisition of Macrovue, a complementary and extendable technology business.</p> <p>The Company intends to grow its subscriber base in Australia and offshore, initially focusing on North America, the UK and New Zealand.</p> <p>Expansion overseas is expected to be fast tracked with the acquisition of complementary businesses in key markets. The Company has identified a pool of potential acquisition targets for further analysis and review following completion of the IPO.</p>	Section 5.5
How does HALO generate its revenue?	<p>HALO currently generates revenue through three distinct streams. These are:</p> <p>Subscription sales</p> <p>Subscription product includes:</p> <ul style="list-style-type: none"> (a) HALO Domestic: Provides the base software solution plus data relating to the Australian and New Zealand market for Australian Clients. (b) HALO International: This entails a product upgrade for investors who want to source ideas across the globe. (c) Macrovue Vues: Provides access to 26 individually curated global thematic portfolios. (d) HALO Global Trading Report: Provides access to an international trading report. (e) HALO Global Investing Report: Provides access to an international investment report. (f) HALO Mobile: For those more cost conscious and not requiring the advanced features of the web-based software solution. This is currently free for existing web-based clients. (g) HALO VIP: Provides an expanded customer service offering. <p>B2B subscriptions are typically sold with greater than one year of term (average around 3 to 4 years), providing significant up-front cash-flow for investment into business development and marketing activities. This supports a cash flow generative business model with cash receipts tracking ahead of the recognition of earned revenues.</p> <p>Collected subscription revenue is earned over time (over the period of the subscription term) whereas brokerage and management fees are recognised at a point in time (which is when a trade is executed).</p> <p>The Company also implements a revenue sharing model with its B2Bs of up to 50% which drives the initial engagement and provides an opportunity for the B2Bs to grow their own revenues via new product sales.</p> <p>On a global comparison basis, pricing for each subscription product is at or below similar global competitors. The Company will continue to innovate and bring to market complementary products to be sold as a subscription.</p>	Section 5.3

3. Investment Overview

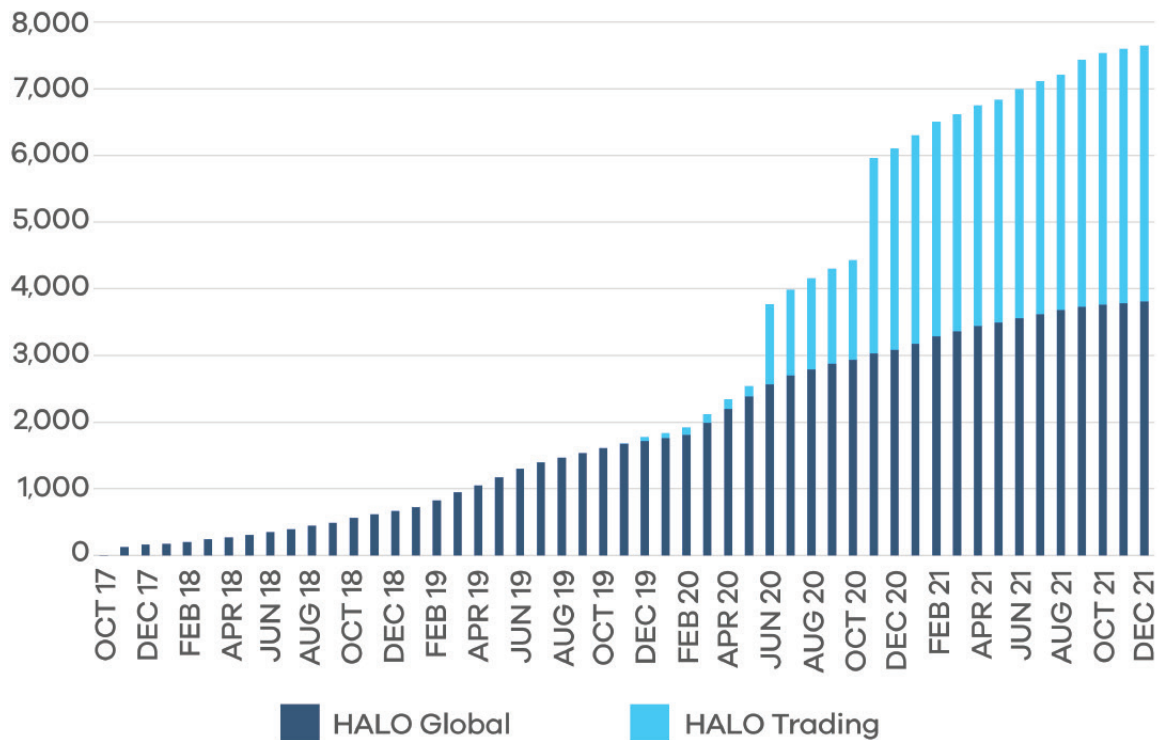
3.2 Key features of HALO's business

Topic	Summary	More information
How does HALO generate its revenue?	<p>Brokerage</p> <p>The Company accrues brokerage at a rate of 12 basis points (bps) or \$15 minimum for any execution across the 30+ exchanges that are offered. The Company also accrues a 50bps foreign exchange (FX) conversion fee, where applicable, which is a retail industry low in Australia. Idle balances of FX can be maintained in AUD, EUR, GBP and USD, and utilised by clients without conversion.</p> <p>Management fees</p> <p>This revenue stream is sourced from the fee charged on the Macrovue vues, the thematic investment portfolios held by clients. Halo's management fees are priced competitively relative to other international funds at 0.8% per annum of funds under management, calculated daily and charged monthly. This is a growing revenue stream with approximately 11% of funds invested as of 31 December 2021.</p> <p>As of 31 December 2021, HALO had</p> <ul style="list-style-type: none"> (a) 3,811 subscribers to HALO subscription products; (b) 3,843 clients who don't subscribe to a HALO subscription product but utilise the trading interfaces (either via Macrovue or ASCOT Securities); and (c) total funds on the Macrovue Omnibus Account Management System of AUD\$245 million. This has steadily grown over 73.8% from total funds of AUD\$140,428,258 on 31 December 2020. 	Section 5.3
Who are Halo's customers?	<p>Halo's targeted customers are largely divided into four broad categories:</p> <ul style="list-style-type: none"> (a) Self-managed super funds – currently the main users of HALO's products. Mature investors that require sophisticated investment frameworks, have accumulated significant wealth and are typically long-term holders of equity investments. (b) Self-directed investors – with market experience who are data hungry and want to identify, research and action their own investment decisions. (c) Value-based investors – the transparency and control offered by themed investment portfolios are ideal for investors who want the business activities of the companies held in their investment portfolios to align with their personal values and/or interests. (d) Financial advisers – seeking easy to explain products that can be co-branded and customized, and which are free from conflicts of interest. 	Section 6.7.1
How does HALO acquire customers?	<ul style="list-style-type: none"> (a) Direct acquisition: customers are acquired directly online and by phone through ongoing investment in brand and marketing. (b) Third party partnerships: HALO offers its products under re-selling agreements with intermediaries including financial advisors, brokers and other commercial partnerships. (c) Existing customer base: HALO also undertakes marketing and engagement with its existing customers to cross sell additional HALO products. Promotional initiatives directed at existing customers have regard to a customer's product stage and financial situation. <p>HALO intends to raise awareness of its product suite through a combination of marketing techniques to increase its subscriber base in Australia and across the globe. In addition to organic growth, the Company expects to fast track subscriber acquisition through acquisition of complementary businesses, particularly in offshore markets, and database acquisitions.</p>	Section 5.2

3. Investment Overview

Growth Momentum - HALO Customers

HALO CUSTOMERS - CUMULATIVE INSTALLED BASE



June 2020: Conversion of a B2B's clients from IRESS Investor on to HALO Trading*. HALO now competes directly with similar B2B/B2B2C platforms for clients of Advisors at no cost other than brokerage.

November 2020: Re-classification of Macrovue clients who now interface via HALO Trading. As part of customer journey, clients who use HALO Trading* have an opportunity to convert and upgrade to better features like HALO Global** over time.

* HALO Trading is a free version of the platform providing access to trading accounts and simplified market information. The client links to a B2B2C on/off platform trading account or B2C on platform trading account.

** HALO Global includes the subscription products and HALO Trading. They will have at least a subscription product. HALO Trading customers are not included in HALO Global.

3. Investment Overview

3.2 Key features of HALO's business

Topic	Summary	More information
In which geographical markets does HALO operate?	HALO currently provides services in Australia and intends to launch in the United States with an Adwords and social lead generation campaign while considering potential acquisitions.	Section 5.5
What differentiates HALO from its competitors?	<p>(a) HALO's software solution is the only known product available on the Australian market which provides portfolio analysis, stock research and selection, themed investments and complete domestic and global trade execution capability in direct equities in a single integrated investment software solution.</p> <p>(b) HALO is feature-rich with full exposition of global fundamental, consensus and market data, providing institutional-grade analytical frameworks combined with ongoing training and support.</p> <p>(c) HALO's ready-to-invest thematic portfolios are a unique offering to Australian investors. Users receive beneficial ownership of their underlying positions, active management of portfolios by expert analysts and in-built administration tools.</p> <p>(d) The integrated software solution provides domestic and global trade execution capability.</p> <p>(e) HALO offers direct access to end users and co-branded B2B solutions for advisor networks.</p> <p>(f) HALO offers attractive pricing relative to competitors offering comparable products and services.</p>	Section 5.2
How does HALO expect to fund its operations?	<p>HALO's principal source of funds is income from operations. The majority of operating cash flows consists of collected subscription income, accounting for 42.8% of operating income in FY21. Other major sources of operating cash flows are brokerage applied to equities which flows through the HALO platform, FX fees levied where the brokerage relates to overseas equities, and management fees earned on funds invested in the vues.</p> <p>After the Listing, HALO will have no debt and free cash (after issue costs) of approximately \$19.8 million (on the minimum pro forma basis) and approximately \$24.5 million (maximum pro forma).</p>	Sections 6.7.1 and 6.10

3. Investment Overview

3.3 Key strengths of HALO

Topic	Summary	More information
What is HALO's value proposition?	<p>HALO is a proprietary investment software solution with technically advanced and feature-rich product attributes offering ideal tools for the self-directed investor, self-funded retirees, 'values based' investors and financial advisor networks. Some of the key attributes of HALO include:</p> <ul style="list-style-type: none">(a) strong operational processes and technology solutions;(b) expert management with proven track record in financial technology, funds management, investment research and marketing;(c) in-built global trade execution capability and administration tools;(d) established pathways for continued domestic client growth and global expansion; and(e) exposure to the large and expanding wealth management sector, with its increasing need for HALO's solutions, creating further opportunities for earnings growth.	Section 5

3.4 Key growth drivers for HALO

Topic	Summary	More information
What are the primary avenues in which the Company expects to grow into the future?	<p>HALO will drive growth by:</p> <ul style="list-style-type: none">(a) Organic expansion – HALO intends to execute a range of planned marketing initiatives to raise brand awareness and promote re-selling options.(b) Expansion of service offering – HALO has several planned technology enhancements that are designed to drive increased revenues. The key elements include:<ul style="list-style-type: none">(i) roll-out of HALO Global into global B2B and B2C markets;(ii) extensions of Omnibus Account Technology into new jurisdictions, new functional forms and new asset classes;(iii) integrations into financial planning and wealth management software; introduction of automated payment gateways;(iv) implementation of other trading integrations including a direct market access CHES-Sponsored (HIN) trading connectivity;(v) push notification technology; and(vi) enhancements to HALO Mobile.(c) Acquisition – Expansion of its operational footprint through the acquisition of businesses that operate in the same sector as HALO or offer operational synergies for the Company.	Sections 5.5 and 5.8

3. Investment Overview

3.5 Key risks of investing in HALO

Topic	Summary	More information
What are the key risks for the Company?	<p>There are a number of risks associated with an investment in the Company, the industry in which it operates and an investment in Shares more generally that may affect the Company's financial performance, financial position, cash flows, distribution, growth prospects and Share price.</p> <p>This Section setting out some of the risks is a summary only. Further details relating to the key risks listed below and other risks associated with an investment in HALO are set out in Section 7.</p>	Section 7
Control risk	<p>Following completion of the Offers, the voting power of Matthew Roberts Holdings Pty Ltd ATF MR Family Trust (Substantial Holder) in the Company could be as high as 39% (assuming that the Substantial Holder does not subscribe for any Shares under the IPO Offer). Accordingly, the Substantial Holder's significant interest in the capital of the Company means that it will be in a position to potentially influence the election of directors and the financial decisions of the Company, and its interests may not align with those of all other Shareholders. Further details in respect of the Substantial Holder's interest is set out in Section 9.11.</p> <p>As the Substantial Holder will hold a relevant interest in more than 25% of the Company, it will have the potential to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required in relation to approve certain Company matters including potentially seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is divided into different classes of Shares, approving the variation of the rights attached to any such class.</p>	Section 7.2
Failure to meet agreed service levels	<p>HALO products have internal service level expectations which include uptime availability (subject to Amazon Web Services availability), equity market pricing and portfolio information being up to date and availability of trading interfaces. The software is used 365 days of the year, and outside of planned maintenance, HALO places very high standards on itself to deliver a product that is always available. A failure to persistently meet these expectations could result in client attrition due to unreliability of information.</p> <p>HALO seeks to mitigate the potential loss of clients by implementing robust technology solutions to assist in uptime availability in conjunction with backup and recovery processes. Further, an increase in quality assurance resources supports reliable software release cycles.</p>	Section 7.2
Increased competition	<p>The wealth management sector is highly competitive as there are a variety of solutions available to investors. HALO competes against traditional fund managers (including industry funds), full-service and execution only stockbrokers and alternative providers of low-cost products.</p> <p>The Directors believe HALO'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 HALO negatively impacting on the growth of HALO. Competitors may have significant experiences and resources to develop competing products which may affect Halo's financial performance and position.</p>	Section 7.2

3. Investment Overview

3.5 Key risks of investing in HALO

Topic	Summary	More information
Changes in the regulatory environment in key markets	<p>The wealth management sector is heavily regulated. As a service provider to this industry, HALO is exposed to changes in laws and regulations. These laws and regulations affect Halo's business. Obligations may be imposed by regulators, such as ASIC, 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 HALO operates could have adverse implications for Halo's reputation and financial performance.</p> <p>HALO seeks to mitigate the potential impact of these risks where possible by monitoring regulatory change and implementing appropriate process or system changes as required.</p>	Section 7.2
Retention of Australian Financial Services Licences	<p>Macrovue is the holder of an Australian Financial Services Licence (AFSL 484 264). The loss of any of this licence (or any other licences that the Group may apply for in the future) or the imposition of new conditions or enforceable undertakings could limit or restrict the Group's ability to conduct its business as it presently operates. There is no guarantee the Group will be able to maintain an Australian Financial Services Licence.</p> <p>To mitigate this risk, the Group has established, and regularly reviews, compliance policies and practices to ensure ongoing compliance with the requirements of its Australian Financial Services Licence.</p>	Section 7.2
Operational risk	<p>The operations of HALO may be affected by various factors, including failures in internal controls and financial fraud. To the extent that such matters may be in the control of HALO, HALO aims to mitigate these risks through separation of duties, quality checks and supervision.</p> <p>While HALO currently maintains insurance within ranges of coverage consistent with industry practice, no guarantee can be given that HALO will be able to continue to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.</p>	Section 7.2
Software, technology and system related risks	<p>Platform Risks</p> <p>HALO's software solutions, which incorporates its website, databases and systems are critically important to Halo's ability to attract and retain customers.</p> <p>The database of its customers, programs and processes, software repositories, data analytics are a valuable asset for the continued success of HALO, and any irrecoverable loss would incur a financial cost to HALO as well as damage the reputation of the business.</p> <p>Further, HALO 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 Halo's reputation and relationships with re-sellers and customers and may have a material adverse effect on Halo's business and financial performance.</p> <p>Internet and Data Security Breaches</p> <p>There is a risk that, despite HALO'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 HALO's customers or its internal systems. This could result in a breach of law by HALO, 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 Halo's financial and operational performance in the future.</p>	Section 7.2

3. Investment Overview

3.5 Key risks of investing in HALO

Topic	Summary	More information
Contractual Risks	<p>As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur in relation to a key contract entered into by any member of the Group, this may have an adverse impact on HALO's operations and performance generally. It is not possible for HALO to predict or protect itself against all such risks.</p> <p>HALO and/or its subsidiaries have entered into contracts with companies which are governed by the laws of different jurisdictions. Should a contractual dispute result in court action or should HALO be in a position to require the enforcement of the security interests it holds, the procedure in courts in overseas jurisdictions may be different than in Australia.</p> <p>Some of HALO's material contracts may contain termination for convenience clauses and there is also a risk that existing clients choose not to renew current contractual arrangements at the expiry of the current contract.</p> <p>Any termination of contracts or failure to renew may materially impact HALO's financial performance. HALO currently mitigates some of these risks by negotiating prepayment or a transition fee on material contracts.</p>	Section 7.2
Related party risk	<p>HALO has a number of key contractual relationships with related parties. If these relationships breakdown and the related party agreements are terminated, there is a risk that HALO may not be able to find a satisfactory replacement.</p> <p>The operations of HALO will also require involvement of related parties and other third parties including contractors. With respect to these persons and despite applying best practice in terms of pre-contracting due diligence, HALO is unable to completely avoid the risk of:</p> <ul style="list-style-type: none"> (a) financial failure or default by a participant in any agreement to which HALO may become a party; and/or (b) insolvency, default on performance or delivery by any operators, contractors or service providers. <p>There is also a risk that where HALO has engaged a contractor who is a related party, the contract between the contractor and HALO may terminate for reasons outside of the control of HALO. This may then result in the termination of the contract between HALO and the contractor and the impact HALO's position, performance and reputation.</p>	Section 7.2
Halo's reliance on AAIG	<p>HALO was incubated by and, in the short term, will continue to be reliant on AAIG for some of its personnel and infrastructure needs. Further details of the relationship between HALO and AAIG and the services that will continue to be provided by AAIG following completion of the IPO Offer are set out in the Marketing Services Agreement, Infrastructure Services Agreement, ASR Referral Agreement and APSEC Referral Agreement (refer to Sections 12.1.3 and 12.1.4). Although AAIG is contractually obliged to continue to provide personnel and infrastructure services to HALO, the risk remains that AAIG may (temporarily or longer) be unable or unwilling to fulfill HALO's needs to the extent required or that these agreements may be terminated if HALO Technologies breaches these agreements.</p> <p>HALO has taken steps to mitigate this risk by hiring its own personnel and creating its own infrastructure and will continue to do so as a priority to reduce its ongoing reliance on AAIG as soon as possible.</p>	Section 7.2

3. Investment Overview

3.5 Key risks of investing in HALO

Topic	Summary	More information
Third party and outsourcing risk	<p>The operations of HALO require the involvement of a number of third parties, including an omnibus agreement with Interactive Brokers, and the sourcing of equities and market information through Factset.</p> <p>Financial failure, data inaccuracy, default or contractual non-compliance on the part of such third parties may have a material impact on the operations and performance of the Group. It is not possible for HALO to predict or protect the Group against all such risks.</p> <p>Omnibus Agreement with Interactive Brokers</p> <p>Macrovue Pty Ltd has entered into an omnibus agreement with Interactive Brokers. The agreement supports a single long-only account from which Macrovue manages the individual accounts of clients in terms of client onboarding, compliance, account management and cash management. If Interactive Brokers were to close the omnibus account structure type in Australia, this would cause a significant disruption to HALO's brokerage business.</p> <p>Data Provision Agreement with Factset</p> <p>HALO has chosen Factset as the major provider of equity market related information including the Factset Global Consensus Database from which HALO creates various analytical information sets. If this agreement was terminated, there would be a material disruption to services as HALO would need to find another provider of similar information sets potentially at a higher cost.</p>	Section 7.2
Risks associated with acquisitions	<p>HALO 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. HALO will draw on its past experience to mitigate the risks within the control of HALO, such as seeking to retain key acquired staff within the combined business.</p> <p>HALO's Investment in Domacom (ASX:DCL)</p> <p>HALO has a 15.837% holding in Domacom (ASX:DCL) the shares of which are currently suspended from trading on ASX. The lifting of this suspension will depend on Domacom undertaking a successful capital raise to recapitalise. If Domacom is either not relisted or is placed into liquidation, HALO's investment in Domacom will likely be written down accordingly. As at the date of this Prospectus, the value of HALO's investment in Domacom is \$3,722,798. It should be noted that any write-down of HALO's investment in Domacom will have no impact on HALO's trading or its operating results.</p>	Section 7.2
Reliance on Key Personnel	<p>HALO'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 HALO's business. If one or more of the senior executives or other personnel of HALO are unable or unwilling to continue in their present positions, HALO 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.</p> <p>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 HALO.</p>	Section 7.2

3. Investment Overview

3.5 Key risks of investing in HALO

Topic	Summary	More information
Share price value	<p>The market value of Shares quoted on ASX may increase or decrease for a variety of reasons that are beyond the Company's control. These reasons may include, but are not limited to, changes in the pricing of comparable stocks, shifts in demand for listed equities, the publication of speculative press commentary or research about the Company, changes to general economic conditions, changes in interest rates, exchange rates, commodity prices, domestic or international changes to fiscal, monetary or regulatory policy, changes in legislation or regulations, shifts in industry dynamics and changes to the operating environment.</p> <p>In general, factors such as terrorism, international hostilities, natural disasters such as earthquakes, fires or floods, labour strikes, civil wars, outbreaks of pandemics or other similar issues may negatively affect investor sentiment and influence the Company specifically or the stock market generally (which may have negative implications on the pricing of HALO).</p> <p>These reasons or factors, amongst others, may result in the Shares trading below the Offer Price and no assurance can be made that the price of Shares will increase following quotation on ASX.</p>	Section 7.3
Material Referral Agreement Risk	<p>HALO maintains a number of referral agreements with sales organisations, being ASR and APSEC. As such HALO has financial exposure to the ongoing viability and focus of those organisations and is exposed to significant risk if those organisations choose to discontinue the referral agreements or reduce its importance to their own businesses.</p> <p>The risks associated with this have been, and will continue to be, mitigated to some extent by the addition of new selling organisations.</p>	Section 7.2
Relatively short operating history and competition	<p>At the date of this Prospectus, HALO has a relatively short trading history of four years for HALO and eight years for Macrovue. It faces competition in the industry from a number of international, local institutional and smaller competitors. Accordingly, there are other technology platforms and investment products that compete (to a greater or lesser degree) with Halo's offerings, which could negatively impact Halo's operating and financial performance.</p> <p>The period to achieve stable performance and development of reliable execution techniques, regulatory compliance and acceptance of new offerings by investors together with Halo's reputation for innovation, quality of service and its competitive pricing mitigates against these risks</p>	Section 7.2
The existing Director Related Shareholders will retain a significant stake in HALO post Listing	<p>Upon completion of the Offers, certain existing shareholders will voluntarily escrow 50% of their Shares (held at the date the Company is admitted to the Official List excluding any participation in the IPO Offer) for 12 months and their remaining Shares (held at the date of the Company is admitted to the Official List excluding any participation in the IPO Offer) for a further 12 months. Accordingly, there is significant liquidity risk associated with the Offers in that upon these Shares being released from escrow, a significant block of Shares will be able to be sold.</p> <p>A significant sale of Shares by these shareholders, or the perception that such a sale has occurred or might occur, could adversely affect the price of the Shares.</p> <p>Alternatively, the absence of any sale of Shares by these shareholders may cause or contribute to a diminution in the liquidity of the market for the Shares.</p>	Section 7.2
Other key risks	A number of other key risks are included in Section 7.3, including other commercial and operational risks and general risks.	Section 7.3

3. Investment Overview

3.6 Key Financial Information

Topic	Summary	More information
What is the key financial information you need to know about Halo's financial position, performance and prospects?	A selected summary of HALO's audited statutory and pro forma financial information is set out below. Investors should read Section 6 for full details of the Company's statutory and pro forma financial information, including the pro forma adjustments.	Section 6

Historical pro forma income statement ^{1,2}

The table below presents the summary and pro forma historical consolidated income statement for FY19, FY20, and FY21. Further discussion regarding the summarised historical income statement is set out in Section 6.

	FY19	FY20	FY21
\$'000	Pro forma	Pro forma	Pro forma
Revenue	1,418	5,269	10,540
Gross margin	695	2,421	4,165
Gross margin %	49.0%	45.9%	39.5%
Total overheads	(2,381)	(2,623)	(3,506)
EBITDA	(1,433)	(153)	1,897
EBITDA margin %	(101.1%)	(2.9%)	18.0%
EBIT	(1,731)	(362)	1,383
EBIT margin %	(122.1%)	(6.9%)	13.1%
NPBT	(1,712)	(352)	1,391
NPAT	(1,241)	(255)	1,009

1. The Financial Information presented in this table is intended as a summary only and should be read in conjunction with the more detailed discussion of the Financial Information disclosed in Section 6 as well as the key risks set out in Section 7.
2. A full reconciliation of the financial information to statutory information pro forma is included in Section 6.

3. Investment Overview

3.6 Key Financial Information

Historical statutory and pro forma statement of financial position

The table below sets out the summarised audited historical statutory and pro forma statement of financial position as at 31 December 2021. Details of the pro forma statement of financial position, including the pro forma adjustments are set out in Section 6.

\$'000	HALO Group Audited	Minimum Subscription Pro Forma	Maximum Subscription Pro Forma
Current assets	257,819	276,040	280,816
Non current assets	6,024	6,024	6,024
Total assets	263,843	282,064	286,840
Current liabilities	(255,102)	(250,185)	(250,185)
Non current liabilities	(5,963)	(5,963)	(5,963)
Total liabilities	(261,065)	(256,147)	(256,147)
Net assets	2,778	25,917	30,693

Historical pro forma statement of cash flows

The table below sets out the summarised pro forma historical consolidated statement of cash flows for FY19, FY20, and FY21. Further discussion regarding the summarised historical statement of cash flows is set out in Section 6.

	FY19	FY20	FY21
\$'000	Pro forma	Pro forma	Pro forma
Net operating cash flows	(1,217)	166	3,114
Net investing cash outflows	(464)	(736)	(1,668)
Net free cash flow before tax, financing and dividends	(1,681)	(570)	1,446

Topic	Summary	More information
On what basis has the Financial Information been prepared?	HALO adopts a number of accounting policies which it has complied with in preparing the Financial Information appearing in this Prospectus. These policies include the Australian Accounting Standards (including the Australian Accounting Interpretation) and the International Financial Reporting Standards (IFRS). For full details of HALO's accounting policies please see Appendix A.	Section 6

3. Investment Overview

3.7 HALO's Directors and Senior Management

Topic	Summary	More information
Who are the Directors?	<p>IVAN OSHRY – Independent Non-Executive Chairperson</p> <p>Ivan has more than 30 years' experience of legal practice in Australia and internationally, specialising in commercial and corporate law. He has advised on a large number of transactions for both listed and unlisted entities and has been a guest speaker at various local, interstate and international seminars dealing with mergers and acquisitions and equity capital market topics. Ivan has acted as co-legal counsel to the Offers.</p> <p>Ivan sits on numerous company boards including EZZ Life Science Holdings Limited (ASX:EZZ), a distributor of branded skin care and consumer healthcare products; Jamieson Health Products Australia Pty Ltd, a subsidiary of Jamieson Wellness Inc, a Canada based listed company (TSE:JWEL), one of Canada's largest manufacturers, marketers and distributors of advanced natural-health products; PMFresh Pty Ltd, a large national supplier of fresh food products to the major chains and OpusXenta Pty Ltd, a technology company operating in the death care sector in Australia, New Zealand, the UK and the USA.</p> <p>Ivan holds a Bachelor of Arts and LLB degree from the University of Natal, higher diplomas in Company Law and Tax from the University of Witwatersrand and a Graduate Certificate in Applied finance and investment from the Securities Institute of Australia.</p> <p>Ivan sits on the boards of AAIG (and certain of their subsidiary companies). Notwithstanding Ivan's role as co-legal counsel to the Offers, his association with AAIG and Ivan's Security holding following completion of the Offers, the Board considers that Ivan is an independent Director.</p> <p>MATTHEW ROBERTS – Managing Director</p> <p>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. In that time, he has worked on transactions across a variety of sectors, including financial services, healthcare, media, resources, information technology, digital currency and renewable energy. Matthew is a Responsible Manager to the Australian Stock Exchange and is a former member of the Australian Digital Commerce Association's Advisory Board.</p> <p>Matthew is passionate about Environmental, Social and Governance (ESG) and impact investing, and shaping the future of investment management. Under his leadership, AAIG has grown into a diversified and integrated financial services and technology group by targeted acquisitions and the creation of proprietary products through in-house research & development.</p> <p>Matthew sits on the boards of AAIG (and certain of its subsidiary companies) and Domacom Limited (ASX: DCL).</p> <p>The Board considers that Matthew is not an independent Director.</p>	Section 8.1

3. Investment Overview

3.7 HALO's Directors and Senior Management

Topic	Summary	More information
Who are the Directors?	<p>GEORGE PAXTON – Executive Director & CEO</p> <p>George is an experienced finance executive and has spent more than 15 years' working in financial services with experience across in research, funds management and corporate finance across different geographies, including Europe, Asia and the USA. He has been involved in the creation of investment research products since 2006, on both the institutional and retail or high net worth (HNW) side. Prior to moving to Australia in 2011, he was employed by Dealreporter, the Merger-Arbitrage division of Acuris, providing the client base of hedge funds and other institutional investors with actionable research and analysis. In Australia he has worked in equities research delivering research for a predominantly retail and high net worth client base, as a portfolio manager of investment products for retail investors, and at HALO since its inception.</p> <p>He holds a BA (Hons) in Law & Economics from Queen Mary University of London, is a CFA Charter holder and is RG146 Compliant.</p> <p>George sits on the boards of AAIG (and certain of their subsidiary companies) and Domacom Limited (ASX: DCL).</p> <p>The Board considers that George is not an independent Director.</p> <p>NICOLAS BRYON – Executive Director</p> <p>Nicolas 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 investors and advisers alike require to manage their day-to-day investing activities.</p> <p>Nicolas has been involved in analysing companies and managing portfolios in financial markets for more than 20 years in various capacities. His early days in financial markets were in the capacity of a research analyst (1998-2001; resources and various other industries) and as a portfolio manager (2001-current) of various strategies including more traditional fundamental long only, long-short Australia & Asia and systematic arbitrage strategies.</p> <p>Nicolas holds a BEc (Hons) from Macquarie University, Sydney.</p> <p>The Board considers that Nicolas is not an independent Director.</p> <p>LOUISE MCELVOGUE – Non-Executive Director</p> <p>Louise is an experienced executive and director with more than 20 years' experience with boards, corporates and start-ups. She has been involved in more than 30+ consumer technology projects across the UK, USA, Europe and Asia</p> <p>She currently serves on several boards including Cluey Learning (ASX: CLU), a digital education platform and Healthdirect, the Federal & State Government consumer digital health platform. Louise also sits on the NSW Council of the Australian Institute of Company Directors and previously served on cybersecurity company WhiteHawk (ASX:WHK).</p> <p>Her executive and advisory experience includes more than 20 years in media, strategy and technology and leading over 30 digital projects in Australia, the UK and the US.</p> <p>The Board considers that Louise is an independent Director.</p>	Section 8.1

3. Investment Overview

3.7 HALO's Directors and Senior Management

Topic	Summary	More information
Who are the Directors?	<p>PHILIPPA LEWIS – Non-Executive Director</p> <p>Philippa is a professional company director with over 30 years of global, commercial experience. She has been a director and CEO in the digital, medtech, healthcare and life sciences sectors. As a strategic futurist she has founded multiple companies, led local and North American IPOs, reverse mergers, complex M&A transactions, raised and managed strategic capital for private and listed entities and has been engaged in multilateral joint ventures within North America, Europe and China.</p> <p>She currently serves on several boards including Imunexus Therapeutics Ltd; a public unlisted company in the oncology therapeutics sector and Aquitas Pty Ltd, a privately owned residential aged care company.</p> <p>Philippa has acted as a director of ASX and TSV listed MedTech company Simavita Ltd (ASX: SVA) between 2007 and 2016. She also chaired the board of Lifespot Health Ltd (ASX: LSH) (now, InhaleRx (ASX: IRX)) between September and October 2017, EZZ Life Science Holdings Limited (ASX:EZZ) between October 2020 and November 2021 and was chair and founder of Karista from 2016-2018, a private company servicing the aged, disability and community care sectors through a bespoke digital consumer choice platform.</p> <p>She has also served as a non-executive director of the Medical Technology Association of Australia.</p> <p>Philippa is a member of the Australian Institute of Company Directors and the Resolution Institute and has completed a Public Company Directors and Chair course as well obtaining a Public Company Directors certificate from Simon Fraser University. She has been nominated as Zurich Business Leader of the Year and Telstra Business Woman of the Year.</p> <p>The Board considers that Philippa is an independent Director.</p>	Section 8.1
Who are Halo's senior managers?	<p>REUBEN GOODSSELL – Chief Financial Officer</p> <p>Reuben has numerous years of audit, tax, advisory, financial planning and financial and board reporting experience within the financial services industry. Having qualified in South Africa and being admitted as a chartered accountant in 1994, Reuben was admitted as a practising accountant in Australia in January 2002.</p> <p>Reuben has spent the last 15 years in several high-profile financial roles (including with Commonwealth Bank, Suncorp Group and Wesfarmers) providing leadership and developing high performance teams to establish, develop and implement financial, accounting, treasury, taxation and risk management frameworks.</p> <p>Reuben will be responsible to present and submit financial and performance reports to the board of directors, senior management, key shareholders, regulatory and statutory bodies.</p> <p>NAIMUL KHALED – Chief Technology Officer</p> <p>Naimul is an experienced technology executive with a track record of driving digital transformation across a range of industries by applying technology to build new products, optimise business processes, and improve business intelligence.</p> <p>He has spent the last 15 years providing solutions for all stages of the software development life cycle for high profile local and international clients, including Adobe, The World Bank, Samsung, NGS Super, HCF and 1300 Home Loan. Naimul effectively builds high performance engineering teams by establishing IT governance standards and nurturing a cohesive environment for development operations within the organisation. He is fluent across a range of technical domains, including cloud native distributed applications, mobile app development, embedded systems, virtual and augmented reality, machine learning, and blockchain.</p> <p>Naimul holds a Bachelor of Engineering (Software) and a Bachelor of Commerce from the University of Sydney.</p>	Section 8.2

3. Investment Overview

3.7 HALO's Directors and Senior Management

Topic	Summary	More information
Who are Halo's senior managers?	<p>JAMES MAYBERRY – Chief Marketing Officer</p> <p>James is a proven marketing professional with a wealth of experience in the strategic planning, creation and delivery of digital traffic, lead generation and customer acquisition campaigns in a variety of different industries.</p> <p>As Chief Marketing Officer, James oversees lead generation, online acquisition and brand equity for HALO Technologies and its products. Accompanying a Bachelors Degree in Media (PR and Advertising) from the University of New South Wales, James also holds a variety of certifications in SEM, SEO, Display, Retargeting and Social Media and Content Marketing from industry experts and thought leaders.</p> <p>CLAY CARTER – Head of Research</p> <p>Clay Carter has over 35 years of global investment experience within senior portfolio management roles across AMP, Legal and General Life of Australia, PM Capital, QBE Insurance and Perennial Investment Partners.</p> <p>He has developed alternative methods to traditional market analysis and portfolio management, particularly in regard to high conviction investing.</p> <p>Clay is also responsible for developing Macrovue's investment themes, as well as stock selection, and monitoring stocks daily to ensure optimal performance within each Vue.</p> <p>ALAN O'FARRELL - Head of Operations</p> <p>Alan O'Farrell has 15 years' experience in fund administration and operations management. He started his career working in Dublin in Fund Administration in State Street and Brown Brothers Harriman and moved into Operations Management after moving to Sydney in 2011.</p> <p>He possesses extensive experience in a wide range of asset classes and during his career has worked in several roles across Middle Office Servicing, Custody, Unit Registry, Settlements & Client Service. In these roles, Alan has represented his departments for a number of projects to implement systems & streamline processes within Operations.</p>	Section 8.2

3.8 Significant interests of key people and related party transactions

Topic	Summary	More information
What are the Directors' securities holdings in HALO?	Following completion of the Offers and Listing, the Directors will hold the Shares and Performance Rights set out in the table below.	Section 8.3

Directors	Direct Shares	Indirect Shares	Sell Down	Total Direct and indirect Shares after SellDown ¹	Performance Rights
Ivan Oshry	-	-	-	63 ¹	2,708,333 ²
George Paxton	-	10,416,667	(2,500,000)	8,071,764 ¹	5,000,000
Nicolas Bryon	10,416,667	-	(2,500,000)	7,916,667	5,000,000
Matthew Roberts	-	53,125,000	(3,333,333)	50,411,864 ¹	5,000,000
Louise McElvogue	-	-	-	-	625,000
Philippa Lewis	-	-	-	-	625,000

Notes:

- Includes 63 Shares that will be issued to Ivan Oshry, 155,097 Shares that will be issued to George Paxton and 620,197 Shares that will be issued to Matthew Roberts (or their associates) as a result of the in-specie distribution of Shares held by AAIG.
- Includes 208,333 Performance Rights that will vest upon the Company receiving conditional approval from ASX for its securities to be admitted to the Official List and receiving valid applications for \$35 million under the IPO Offer.

3. Investment Overview

3.8 Significant interests of key people and related party transactions

Topic	Summary	More information																											
Who are the substantial shareholders of HALO and what will their interests be on completion of the Offers?	<p>The following Shareholders hold 5% or more of the Shares on issue as at the date of this Prospectus:</p> <table><tr><th>Shareholder</th><th>Shares</th><th>Percentage</th></tr><tr><td>Matthew Roberts Holdings Pty Ltd ATF MR Family Trust</td><td>53,125,000</td><td>51%</td></tr><tr><td>George Paxton and Alexandra Paterson-Ridgway jointly ATF Nutex Trust</td><td>10,416,667</td><td>10%</td></tr><tr><td>Nicolas Bryon</td><td>10,416,667</td><td>10%</td></tr><tr><td>Amalgamated Australian Investment Group Limited</td><td>30,208,333</td><td>29%</td></tr></table> <p>Following the completion of the Offers and Listing, the following Shareholders are expected to hold 5% or more of the Shares on issue:</p> <table><tr><th>Shareholder</th><th>Shares</th><th>Percentage</th></tr><tr><td>Matthew Roberts Holdings Pty Ltd ATF MR Family Trust</td><td>50,411,864</td><td>39%</td></tr><tr><td>George Paxton and Alexandra Paterson-Ridgway jointly ATF Nutex Trust</td><td>8,071,764</td><td>6%</td></tr><tr><td>Nicolas Bryon</td><td>7,916,667</td><td>6%</td></tr></table>	Shareholder	Shares	Percentage	Matthew Roberts Holdings Pty Ltd ATF MR Family Trust	53,125,000	51%	George Paxton and Alexandra Paterson-Ridgway jointly ATF Nutex Trust	10,416,667	10%	Nicolas Bryon	10,416,667	10%	Amalgamated Australian Investment Group Limited	30,208,333	29%	Shareholder	Shares	Percentage	Matthew Roberts Holdings Pty Ltd ATF MR Family Trust	50,411,864	39%	George Paxton and Alexandra Paterson-Ridgway jointly ATF Nutex Trust	8,071,764	6%	Nicolas Bryon	7,916,667	6%	Section 9.11
	Shareholder	Shares	Percentage																										
Matthew Roberts Holdings Pty Ltd ATF MR Family Trust	53,125,000	51%																											
George Paxton and Alexandra Paterson-Ridgway jointly ATF Nutex Trust	10,416,667	10%																											
Nicolas Bryon	10,416,667	10%																											
Amalgamated Australian Investment Group Limited	30,208,333	29%																											
Shareholder	Shares	Percentage																											
Matthew Roberts Holdings Pty Ltd ATF MR Family Trust	50,411,864	39%																											
George Paxton and Alexandra Paterson-Ridgway jointly ATF Nutex Trust	8,071,764	6%																											
Nicolas Bryon	7,916,667	6%																											
What escrow restrictions apply to the key shareholders' Shares?	<p>All of the Shares of the Escrowed Shareholders held at the date of the Listing (other than any Shares purchased by them under the IPO Offer) following completion of the Offers will be subject to voluntary escrow restrictions as follows:</p> <table><tr><th>Escrowed Shares</th><th>Escrow period</th></tr><tr><td>50% of Shares held by Escrowed Shareholders</td><td>24 February 2022 to 24 February 2023</td></tr><tr><td>The remaining 50% of Shares held by Escrowed Shareholders</td><td>24 February 2022 to 24 February 2024</td></tr></table> <p>After these dates, all of the relevant Shares held by the Escrowed Shareholders will be released from the voluntary escrow or other disposal restrictions.</p> <p>There are limited exceptions where the Escrowed Shareholders may dispose of their escrowed Shares notwithstanding those escrowed Shares are subject to voluntary escrow arrangements or other disposal restrictions.</p>	Escrowed Shares	Escrow period	50% of Shares held by Escrowed Shareholders	24 February 2022 to 24 February 2023	The remaining 50% of Shares held by Escrowed Shareholders	24 February 2022 to 24 February 2024	Section 12.3.6																					
Escrowed Shares	Escrow period																												
50% of Shares held by Escrowed Shareholders	24 February 2022 to 24 February 2023																												
The remaining 50% of Shares held by Escrowed Shareholders	24 February 2022 to 24 February 2024																												

3. Investment Overview

3.8 Significant interests of key people and related party transactions

Topic	Summary	More information
What related party arrangements exist?	<p>As at the date of this Prospectus, in addition to the agreements with Directors in respect of their appointment and roles, the following related party arrangements exist:</p> <p>(a) Redeemable Convertible Notes HALO Investment has issued convertible notes to AAIG. The Company, HALO Investment and AAIG have agreed to extinguish the Redeemable Convertible Notes in consideration for the payment by the Company of \$5,100,000.</p> <p>AAIG is a related party of the Company by virtue of the fact that it is the controller of the Company. In addition, Ivan Oshry, Matthew Roberts and George Paxton are directors of both the Company and AAIG.</p> <p>Refer to Section 12.1.5 for further details.</p> <p>(b) Marketing Services Agreement HALO Technologies has entered into the Marketing Services Agreement with AAIG under which AAIG will continue to provide marketing services to HALO Technologies.</p> <p>Refer to Section 12.1.2 for a summary of the material terms and conditions of the Marketing Services Agreement.</p> <p>(c) Infrastructure Services Agreement HALO Technologies has entered into the Infrastructure Services Agreement with AAIG under which AAIG will provide infrastructure services to HALO Technologies.</p> <p>Refer to Section 12.1.1 for a summary of the material terms and conditions of the Infrastructure Services Agreement.</p> <p>(d) Referral Agents HALO Technologies has entered into referral agreements with Australian Stock Report and APSEC under which HALO Technologies has agreed to make payments for referral services provided by each of these two companies.</p> <p>Refer to Sections 12.1.3 and 12.1.4 for a summary of these two agreements.</p> <p>(e) Retainer Agreement The Company has entered into a retainer agreement with Oshry Lawyers an entity controlled by Ivan Oshry, which has earned legal fees of \$165,000 in relation to the Offers. Ivan Oshry has also personally received 208,333 Performance Rights for services provided in connection with the Offers.</p> <p>(f) Sell Down and Voluntary Escrow Deeds The Company has entered into Sell Down Deeds with George Paxton, Nicolas Bryon and Matthew Roberts (or associated entities) under which these parties have agreed to sell Shares as part of the Sell Down Offer.</p> <p>Refer to Section 8.3.3 for further details of the Sell Down Deeds.</p> <p>(g) Voluntary Escrow Deeds The Company has entered into voluntary escrow deeds with each of Matthew Roberts, Nicolas Bryon and George Paxton (or entities controlled by them) under which these parties have agreed to voluntarily escrow their Shares for specified periods of time.</p> <p>Refer to Section 12.3.6 for further details of the voluntary escrow deeds.</p>	Section 12

3. Investment Overview

3.8 Significant interests of key people and related party transactions

Topic	Summary	More information
What related party arrangements exist?	<p>AAIG is a related party of the Company because it is the controller of the Company. In addition, Ivan Oshry, Matthew Roberts and George Paxton are directors of both the Company and AAIG. Australian Stock Report and APSEC are both subsidiaries of AAIG.</p> <p>Each of the agreements listed above have been negotiated in accordance with relevant Corporations Act requirements. Where applicable, the independent Directors believe that the terms offered to each of the parties listed above are consistent with or favourable to prevailing market rates for each of the transactions above.</p>	Sections 10.1.3 and 10.1.2
What significant benefits and interests are payable to Directors and other persons connected with the Company or the Offers?		

Directors	Remuneration for the year ended 31 December 2020	Remuneration for the year ended 31 December 2020	Proposed remuneration for year ending 31 December 2022 ^{2,4}	Annual Remuneration
Ivan Oshry ¹	-	-	\$100,000	\$120,000
George Paxton ³	-	-	\$125,000	\$150,000
Nicolas Bryon	\$113,199	\$172,883	\$230,000 ⁵	\$150,000
Matthew Roberts ³	-	-	\$125,000	\$150,000
Louise McElvogue	-	-	\$60,000	\$72,000
Philippa Lewis	-	-	\$60,000	\$72,000

Notes:

- Oshry Lawyers of which Ivan Oshry is the principal, has earned legal fees in the amount of \$165,000 in relation to the Offers. Ivan Oshry also holds 208,333 Performance Rights that will vest upon the Company receiving conditional approval from ASX for its admission to the Official List and receiving valid applications for \$35 million under the IPO Offer.
- Performance Rights have been granted to each of the Directors which rights are subject to vesting conditions, including the future earnings of the Company (refer to Section 11.4.1).
- Matthew Roberts and George Paxton previously rendered services to HALO via the Infrastructure Services Agreement with AAIG but with effect from 1 July 2021, now render services directly to HALO.
- Assuming that the Company is admitted to the Official List during April 2022.
- Includes a bonus of \$80,000.

The Directors also hold an aggregate of 18,958,333 Performance Rights as summarised in the table below.

Directors	Executive Tranche 1	Executive Tranche 2	NED Tranche 1	IO Rights*	Total
Matt Roberts	1,250,000	3,750,000	-	-	5,000,000
George Paxton	1,250,000	3,750,000	-	-	5,000,000
Nicolas Bryon	1,250,000	3,750,000	-	-	5,000,000
Ivan Oshry	-	-	2,500,000	208,333	2,708,333
Louise McElvogue	-	-	625,000	-	625,000
Phillipa Lewis	-	-	625,000	-	625,000
TOTAL	3,750,000	11,250,000	3,750,000	208,333	18,958,333

In addition, Oshry Lawyers, a related body corporate of Director, Ivan Oshry, has acted as legal adviser (other than in respect of taxation) in connection with the Offers. The Company estimates it will pay Oshry Lawyers \$165,000 (excluding GST) for these services. Further amounts may be paid to Oshry Lawyers in accordance with its normal time-based charges. In addition, Ivan Oshry, the principal of Oshry Lawyers, and chairman of the Company, will participate in the HALO Performance Rights Plan under which he has been issued 208,333 Performance Rights which will vest upon the Company receiving conditional approval from ASX for its securities to be admitted to the Official List and receiving valid applications for \$35 million under the IPO Offer and 2,500,000 NED Tranche 1 Performance Rights.

3. Investment Overview

3.9 Key Offer Statistics

Topic	Summary	More information
What are the key Offer statistics?	Refer to the Important Offer Information Section of the Prospectus	Important Offer Information

3.10 Overview of the Offers

Topic	Summary	More information
Who is the issuer of the Prospectus?	HALO Technologies Holdings Ltd (HALO) ACN 645 531 219.	Section 3.1
What is the IPO Offer?	The IPO Offer is an initial public offering with a minimum subscription of 29,166,667 Shares (comprising 20,833,334 New Shares and 8,333,333 Existing Shares) to raise approximately \$35 million with a maximum subscription of 33,333,333 Shares (comprising 25,000,000 New Shares and 8,333,333 Existing Shares) to raise approximately \$40 million.	Important Offer Information
What is the Employee Offer and what is its purpose?	<p>The Company has agreed to issue Shares under the Plan to the Participating Employees (or their respective nominees) as part of their agreed remuneration packages under the Employee Offer.</p> <p>This Prospectus includes a separate offer of 3,354,124 Shares to the Participating Employees (or their respective nominees) under the Plan.</p> <p>The Employee Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale or transfer of any Shares that are issued under the Employee Offer.</p>	Section 9.6
Is there a minimum subscription under the IPO Offer?	Yes, there will be a minimum subscription of \$35 million under the IPO Offer (comprising the issue of 20,833,334 New Shares and the sale of 8,333,333 Existing Shares).	Important Offer Information
Why is the IPO Offer being conducted?	<p>The purpose of the IPO Offer is to:</p> <ul style="list-style-type: none"> (a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules; (b) broaden the Company's shareholder base and provide a liquid market for its Shares; (c) assist in attracting and retaining quality staff due to increased profile, transparency and credibility that arises from being a listed entity; (d) facilitate the Sell Down; (e) raise funds to enable the Company to: <ul style="list-style-type: none"> (i) enhance the functionality of its products, implement increased global marketing strategies and pursue future growth opportunities; (ii) repay debt; and (iii) pay for the transaction costs associated with listing on the ASX; and (f) provide HALO with ongoing access to the capital markets to provide financial flexibility and opportunity to pursue its growth opportunities and acquisition strategy. <p>Following completion of the Offers, the Directors believe HALO will have sufficient working capital to carry out its stated objectives.</p>	Section 9.5

3. Investment Overview

3.10 Overview of the Offers

Topic	Summary	More information																											
How will the proceeds of the capital raising be used?	<p>HALO intends to raise a minimum of \$35 million and a maximum of \$40 million under the IPO Offer. The proceeds of the IPO Offer are intended to be applied to grow the subscribers to HALO products through a combination of marketing, complementary acquisitions and database acquisitions. In addition, funds raised under the IPO Offer will be applied to the Sell Down of existing Shareholdings, redemption of Convertible Notes and costs of the Offers.</p> <p>The breakdown of the proceeds are outlined below.</p> <table> <tr> <th>Use of Funds \$ million</th><th>Minimum Subscription (\$35 million)</th><th>Maximum Subscription (\$40 million)</th></tr> <tr> <td>Sell Down</td><td>10.0</td><td>10.0</td></tr> <tr> <td>Acquisitions¹</td><td>9.0</td><td>9.0</td></tr> <tr> <td>Marketing²</td><td>3.8</td><td>8.5</td></tr> <tr> <td>Convertible Note redemption</td><td>5.1</td><td>5.1</td></tr> <tr> <td>Database acquisitions</td><td>2.0</td><td>2.0</td></tr> <tr> <td>Technology Development³</td><td>2.0</td><td>2.0</td></tr> <tr> <td>Offer costs</td><td>3.1</td><td>3.4</td></tr> <tr> <td>Total</td><td>35.0</td><td>40.0</td></tr> </table> <p>Notes</p> <ol style="list-style-type: none"> 1. The Company also intends to build scale quickly through the acquisition of complementary, value accretive businesses. HALO has completed an assessment of the landscape for acquisitions in North America and the UK. The analysis to date has highlighted a large pool of acquisitions in both markets that present significant growth opportunities for the Company when coupled with its existing subscription products. Following completion of the IPO, the Company will be strongly positioned to make complementary acquisitions of this nature to fast track the expansion of its subscriber base. 2. The Directors believe the Company has an opportunity to become a globally recognised online investment platform on a wholesale basis, distributed through a broad network of established financial services providers. 3. After the IPO, the Company will continue with its existing strategy of digital and direct selling models but on an enlarged scale and increasingly international basis. 4. After the IPO, the Company intends to accelerate development of its proprietary technology by adding additional features and enhancing existing features and applications. <p>The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.</p> <p>Following completion of the Offers, the Company will have no debt or convertible notes outstanding.</p> <p>The Company has identified a number of potential database acquisitions, primarily located in Australia. Database acquisitions are intended to be utilised in conjunction with the Company's marketing initiatives to expand its subscriber base. Similarly, the Company has elected to defer the start of any negotiations relating to the acquisition of databases until after the Offers have closed and the Company has been admitted to the Official List.</p> <p>Offer costs are estimated to be between \$3.1 million and \$3.4 million. Further details in relation to the costs of the Offers are outlined in Section 11.8.</p>	Use of Funds \$ million	Minimum Subscription (\$35 million)	Maximum Subscription (\$40 million)	Sell Down	10.0	10.0	Acquisitions ¹	9.0	9.0	Marketing ²	3.8	8.5	Convertible Note redemption	5.1	5.1	Database acquisitions	2.0	2.0	Technology Development ³	2.0	2.0	Offer costs	3.1	3.4	Total	35.0	40.0	Section 9.6
Use of Funds \$ million	Minimum Subscription (\$35 million)	Maximum Subscription (\$40 million)																											
Sell Down	10.0	10.0																											
Acquisitions ¹	9.0	9.0																											
Marketing ²	3.8	8.5																											
Convertible Note redemption	5.1	5.1																											
Database acquisitions	2.0	2.0																											
Technology Development ³	2.0	2.0																											
Offer costs	3.1	3.4																											
Total	35.0	40.0																											

3. Investment Overview

3.10 Overview of the Offers

Topic	Summary	More information
How will the proceeds of the capital raising be used?	The final allocation of funds under the IPO Offer may change depending upon opportunities for suitable acquisitions, Company performance and changes to working capital requirements.	Section 9.6
Is the IPO Offer underwritten?	The IPO Offer is not underwritten.	Section 9.4
Will the Shares be listed?	HALO will apply, within seven days of the date of issue of this Prospectus to the ASX for its admission to the Official List and official quotation of its Shares. Completion of the Offers is conditional on ASX approving this application. If approval is not given within three months after the application is made, the Offers will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.	Section 9.14
What is the allocation policy?	The Company, in consultation with the Lead Manager, will determine the allocation of Shares in the IPO Offer.	Section 9.9
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be despatched by standard post around or on 7 April 2022. Refunds to Applicants under the Offers, who make an Application and are scaled back, will be made as soon as possible post Settlement of the Offers, which is expected to occur on or about 7 April 2022.	Section 9.1
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on Shares allotted under the Offers.	Section 9.16
Can the Offers be withdrawn?	HALO reserves the right not to proceed with the Offers at any time before the issue or transfer of Shares to successful Applicants. If the Offers do not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.	Section 9.9
What are the tax implications of investing in Shares?	The tax implications of an investment in HALO will differ for individual investors. Applicants should obtain their own tax advice before making an investment in the Company.	Section 11.11
What is the Company's dividend policy?	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.	Section 9.15
Why is the Independent Expert's Report included in this Prospectus?	Section 13 of ASX Guidance Note 19 requires the Independent Expert's Report to be included in this Prospectus to assist non-participating security holders of the Company in understanding whether the issue of the Performance Rights by the Company is fair and reasonable.	Annexure A

3. Investment Overview

3.10 Overview of the Offers

Topic	Summary	More information
Why is the Independent Expert's Report included in this Prospectus?	<p>The Independent Expert has concluded that the issue of the Performance Shares is fair and reasonable to non-associated Shareholders.</p> <p>Please refer to the Independent Expert's Report at Annexure A for more information.</p>	Annexure A
Where can I find out more information about this Prospectus or the IPO Offer?	<p>Call the HALO Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am until 5.30pm (Sydney time) Monday to Friday (excluding public holidays) during the Offer Period.</p> <p>If you are unclear in relation to any matter or are uncertain as to whether HALO is a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.</p> <p>Register your interest online at https://www.halo-technologies.com/ipo.</p>	
Contact details	For contact details, refer to the Corporate Directory.	Corporate Directory
How can I apply under the Offers and when should I apply?	<p>Applicants under the IPO Offer can apply by completing and returning the Application Form enclosed with this Prospectus (also available online for Australian investors from https://www.halo-technologies.com/ipo).</p> <p>Application forms should be accompanied by the requisite Application Monies.</p> <p>The key dates for the Offers are set out in the front of this Prospectus. Applications will only be accepted during the Offer Period which is open from 9.00am (Sydney time) 15 March 2022 to 5:00pm (Sydney time), 4 April 2022.</p> <p>All times and dates referred to in this Prospectus are subject to change and, as such, if you wish to participate in the IPO Offer you are encouraged to submit your Application Form as soon as possible after the opening date.</p> <p>A personalised application form in relation to the Employee Offer will be issued to the Participating Employees together with a copy of this Prospectus.</p> <p>To the extent permitted by law, an Application by an Applicant under the Offers is irrevocable.</p>	Section 9.8



4.

Industry Overview

4. Industry Overview

4.1 Introduction

HALO operates in the global wealth management industry providing products and services to assist individuals and sophisticated investors to analyse and manage investments through software solutions.

The Group provides global equities research and analysis capability, portfolio management tools and trade execution capability to its customers through its software solutions. HALO's focus is on delivering accessible investment technology to all investors.

Essentially, HALO's investment software solutions provide customers with an efficient and transparent way to acquire, manage and execute a range of investments including local and international equities, as well as access to customised thematic portfolios.

HALO operates across 30+ global exchanges. This is consistent with our goal of providing a global software solution rather than one which is focused predominantly on the Australian and/or US markets. HALO does not compete with providers such as FactSet and Bloomberg. Rather, the data they may provide represents a valuable source of inputs for HALO to consume and manipulate to bring its predominantly retail and high net worth client base up to speed with institutional analytical frameworks.

HALO is not an investor directed portfolio service (IDPS) provider such as Hub24 Limited (ASX:HUB) and Netwealth Group Limited (ASX:NWL). IDPS providers offer custodial, transactional and consolidated reporting services, which are often referred to as master funds, master trusts or wrap services. The ATO characterizes an IDPS as "a managed investment scheme that embodies services for acquiring and holding investments that involve arrangements for the custody of assets and consolidated reporting; generally includes a menu of investment opportunities from which an investor can make selections; and provides for the investor to make all the investment decisions (whether directly or through authorising the operator or another person to make the decisions according to some standing directions)."

In contrast, HALO provides an online direct equities investment software solution which provides a combination of research and trading tools for self-directed investors and ready-made portfolios built around macro-themes by experienced equity research analysts.

Industry Segments

Global investment research market showing Halo's positioning against its peers.



4. Industry Overview

4.2 The global wealth management industry

The global wealth management market was expected to grow from USD1,162 billion in 2020 to USD1,263 billion in 2021 at a compound annual growth rate (**CAGR**) of 8.7%, which growth was due, amongst other things, to companies restructuring their operations and recovering from COVID-19. The global wealth management market is expected to continue to grow to USD1,755 billion in 2025 at a CAGR of 9%.

North America alone accounted for more than half of the global wealth management market in 2020, followed by Western Europe.

The Board considers that key drivers for future growth in the industry include an increasing retiree population, increased number of high net worth individuals and the rise in demand for alternative investments. Further, the risk factors that may hinder future growth in the global wealth management industry include economic fallout due to COVID-19, rising bonds yield due to rising inflation expectations and policy normalization or overheated economies driven by excessive fiscal spending that is not sustainably funded.

4.3 The Australian wealth management sector

According to the Australian Bureau of Statistics (ABS), as at 30 September 2021, the total managed funds industry rose to \$4,390.3 billion in funds under management. The wealth management market in Australia is comprised of local and international entities. The key services include financial planning, investment advice, cash management solutions and wealth planning and transfer.

The wealth management market in Australia can be divided into the superannuation sector and the non-superannuation sector. The managed fund sector has been a key part of both sectors.

The Australian superannuation sector, which reached AUD3.43 trillion in September 2021, consists of wealth that Australians have accumulated over their careers to provide themselves with sufficient income upon retirement. Australia had approximately 13.2 million individuals in employment in January 2022, many of which have a superannuation account.

In Australia, the wealth management market has been under scrutiny since 2018 when the Royal Commission conducted an investigation then published a report on misconduct in the banking, superannuation and financial services industry. This report exposed misconduct ranging from excessive fees for no services to charging payments for commissions for people once deceased. This led to legislated changes, such as the prohibition of certain practices in banking, superannuation and the financial services industry, sparking an evolution of the wealth management market and opening up significant growth opportunities for technology-focused companies such as HALO.

4.4 Evolution of the wealth management market

The wealth management market is rapidly evolving to a model which is based on fee-for-advice service rather than product sales commissions. This is also being driven by tightening regulation around ongoing fee arrangements arising from the Hayne Royal Commission into Financial Sector Reform. This includes the Financial Sector Reform (Hayne Royal Commission Response—Advice Fees) Regulations 2021 which took effect from 1 July 2021, which may have contributed to several large financial institutions moving away from participating in the wealth management market.

We consider that we are well placed to take advantage of these industry changes by continuing to invest in technology that creates an innovative range of products which allow financial intermediaries to service clients in an efficient manner relative to competitors. HALO is also well positioned to provide self-directed investors with access to innovative and institutional grade investing technology in an increasingly “do it yourself” global wealth management market.

4. Industry Overview

4.5 Online Share Investment Platforms

HALO provides an online equities research and trading software solution, distinct from IDPS, which are used mainly for managed funds, superannuation funds, equities and other assets.

HALO's key competitors for varying elements of its offering in Australia's Investment software market can be grouped into the following:

1. research capability and market reconnaissance (such as Vectorvest, Stock Doctor and Morningstar);
2. trade execution capability (such as Commsec (Global Shares), SelfWealth (direct AU and US shares) and eToro (Global CFDs)); and
3. other enhanced offerings (trade execution, research capability, financing options and market insights).

Traditionally, the big four banks have dominated the online trading and investment sector in Australia (through Commonwealth Bank's Commonwealth Securities (CommSec), National Australia Bank's NabTrade, Westpac Bank's Westpac Online Investing, and Australia and New Zealand Banking Group's ANZ Share Investing). However, the investment platform and financial advice market has evolved in recent years as technology becomes an increasingly important part of product and service offerings. Many of the smaller players in the investment sector are continuing to adapt their business models to emerging technology trends. This has resulted in the big four banks losing market share to emerging medium-sized and smaller niche disruptors in the investment platform sector.

4.6 Micro-investing and Millennial Investors

For many millennial investors, micro-investing requires fractionalisation or pooling of investments due to the low sums of money available for investment as the average millennial investor is still at an early stage of their accumulation phase.

As far as we are aware, there is no operator globally who provides a distinct fractional global share investing software solution across all global equity markets other than through indirect pooled investment products such as managed investment schemes or exchange traded funds, as at the issue date of this prospectus. In the USA, there are many implementations of fractional shares of US listed stocks including by brokerage companies like Interactive Brokers, Fidelity and DriveWealth. But in no case, do they offer fractional share trading across all global equity markets.

The Directors believe that in the long run, it is likely that competition will continue to drive fees downwards. We have seen this occur in the local online share trading arena with the arrival of new platforms to market with brokerage fees of \$5 on all trades other than ETF purchases (Superhero) or \$9.50 (Selfwealth: ASX:SWF).

In addition, the emergence of the millennial investor cohort is seen to be driving the change towards socially responsible investing and 'on-trend' thematic, which the Company considers can be met through fractional global share investing.

The Board considers that the impact of these competitive pressures in the micro-investing space creates significant opportunities for HALO due to its vertical integration.



5. Company Overview

5. Company Overview

5.1 Corporate history and growth

The Group was founded in 2017 by a group of experienced market professionals. The first version of its flagship product, the HALO Global Research and Investment Platform (**HALO Global**), was created with the objective of bringing together all the tools required to undertake investment research and portfolio management, together with trade execution capabilities for local and international equities.

Timeline



5. Company Overview

5.1 Corporate history and growth

HALO was initially financed by Nicolas Bryon's then employer, APSEC Funds Management Pty Ltd, a company in which AAIG has an interest. AAIG deployed the strength and reach of its other subsidiary businesses, Australian Stock Report Pty Ltd and APSEC trading as ASR Wealth Advisers, to provide the momentum which has enabled the growth in HALO's client base and ongoing product expansion.

Acquisition of Macrovue

In May 2019, HALO Technologies acquired Macrovue Pty Limited (**Macrovue**), whose direct equities trading platform offered 'themed investments' to retail investors in Australia. The platform's share portfolios and global trade execution capability enable efficient, transparent and affordable investment decisions.

At the heart of the Macrovue global research effort, the analyst team curate thematic portfolios, known as 'vues'. Each portfolio consists of ten individual equities with exposure to a particular theme, whether driven by an innovative trend or market insight. Macrovue currently offers 26 unique ready to-invest share portfolios and conducts ongoing market reviews with a view to creating new ones over time.

In November 2020, HALO Technologies and Macrovue integrated their respective service offerings in the form of HALO Global v3.0. The integrated software solution provides a comprehensive suite of products to cater for clients, brokers and financial advisers that provides a seamless, efficient and cost competitive access to local and international equities markets. This integration of products allows investors a single gateway to a comprehensive suite of offerings including investment ideas, market research, thematic portfolios and trade execution.

Acquisition of interest in DomaCom

In September 2019, HALO Investment acquired an initial interest in DomaCom Limited, an ASX-listed online property crowdfunding platform that enables investors to initiate or join an existing bookbuild to contribute towards purchasing a property. HALO Investment currently owns 15.8% of DomaCom Limited, as at 31 December 2021.

Expansion of HALO's product range

In October 2019, HALO Americas was initiated, signalling the start of the Group's global coverage of equities.

In November 2019, HALO Technologies completed the development of HALO Trading for clients of AAIG. HALO Trading is an example of the importance of our B2B relationships in identifying potential improvements to functionality of that the HALO subscription products. Further, HALO now provides comprehensive portfolio management tools ranging from detailed portfolio analysis and tax reporting.

In March 2020, HALO Technologies released the first version of the HALO Mobile app, into Google Play and Apple stores. The miniaturisation of the dominant web application continues with new content and features released monthly.

In mid-2020, the Group relaunched its flagship product as HALO Global with the inclusion of data from the Asian and European markets.

In March 2021, HALO launched a new equities research product called the HALO Global Trading Report, which provides clients with weekly trade ideas from the Macrovue equity research team.

In September 2021, HALO launched HALO Professional which includes HALO Global together with an adviser component allowing advisers to view the entirety of their clients' portfolios on a holistic basis.

Restructure

In October 2020, HALO was incorporated as a public company for purposes of enabling the Group to pursue a listing on ASX. A restructure occurred in July 2021, whereby the shares on issue in HALO Technologies were exchanged for Shares in HALO.

5.2 HALO's Business Model

HALO's Competitive Advantage

HALO's status as a provider of a feature rich, global, thematic investment software solution for Australian retail investors creates a unique value proposition. Its business model is based on providing a differentiated product and leveraging advanced technology to deliver this at an attractive price.

HALO differentiates itself from other players in the online share investing market in several ways, including by offering research and analysis capability, portfolio management tools, global trade execution capability and 'themed investment' portfolios in one integrated service offering.

The Company also offers its products under re-selling agreements with financial intermediaries including financial advisers, brokers and other commercial partnerships. These re-selling agreements involve the sharing of subscription and brokerage revenues. In the case of subscription sharing, these are revenues that would otherwise not be available in B2B customer relationships. We have designed a 'HALO Adviser' interface which enables each adviser to manage their client portfolios more efficiently.

5. Company Overview

5.2 HALO's Business Model

HALO's Competitive Advantage Ctd.

The HALO Mobile App, which is a miniaturisation of HALO Global, taps into the increasing use by investors of their mobile devices to access information and transact. The HALO Mobile App provides access to cost-competitive pricing, institutional grade insights, company analysis and portfolio management tools. This represents a much richer feature set compared to the majority of competitors which provide trade execution but display only basic company and market statistics.

HALO also provides a thematic investment platform to Australian retail investors. Its thematic investment portfolios tap into the trend of 'values based' investing and offers a transparent system adaptable for use by adviser networks for their own clients.

The combination of expert research and portfolio creation with user-friendly ready-made portfolios makes this an ideal investment vehicle for both self-directed and low-touch investors.

Key Customers

HALO will target customers either through selling through B2B re-selling arrangements or selling direct to end use consumers, in four broad segments:

KEY CUSTOMERS



Self Managed Super Funds

Mature investors that require sophisticated investment frameworks, have accumulated significant wealth and are typically long-term holders of equity investments.



Self-directed Investors

With market experience who are data hungry and want to identify, research and action their own investment decisions.



'Values Based' Investors

The transparency and control offered by themed portfolios are ideal for investors seeking to align the business activities of the companies they invest in with their personal values and/or interests.



Financial Advisors

Seeking easy to explain products that can be co-branded and customised, and which are free from conflicts of interest.

HALO's B2B partners constitute the majority of the Company's client base by revenue, accounting for approximately 86% of subscription and brokerage revenue in FY21. Some of HALO's significant B2B partners include investment advice and dealing service providers such as APSEC trading as ASR Wealth who co-brand HALO products as their international equities trading platform, and various small to mid-sized financial planners. HALO also provides services to B2C clients, which constitute the remainder of the client base. HALO believes there are significant growth opportunities in each of these markets.

5. Company Overview

5.3 HALO's sources of revenue

HALO currently generates revenue through three distinct streams. These are:

Subscription sales

Subscription products includes:

1. HALO Domestic: Provides the base software solution plus data relating to the Australian and New Zealand market for Australian clients.
2. HALO International: This entails a product upgrade for investors who want to source ideas across the globe.
3. Macrovue Vues: Provides access to 26 individually curated global thematic portfolios.
4. HALO Global Trading Report: Provides access to an international trading report.
5. HALO Global Investing Report: Provides access to an international investment report.
6. HALO Mobile: For those more cost conscious and not requiring the advanced features of the web-based software solution. This is currently free for existing web-based clients.
7. HALO VIP: Provides an expanded customer service offering.

B2B subscriptions are typically sold with greater than one year of term (average around 3-4 years), providing significant up-front cash-flow for investment into business development and marketing activities. This supports a cash flow generative business model with cash receipts tracking ahead of the recognition of earned revenues.

Collected subscription revenue is earned over time (over the period of the subscription term) whereas brokerage and management fees are recognised at a point in time (which is when a trade is executed).

The Company also implements a revenue sharing model with its B2Bs of up to 50% which drives the initial engagement and provides an opportunity for the B2Bs to grow their own revenues via new product sales.

On a global comparison basis, pricing for each subscription product is at or below similar global competitors. The Company will continue to innovate and bring to market complementary products to be sold as a subscription.

Brokerage

The Company accrues brokerage at a rate of 12 basis points (bps) or a \$15 minimum for any execution across the 30+ exchanges that are offered. The Company also accrues a 50bps FX conversion fee, where applicable, which is a retail industry low in Australia. Idle balances of FX can be maintained in AUD, EUR, GBP and USD, and utilised by clients without conversion.

Management fees

This revenue stream is sourced from the fee charged on the Macrovue Vues, the thematic investment portfolios held by clients. Halo's management fees are priced competitively relative to other international funds at 0.8% per annum of funds under management, calculated daily and charged monthly. This is a growing revenue stream with approximately 11% of funds invested as of December 2021.

As of 31 December 2021, HALO had:

- (a) 3,811 subscribers to HALO subscription products;
- (b) 3,843 clients who don't subscribe to a HALO subscription product but utilise the trading interfaces (either via Macrovue or ASCOT Securities); and
- (c) total funds on the Macrovue Omnibus Account Management System were AUD\$245 million. This has steadily grown from total funds of AUD\$140 million on 31 December 2020.

5. Company Overview

5.4 HALO's Product and Service Offerings



HALO
GLOBAL

HALO
TRADING

HALO
MOBILE

HALO
PROFESSIONAL

HALO Global provides a multi-functional research and investment software solution comprised of company analysis and portfolio management tools. HALO Trading offers global trade execution, thematic investment portfolios and individual company and ETF investment across the globe. The integration of these products allows a seamless experience for any investor seeking to discover and research investment ideas, execute them, add thematic portfolios, access market analysis and more.

The features of HALO Global include:

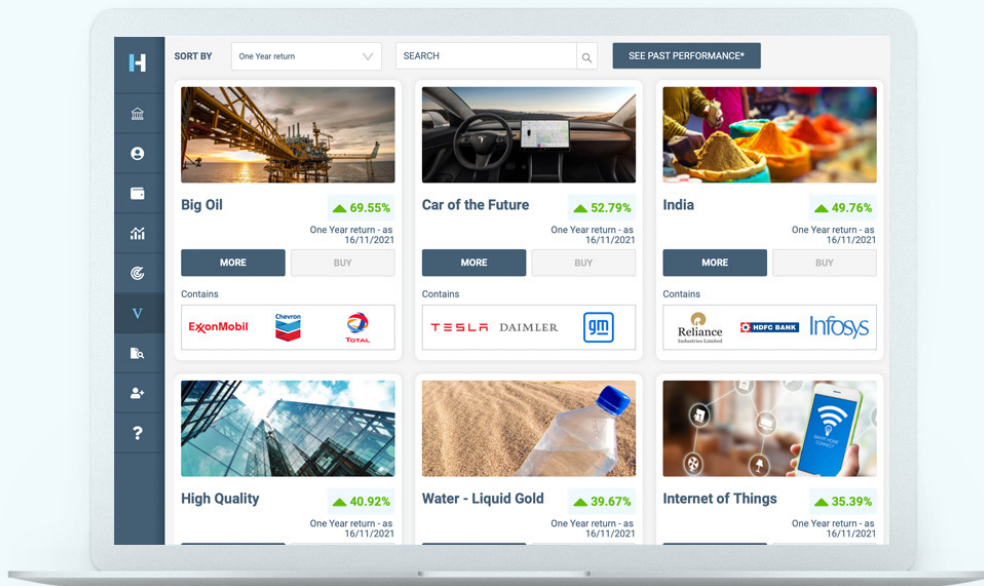
- (a) integrated access to company analysis, portfolio management tools, themed investment and domestic and global trade execution;
- (b) integration of a third-party adviser-led CHES-Sponsored platform;
- (c) institutional-grade pricing database with splits, adjustments and dividends;
- (d) high-level company fundamental information married with Factset Consensus;
- (e) delayed pricing and exchange news for the ASX, NYSE and NASDAQ;
- (f) real-time pricing for the ASX and soon to be added, US and European markets;
- (g) third-party research feeds (subscriber based);
- (h) HALO Pro Tools including Global Market Scanner, List Blending and Alerts;
- (i) Signal processing via HALO Monitors and HALO Factor Scoring;
- (j) comprehensive portfolio analysis tools including an expected dividend schedule;
- (k) comprehensive tax reporting suite including CGT; and
- (l) desktop and mobile implementations.

The basic subscription for HALO Global includes all the features listed above (other than the third-party research feeds) plus at least one data region. For example, HALO Australia.

Customers can also subscribe to research updates, data upgrades and service upgrades as summarised in the table below.

Macrovue Vues	Provides access to 26 individually curated global thematic portfolios.
HALO Americas	Provides data relating to the North and South American markets.
HALO Asia	Provides data relating to Asian markets.
HALO EMEA	Provides data relating to European, Middle Eastern and African markets.
HALO VIP	Provides an expanded customer service offering.
HALO GTR	Provides access to a global trading report.
HALO GIR	Provides access to a global investment report.

5. Company Overview



5.4.2 Macrovue Investment Trading Platform

Macrovue's investment trading platform provides a global online brokerage and thematic portfolio interface for investors. This secure, easy to use state-of-the-art digital platform helps investors quickly and easily access companies and share portfolios worldwide at the click of a button and to effectively and efficiently manage associated administrative requirements.

Equity market execution is currently achieved via an omnibus agreement and execution interface with Interactive Brokers. Investors can choose to actively trade over 30,000 international shares and exchange traded funds (ETFs) across 30+ global exchanges. Price points for global shares start at 12 basis points (bps) or a \$15 minimum making the platform cost competitive with the online discount brokerage market globally. B2B pricing models are also available which allows for complete flexibility for mark-up at a transaction level. Best execution is achieved via the Interactive Brokers Trade Manager who acts as the market participant or broker-dealer across the globe. More importantly, execution in global shares is priced at the low end of current offerings in Australia with transactions reflected in real-time.

The underlying Omnibus Account Management System is a core piece of technology developed by, and proprietary to, Macrovue. It is a generic asset management and reconciliation system that delivers several in-built reconciliation mechanisms:

- (1) **Cash Flow Management System** - Features to manage cash across accounts in the system, with helpful tools to allow operational staff to manage and audit funds.
- (2) **Automated Currency Conversion System** - Ensures defined minimum and maximum thresholds are maintained by automating currency conversions.
- (3) **Pricing Rule System** - A comprehensive system for defining automated debits and credits with multiple beneficiaries and recipients with unlimited flexibility.
- (4) **SMA Management System** - A system to manage model portfolios and investments tracking these portfolios for clients, advisers, and companies.
- (5) **Custodian Trading System** - Automated execution of securities through a broker/custodian

The Omnibus Account Management System provides flexibility for bespoke or white-labelled implementations enabling the marketing push into B2B channels. Omnibus provides HALO with a significant competitive advantage through its minimal upfront development cost, ongoing economies of scale for maintenance and support and speed to market.

5.4.3 Macrovue Themed Investment Vues

At the heart of the Macrovue global research effort, the analyst team curate thematic portfolios, known as 'vues'. Each portfolio consists of ten individual equities with exposure to a particular theme, whether driven by an innovative trend or market insight. Macrovue currently offers 26 unique ready-to-invest share portfolios and conducts ongoing market reviews with a view to creating new ones over time.

5. Company Overview

5.4 HALO's Product and Service Offerings

Examples include:



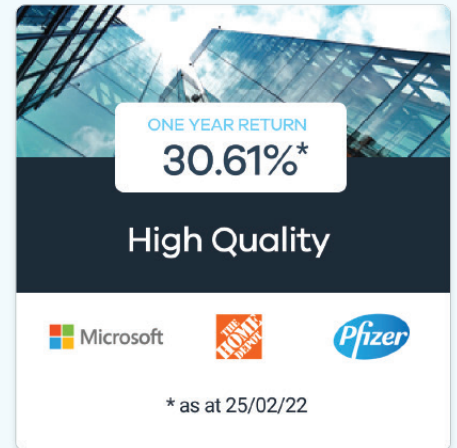
Big Oil

~57.36% 1yr return as of 25 February 2022 – investment strategy is to provide exposure to some of the largest energy companies globally across the value chain.



Bank on it

~24.71% 1yr return as of 25 February 2022 – investment strategy is to enable investors to take advantage of under-valued global banks, relative to the largest Australian banks.



High Quality

~30.61% 1yr return as of 25 February 2022 – investment strategy is to provide exposure to acknowledged market leaders with growing dividend streams over time plus potential upside from share appreciation.

We are currently undertaking research into the fractionalisation of themed investment vues in order to target the emerging growth in millennial investors by providing a more accessible investment entry point. This represents a relatively new cohort of investors which contrasts to the typical HALO customer who is generally older, has more investment experience and has already accumulated substantial wealth.

5.5 Growth Opportunities for HALO

The Group has a demonstrated track record of significant revenue growth, recording pro forma revenue of \$10.54 million in FY2021. The Company will seek to continue to grow its revenue and market share organically and via acquisitions. To do this, HALO is focused on executing the following strategic goals:

- (1) achieving higher market penetration of the online investment research and trade execution market over the long term;
- (2) increasing the share of HALO's funds under management contributed by thematic portfolios "Vues", which currently sits at 11% as at 31 December 2021;
- (3) executing a range of planned marketing initiatives to raise brand awareness and promote re-selling options;
- (4) pursuing technological enhancements to drive revenues across each segment; and
- (5) expanding its operational footprint through acquisitions.

5. Company Overview

5.5 Growth Opportunities for HALO

Planned Growth Initiatives

HALO intends to direct future resources towards growing B2B and B2C client segments both locally and internationally. HALO will continue to invest in further development and marketing of its proprietary technology, maintaining a prudent ratio of development spend to projected revenue growth and returns. The business is undertaking international marketing activities with a particular focus on North American investors, including:

- (a) New online onboarding process** – HALO will be delivering a series of educational training videos by email to new users and free trial users introducing important features and case studies.
- (b) New marketing campaign to US West Coast** – HALO will expand its AdWords and social lead generation campaign in the United States with a focus on Seattle, Los Angeles, San Francisco and Salt Lake City. This campaign will serve as a pilot program to test a newly developed mass market lead generation tool utilising data available on HALO Global.
- (c) Extension of existing digital marketing strategy into New Zealand** – HALO will extend its current domestic marketing campaigns into New Zealand.
- (d) HALO Mobile** – the Company continue to market its stand-alone HALO Mobile app in Australia, New Zealand, the UK and the US. This will include extensive YouTube, App Store/Google Play, social and affiliate marketing.

At HALO, the client lifecycle and retention is strong with the average subscription length sold to first time clients being approximately 3 to 4 years and an average retention rate of around 80%.

The Board believes the Company has an exciting future with the primary goal of becoming a globally recognised online investment software solution, distributed on a wholesale basis through a broad network of established financial services providers as well as sold directly to retail investors.

5.6 Strong market share growth trajectory

HALO's growth strategy is based on a combination of actively growing its market share from its existing suite of products and expanding the range of products and services that it offers, over time. HALO's growth prospects can be expected to be impacted by overall changes in the global addressable market. It is therefore important to understand how this market is growing, in order to form a view of how HALO may benefit.

The global online trading platform market size was USD8.28 billion in 2020 and is projected to grow from USD8.59 billion in 2021 to USD12.16 billion in 2028 at a compound annual growth rate of 5.1% over that period.

The Company considers that this growth is being driven by a range of factors including the recognition of the value which technology has brought to investors. Statista's research into the global wealth industry found that 57% of global respondents agreed that digital tools have improved investment decision-making, while 69% agreed that technology has made investing cheaper and more efficient. For respondents in the Asia Pacific region, the figures were even higher, standing at 65% and 80%, respectively.

Since inception, the Group has experienced significant growth in user numbers and revenues. Although relatively young, the Group is already profitable and delivering strong margins, with revenue having grown to \$10.54 million for FY2021. The Company has designed a marketing and collaboration plan aimed at extending this growth pattern. This includes the hiring of B2B sales staff to enhance existing relationships and target new B2B sales. At the same time, a campaign targeting the B2C segment through digital marketing and product development, will be undertaken.

Further, the Company intends to allocate funds raised under the IPO Offer to marketing and sales initiatives in respect of its proprietary technology including HALO Global and Macrovue vues. These initiatives will focus on B2B and B2C client segments in Australia and overseas, initially targeting North America, the United Kingdom, and New Zealand. The Company is presently undertaking international marketing activities focused on North American investors for HALO Global.

The Group also intends to build scale quickly through the acquisition of complementary, value accretive businesses including financial service licencees, direct equity advisor groups, sales teams and databases to harvest clients, in relevant jurisdictions. HALO has completed an assessment of the landscape for acquisitions in North America and the UK. The analysis to date has highlighted a large pool of acquisitions in both markets that present significant growth opportunities. Following completion of the IPO, the Company will be strongly positioned to make complementary acquisitions of this nature to fast track the expansion of its subscriber base.

There were an estimated 1.06 million high net worth investors in Australia in 2020. High net worth investors are defined as having investable assets of USD1 million or more, extrapolated for any jurisdiction in current exchange rate terms. Australia's high net worth sector is growing rapidly. Statista forecasts that in 2025 there will be more than \$1.46 million high net worth investors in Australia. HALO anticipates that its subscriber base will continue to grow in line with the growth in high net worth investors, which will enable it to meet its strategic goal of achieving higher market penetration of the online investment research and trade execution market.

5. Company Overview

5.6.1 Thematic Portfolios tap into 'Values-based Investing'

The Group is presently the only provider of a direct share global thematic investment software solution to Australian retail investors. Its thematic investment portfolios provide a level of transparency and control for investors who want to ensure the business activities of the companies held in their portfolios are consistent with their personal values and interests.

This global trend is noted in a report published by Morgan Stanley, which found that 84% of respondents, US investors with USD100,000 or more in investable assets, want the ability to tailor their investment portfolios to match their values. Additionally, the research by the Responsible Investment Association of Australasia (RIIA) has consistently found Australian and multi-sector responsible investment funds mainstream funds over most time frames and asset classes. RIIA's Benchmark Report 2021 found that "while the majority of the mainstream investment market claims to be responsible, funds with leading responsible investment practices have increased substantially in volume of assets under management, growing 30% in 2020."

Thematic investment portfolios fit naturally within these emerging trends. Vues provide beneficial ownership and an extremely high degree of transparency and control. These benefits are not provided by other financial products such as ETFs.

5.7 Compelling co-branding value for financial planners

Following the release of the Final Report of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, action has been taken by regulatory agencies.

HALO intends to take advantage of this changing regulatory environment by executing a range of planned marketing initiatives targeting financial planners and research subscription providers.

5.7.1 Advisers/Shadow Brokers/Financial Planners:

Clients are able to transact directly in equities via either of the equity trading installations on the HALO Global platform – the Macrovue Global Custody interface or the third-party CHESS-Sponsored trade interface.

5.7.2 Research Subscription Providers:

B2B clients have the opportunity to create a new annuity-style revenue source for themselves, by selling HALO Global and product upgrades, on behalf of HALO at wholesale rates, through a revenue sharing agreement.

They also receive access to an integrated global trading platform (Macrovue Global Custody or CHESS-Sponsored), access to vues and are able to create their own model portfolios.

HALO can also provide a platform for external providers to showcase their own research rather than relying entirely on traditional email delivery.

5.8 Pipeline of planned technology enhancements

HALO is well positioned to pursue technology enhancements in order to seek to increase revenues across each of its market segments. HALO is actively pursuing technology enhancement opportunities to meet a range of customer and financial intermediary needs with a view of becoming a globally best-in-class online investment service solution. These potential technological enhancements include:

1. rollout of HALO Global into global B2C and B2B markets;
2. extensions of Omnibus Account Technology into new jurisdictions, new functional forms and new asset classes;
3. integrations into financial planning and wealth management software; introduction of automated payment gateways;
4. implementation of other trading integrations including a direct market access CHESS-Sponsored (HIN) trading connectivity;
5. push notification technology; and
6. enhancements to HALO Mobile.

5.9 Expansion of operational footprint through acquisition

Use of proceeds from the IPO Offer are, in part, to strengthen the Company's balance sheet in preparation for further acquisitions. The Company also intends to build scale quickly through the acquisition of complementary, value accretive businesses. HALO has completed an assessment of the landscape for acquisitions in North America and the UK. The analysis to date has highlighted a large pool of acquisitions in both markets that present significant growth opportunities for the Company when coupled with its existing subscription products. Following completion of the IPO, the Company will be strongly positioned to advance and complete complementary acquisitions of this nature to fast track the expansion of its subscriber base. For a breakdown of the portion of funds which will be dedicated for future acquisitions refer to Section 9.7.



6.

Financial Information

6. Financial Information

6.1 Introduction

The financial information contained in this Section 6 includes the historical financial information for HALO Technologies Holdings Ltd and its controlled subsidiaries (the **Group**) for the financial years ended 31 December 2019 (**FY19**), 31 December 2020 (**FY20**) and 31 December 2021 (**FY21**) (together the **Historical Period**).

This Section 6 contains a summary of the Historical Financial Information and Pro Forma Financial Information as described below:

- (a) the Statutory Historical Financial Information, comprising:
 - (i) the HALO Technologies Pty Limited's audited statutory historical consolidated statement of profit and loss and comprehensive income for FY19, FY20, and FY21 (**Statutory Historical Income Statements**);
 - (ii) the HALO Technologies Pty Limited's audited statutory historical statement of cash flows for FY19, FY20, and FY21 (**Statutory Historical Cash Flows**); and
 - (iii) the Group's audited statutory historical consolidated statement of financial position as at 31 December 2021 (**Statutory Historical Statement of Financial Position**),
(together, the **Statutory Historical Financial Information**); and
- (b) the Pro Forma Historical Financial Information, comprising:
 - (i) the HALO Technologies Pty Limited's unaudited pro forma historical consolidated statement of profit and loss and other comprehensive income for FY19, FY20, and FY21 (**Pro Forma Historical Income Statements**);
 - (ii) the HALO Technologies Pty Limited's unaudited pro forma historical consolidated cash flows for FY19, FY20, and FY21 (**Pro Forma Historical Cash Flows**); and
 - (iii) the Group's unaudited pro forma historical consolidated statement of financial position as at 31 December 2021 (**Pro Forma Historical Statement of Financial Position**),
(together, the **Pro Forma Historical Financial Information**).

The Statutory Historical Financial Information and the Pro Forma Historical Statement of Financial Position are together referred to as the **Financial Information**.

In addition, Section 6 summarises:

- (a) the basis of preparation and presentation of the Financial Information (see Section 6.2);
- (b) information regarding certain non-IFRS financial measures (see Section 6.3);
- (c) the pro forma key operating and financial metrics (see Section 6.5);
- (d) the pro forma adjustments to the Historical Statutory Financial Information (see Tables 6.2, 6.5 and 6.7);
- (e) Historical related party balances (see Section 6.9);
- (f) information regarding liquidity and capital resources (see Section 6.10); and
- (g) information regarding the Group's contractual obligations, commitments and contingent liabilities (see Section 6.11).

Other key section references which relate to this Section 6 are:

- (a) a description of the Group's critical accounting policies (see Appendix A);
- (b) the Independent Limited Assurance Report, set out in Section 10;
- (c) the indicative capital structure described in Section 9.10; and
- (d) the description of the uses of the proceeds of the IPO Offer, described in Section 9.7.

The information in Section 6 should also be read in conjunction with the risk factors set out in Section 7 and other information contained in this Prospectus.

All amounts disclosed in Section 6 are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest thousand. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

6. Financial Information

6.2 Basis of Preparation and Presentation of the Financial Information

6.2.1 Overview and preparation and presentation of the Historical Financial Information

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flow and financial position of the Group.

Given the fact that the Group is in an early, growth stage of development, there are significant uncertainties associated with forecasting the future revenues and expenses of the Company. On this basis, the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in the Prospectus.

The Statutory Historical Financial Information has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**), which are consistent with International financial Reporting Standards (**IFRS**) issues by the International Accounting Standards Board and the Group's accounting policies as described in Appendix A. The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles of AAS and IFRS other than it includes certain adjustments which have been prepared in a manner consistent with AAS and IFRS.

The Pro Forma Historical Financial Information does not reflect the actual financial results and cash flows of the Group for the periods indicated. The Directors believe that it provides useful information as it permits investors to examine what they consider to be underlying financial performance and cash flows of the business presented on a consistent basis.

The Pro Forma Historical Financial Information may therefore not reflect the full costs and benefits of the Company's business model, including additional investment in new products, sales, marketing, and other corporate and commercial costs incurred since 31 December 2021.

The Financial Information is presented in an abbreviated form and it does not include all of the presentation and disclosures, statements or comparative information required by AAS and IFRS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

In addition to the Financial Information, Section 6 describes certain non-IFRS financial measures that the Group uses to manage and report on the business that are not defined under or recognised by AAS or IFRS.

Refer to Section 11.2 for a summary of the current corporate structure.

Independent Limited Assurance Report

The Financial Information (as defined above) has been reviewed by RSM Corporate Australia Pty Ltd in accordance with the Australian Standard on Assurance Engagements ASAE 3450: "Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information" as stated in its Independent Limited Assurance Report set out in Section 10. Investors should note the scope and limitations of the Independent Limited Assurance Report.

6.2.2 Preparation of the Financial Information

The Financial Information has been presented on both a statutory and a pro forma basis.

The Statutory Historical Financial Information has been derived from the respective audited general purpose financial statements of both the HALO Group and HALO Technologies Pty Limited over the Historical Period.

HALO Technologies Holdings Limited acquired 100% of the shares in HALO Technologies Pty Limited on 1 July 2021 via a script for script transaction, and which was a cashless transaction. HALO Technologies Holdings Limited was incorporated on 30 October 2020 as a public company and is the holding company of HALO Technologies Pty Limited (operating company incorporated on 15 January 2018). There are limited actual historical financial results for HALO Technologies Holdings Limited, given it will act as the holding company for the group going forward. Consequently, only HALO Technologies Pty Limited financial information has been disclosed in this Section 6 as it is the operating company within the group.

The Historical and Pro Forma Statement of Financial Position presented in the Prospectus reflects a consolidation of HALO Technologies Holdings Limited that will comprise the HALO Group (including HALO Technologies Pty Limited) upon listing.

The historical financial information of both the HALO Group (FY21 only) and HALO Technologies Pty Limited for FY19, FY20 and FY21 was audited by BDO, and unqualified audit opinions were issued.

The historical financial statements were prepared in AUD as this is both the Company's functional and reporting currency.

6. Financial Information

6.2.2 Preparation of the Financial Information

The Pro Forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been derived from the audited general purpose financial statements of both the HALO Group and HALO Technologies Pty Limited for FY19, FY20 and FY21 and adjusted for the effects of the pro forma adjustments.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information and adjusted for the effects of:

- (1) the repayment of the convertible notes including accrued interest to AAIG, a related party shareholder;
- (2) the estimated impact of incremental costs associated with HALO being a listed company, including Board and governance costs, audit, tax, and compliance costs;
- (3) the impact of inclusion of the historical acquisition of Macrovue which occurred in May 2019, which has been adjusted to assume this entity was part of the Group from 1 January 2019 onwards;
- (4) the implementation of the Referral Agreement with APS and ASR effective from 1 July 2020 and the change in revenue and cost (rebates) recognition (refer Section 12.1.3 and 12.1.4 for a summary of the Referral Agreement);
- (5) other non-recurring one-off income and expenses which will not reflect the business going forward as a listed company;
- (6) the estimated impact of the shared service costs with AAIG that commenced in October 2020 that relates to executive management time, rent and other shared service costs (refer to Section 12.1.1 for a summary of the Infrastructure Services Agreement and Section 12.1.2 for a summary of the Marketing Services Agreement);
- (7) the impact of the IPO Offer including offer costs that are expensed and costs that are offset against equity; and
- (8) the income tax effect of the above pro forma adjustments at a corporate tax rate of 27.5%.

In preparing the Financial Information, the Group's accounting policies have been consistently applied throughout the periods presented.

Investors should note that past results are not a guarantee of future performance.

Going Concern

The Financial Information for FY21 has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Directors believe that there are reasonable grounds that the Group will be able to continue as a going concern.

6.3 Explanation of certain non-IFRS financial measures

To assist in the evaluation of the performance of the Group, certain measures are used to report on the Group that are not recognised under AAS or IFRS. These measures are collectively referred in this Section 6 and under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by ASIC as "non-IFRS financial measures". The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- (1) **Gross margin** is total revenue less cost of services;
- (2) **EBITDA** is earnings / (losses) before interest (net of finance income), taxation, depreciation and amortisation. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation. The Group also calculates an EBITDA margin, which is EBITDA expressed as a percentage of total revenue. EBITDA can be useful to help understand the cash generation potential of the business. EBITDA and EBITDA margin should not be considered as an alternative to measures of cash flow under IFRS and investors should not consider EBITDA in isolation from, or as a substitute for an analysis of the results of the Group's operations;
- (3) **EBITA** is earnings / (losses) before interest (net of finance income), taxation and amortisation;
- (4) **EBIT** is earnings / (losses) before interest (net of finance income) and taxation;
- (5) **NPBT** is net profit before tax;
- (6) **NPAT** is net profit after tax attributable to shareholders;
- (7) **Operating cash flow** is EBITDA after the removal of non-cash items in EBITDA (e.g. non cash interest costs) and changes in working capital. The Group uses operating cash flow to indicate the level of operating cash flow generated from EBITDA;
- (8) **Free cash flow** is operating cash flows less development expenditure capitalised cash flows (and before tax, financing and dividends);
- (9) **Working capital** includes trade and other receivables, contract assets and other current assets less trade and other payables, unearned revenue, other liabilities and provisions; and
- (10) **Other income** includes the R&D tax incentive.

6. Financial Information

Potential investors should also refer to the description of the key financial terms set out in Section 6.4.

Although the Directors believe that these measures provide useful information about the financial performance of the Group, they should be considered as supplements to the income statement or cash flow statement measures that have been presented in accordance with AAS and IFRS and not as a replacement for them. As these non-IFRS financial measures are not based on AAS or IFRS, they do not have standard definitions, and the way the Group has calculated these measures may differ from similarly titled measures used by other companies. Investors and readers of this Prospectus should therefore not place undue reliance on these non-IFRS financial measures.

6.4 Pro Forma Historical Income Statements

Table 6.1 sets out a summary of the unaudited Pro Forma Historical Income Statements of the Group for FY19, FY20 and FY21. The Pro Forma Historical Income Statements are reconciled to the statutory historical income statements in Table 6.2.

Table 6.1 Summary of the Statutory Historical Income Statements

\$'000	FY19 Pro Forma	FY20 Pro Forma	FY21 Pro Forma
Revenue	1,418	5,269	10,540
Cost of services provided	(723)	(2,848)	(6,375)
Gross margin	695	2,421	4,165
Gross margin %	49.0%	45.9%	39.5%
Overheads			
Employee related expenses	(896)	(694)	(883)
IT and system expense	(440)	(659)	(933)
Public company costs (incremental)	(600)	(600)	(600)
Professional fees	(41)	(58)	(324)
Marketing and advertising	(76)	(105)	(286)
Accounting fees	(25)	(140)	(36)
Other expenses	(303)	(367)	(443)
Total overheads	(2,381)	(2,623)	(3,506)
Other income	252	49	1,238
EBITDA	(1,433)	(153)	1,897
EBITDA margin %	(101.1%)	(2.9%)	18.0%
Depreciation	(8)	(6)	(2)
EBITA	(1,442)	(159)	1,895
EBITA margin %	(101.7%)	(3.0%)	18.0%
Amortisation ¹	(289)	(202)	(512)
EBIT	(1,731)	(362)	1,383
EBIT margin %	(122.1%)	(6.9%)	13.1%
Interest revenue, net	20	10	8
NPBT	(1,712)	(352)	1,391
Income tax benefit expense	471	97	(383)
NPAT	(1,241)	(255)	1,009

Notes:

1. Amortisation relates to the development expenditure which is amortised over a period of 5 years

6. Financial Information

Description of the key financial terms

Set out below is a description of the key financial terms used in the presentation of the Historical Financial Information:

- (1) **Revenue:** represents income from subscription sales and brokerage fees;
- (2) **Cost of services provided:** represents brokerage costs and subscription rebates;
- (3) **Employee related expenses:** includes wages and salaries, superannuation, payroll tax and other payroll expenses;
- (4) **IT and system expense:** includes computer and software expenses, IT costs, systems, tools and servers, telephone and internet;
- (5) **Public company costs:** represents the incremental expenditure required to be a publicly listed company in Australia including board and listing fees;
- (6) **Professional fees:** relates to consulting and legal fees;
- (7) **Marketing and advertising:** relates to marketing and advertising expenses;
- (8) **Accounting fees:** primarily relates to audit fees paid to BDO Audit Pty Ltd;
- (9) **Other expenses:** includes subscription, insurance, compliance, bank charges and other general expenses;
- (10) **Other income:** primarily includes the R&D tax incentive;
- (11) **Depreciation and amortisation:** refers to the depreciation of the property, plant and equipment assets which are depreciated on a straight line basis over a period of three years and amortisation of the capitalised development costs which is depreciated on a straight line basis over a period of five years;
- (12) **Net interest revenue:** primarily refers to the interest received on surplus cash; and
- (13) **Income tax benefit:** the corporate tax rate is 27.5%.

6.5 Pro Forma Operating and Financial Metrics

Summary of the pro forma operating and financial metrics

	FY19	FY20	FY21
Pro forma revenue	1,418	5,269	10,540
Growth rate ¹	N/A	271.6%	100.0%
Pro forma gross margin	695	2,421	4,165
Growth rate ¹	N/A	248.5%	72.0%
Pro forma gross margin %	49.0%	45.9%	39.5%
Pro forma EBITDA	(1,433)	(153)	1,897
Pro forma EBITDA margin %	(101.1%)	(2.9%)	18.0%
Growth rate ¹	N/A	89.3%	1337.3%
Pro forma EBIT	(1,731)	(362)	1,383
Pro forma EBIT margin %	(122.1%)	(6.9%)	13.1%
Pro forma free cash flows before tax, financing and dividends	(1,681)	(570)	1,446

Notes:

1. The growth rate has been calculated over the comparative period

Summary of the key Operating Metrics

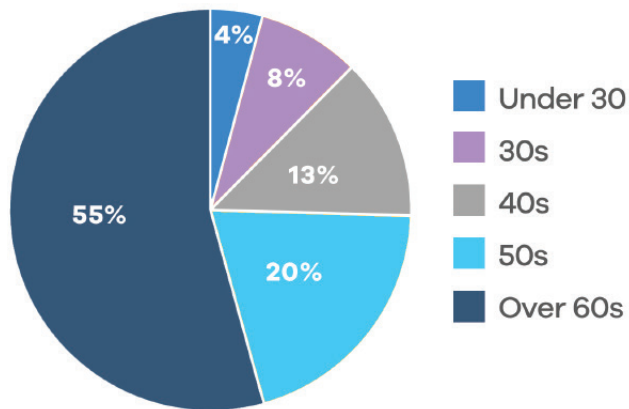
	FY19	FY20	FY21
Pro forma subscription revenue as a % of total revenue	85.1%	53.6%	42.8%
Total number of subscription customers	1,714	3,082	3,811
Pro forma B2Brevenue as a % of total revenue	2.2%	30.6%	43.3%
Total number of B2B accounts	437	1,173	1,883
Pro forma B2C revenue ¹ as a % of total revenue	12.7%	14.5%	12.2%
Total number of B2C accounts	578	1,318	1,812

Notes:

1. Brokerage is inclusive of FX
2. Stated revenue percentages do not total 100% as Vues income has been excluded due to immateriality (less than 2%)

6. Financial Information

HALO DEMOGRAPHICS



The chart above shows the customer demographics for HALO. Approximately 55% of customers are over 60 years old which represents mature investors who require sophisticated investment frameworks to make their investment decisions

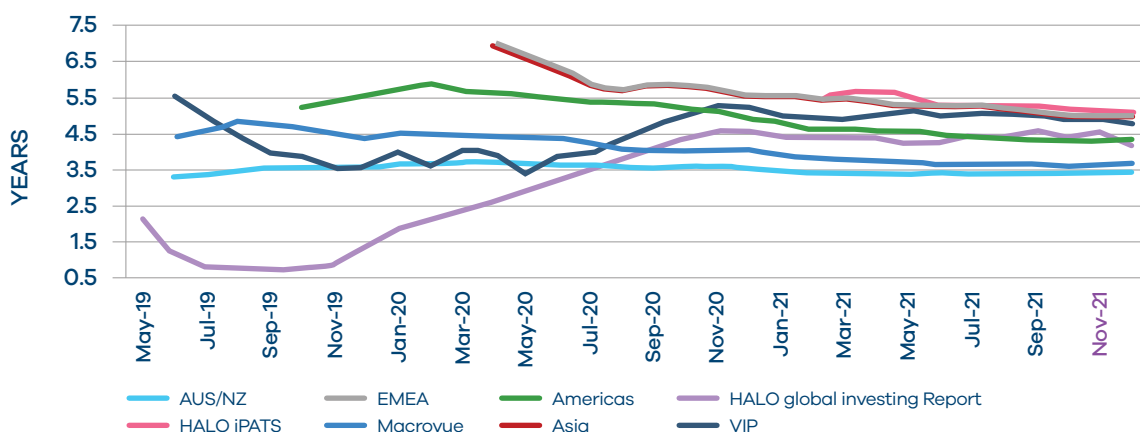
Average subscription period by product

The average subscription period for products have remained relatively consistent over the Historical Period.

	FY19	FY20	FY21
AUS / NZ	3.6	3.6	3.5
Americas	5.6	4.9	4.3
HALO global trading report (iPATS)	-	-	5.1
Asia	-	5.5	5.0
EMEA	-	5.6	5.0
HALO global investing report	1.4	4.6	4.2
Macrovue	4.4	4.0	3.6
VIP	3.6	5.2	4.8

AVERAGE SALES PERIOD

The graph below illustrates the average subscription period by product.



6. Financial Information

Table 6.2 sets out the pro forma adjustments that have been made to the Statutory Historical Income Statements.

Table 6.2 Pro forma adjustments to the Statutory Historical Income Statements				
		FY19	FY20	FY21
\$'000	Classification	Pro forma	Pro forma	Pro forma
Audited statutory NPAT		184	1,172	1,042
Adjustments				
1. Macrovue NPAT for the 4 months ended Apr-19		(583)	-	-
2. Subscription revenue	Revenue	17	573	-
3. Subscription rebates	Cost of services provided	(603)	(630)	-
4. Contractor costs	Employee expenses	417	(2)	-
5. IT and system expenses	IT and system expenses	(220)	(480)	-
6. Bank fees	Other expenses	(95)	(79)	-
7. Other expenses	Other expenses	7	49	-
8. Other income	Other income	-	(192)	-
9. Interest expense on the AAIG convertible notes	Interest expense	87	469	516
10. Shared service costs	Other expenses	(336)	(294)	(230)
11. Change in the fair value of the financial assets	N/A	332	(488)	315
12. Bargain on business combination	N/A	(500)	-	-
13. Offer expenses	Professional fees	-	73	478
14. Incremental ASX listed company costs	Overheads	(600)	(600)	(600)
Total (pre tax effect)		(1,894)	(427)	1,522
Tax impact of pro forma adjustments	Income tax	653	171	(513)
Pro forma NPAT		(1,241)	(255)	1,009

Refer to Table 6.3 for the Statutory Historical Income Statement

Notes:

- Macrovue NPAT for the four months ended April 2019 – the Group acquired Macrovue in May 2019. This adjustment represents the impact of Macrovue's NPAT being included for the four months ended April 2019;
- Subscription revenue – prior to 1 July 2020, related parties (APS and ASR) sold subscription products on behalf of the Group with the Group receiving a rebate of 20% of the sale value and revenue recognised over the subscription period (i.e. typically monthly). Post 1 July 2020, the Group now records the full 100% of the sale value and pays the reseller company (APS and ASR) a rebate instead. Under the new Referral Agreement and in FY21, the Group receives the full 100% of the subscription sales value upfront and rebates 50% on up to \$0.5 million of the monthly subscription sales per calendar month, 60% on subscription sales between \$0.5 million to \$0.8 million and 70% for subscription sales over \$0.8 million. This adjustment reflects the change in rebate structure over the Historical Period, as well as the deferral of revenue over the period of subscription (refer to Section 12.1.3 and 12.1.4 for a summary of the new Referral Agreements);
- Subscription rebates – represents the adjustment to cost of services provided (subscription rebates) over the Historical Period based on the change in rebate structure and recognition of revenue as mentioned in adjustment 2 and the consequential deferral of cost to match the revenue (refer to Section 12.1.3 and 12.1.4 for a summary of the new Referral Agreements);
- Contractor costs – primarily represents bonuses and consulting service fees paid to the previous owners of Macrovue who are no longer part of the business;
- IT and system expenses – represents expenses for Factset data and exchange fees, the AWS server costs and the HubSpot marketing software expense. The Factset fees, as well as the other costs were recorded in AAIG (a related party shareholder) historically, and a partial expense was recorded by the Group. In FY21, all the cost was borne by the Group as this is considered the appropriate amount relating to the Group and which has been assessed by the Directors;

6. Financial Information

Notes:

6. Bank fees – represents the 1.52% merchant fees on collection of 100% of the subscription sale value, via credit card billing based on the new rebate agreement as set out in adjustment 2;
7. Other expenses – represents the adjustment for non recurring marketing, accounting fees, filing fees, legal and other expenses;
8. Other income – represents non-recurring JobKeeper and cash flow boost government incentives provided in relation to COVID-19;

Other Income			
\$'000	FY19 Pro forma	FY20 Pro forma	FY21 Pro forma
a. Cash flow boost	-	100	-
b. JobKeeper	-	92	-
Total other income	-	192	-

9. Interest expense on the AAIG convertible notes – represents non-recurring interest expense on the AAIG convertible notes which will be repaid on completion of the Offers;
10. Shared service costs – represents the share services cost and agreement with AAIG that commenced in October 2020 which relates to executive management time, rent and other shared service costs and which has been assessed by the Directors. The Group entered into a shared services agreement with AAIG effective 1 October 2020 which stipulates the cost of services to be paid to AAIG plus a compensatory margin of 7.5% (calculated on the cost excluding GST) (Refer to Section 12.1.1 for further details of the Service Agreement);
11. Change in the fair of financial assets – represents the decline or gain in fair value of the investment in DomaCom Ltd (ASX: DCL) which is non cash;
12. Bargain on business combination – represents the non recurring gain on acquisition of Macrovue which is non cash;
13. Offer expenses – represents the non recurring related professional expenses incurred in relation to the contemplated Offer;
14. Incremental ASX listed company costs – adjustment made to include the Group's estimate of the incremental annual costs that it will incur as a listed company. These include annual listing costs, share registry and additional legal, audit and tax compliance costs; and
15. Tax impact of the pro forma adjustments assuming a corporate tax rate of 27.5%.

6. Financial Information

Statutory Historical Income Statements

Table 6.3 sets out the Group's audited Statutory Historical Income Statements for FY19, FY20 and FY21.

Table 6.3: Summary of the Statutory Historical Income Statements

\$'000	FY19 AUDITED	FY20 AUDITED	FY21 AUDITED
Revenue	1,331	4,696	10,540
Cost of services provided	(55)	(2,219)	(6,375)
Gross margin	1,276	2,477	4,165
Gross margin %	95.9%	52.8%	39.5%
Overheads			
Employee related expenses	(668)	(463)	(654)
IT and system expense	(120)	(179)	(933)
Professional fees	(69)	(155)	(644)
Marketing and advertising	(13)	(52)	(324)
Accounting fees	(23)	(158)	(155)
Other expenses	(62)	(283)	(444)
Total overheads	(955)	(1,292)	(3,154)
Other income	252	240	1,238
EBITDA	573	1,426	2,249
EBITDA margin %	43.1%	30.4%	21.3%
Depreciation	(6)	(6)	(2)
EBITA	567	1,420	2,247
EBITA margin %	44.4%	57.3%	53.9%
Amortisation	(289)	(202)	(512)
EBIT	278	1,218	1,735
EBIT margin %	20.9%	25.9%	16.5%
Interest expense, net	(79)	(459)	(-508)
Bargain on business combination	500	-	-
Change in fair value of the financial asset	(332)	488	(315)
NPBT	366	1,247	911
Income tax benefit expense	(182)	(75)	131
NPAT	184	1,172	1,042

6. Financial Information

6.6 Pro Forma Historical Cash Flows

Table 6.4 sets out Pro Forma Historical Cash Flows for FY19, FY20 and FY21. The pro forma cash flow information has been constructed using the indirect method (i.e., reconciling EBITDA to operating cash flows).

Table 6.4: Summary of the Pro Forma Historical Cash Flows

\$'000	FY19 Pro forma	FY20 Pro forma	FY21 Pro forma
Operating cash flows			
Pro forma EBITDA	(1,433)	(153)	1,897
Movements			
Trade receivables	(233)	(707)	(1,067)
Net client accounts	(1)	(2)	(6)
Contract asset, current	-	(299)	(791)
Other current assets	23	(77)	61
Trade and other payables	380	(109)	(9)
Unearned subscription revenue	-	2,237	5,668
Employee benefits	6	21	82
Other current liabilities	41	192	(277)
Security deposit	-	(39)	2
Contract asset, non current	-	(898)	(2,446)
Movement in working capital	216	319	1,217
Net operating cash flows	(1,217)	166	3,114
Investing cash flows			
Payment for development costs	(464)	(736)	(1,668)
Net investing cash flows	(464)	(736)	(1,668)
Total free cash flow before tax, financing and dividends	(1,681)	(570)	1,446

Refer to Table 6.1 for the Pro Forma Historical Income Statement

6. Financial Information

Pro Forma Adjustments to the Statutory Historical Cash Flows

Table 6.5 sets out the pro forma adjustments that have been made to the Statutory Historical Cash flows.

Table 6.5: Pro forma adjustments to the Statutory Historical Cash Flows

	FY19	FY20	FY21
\$'000			
Statutory net free cash flows before tax, financing and dividends	(4,165)	1,014	1,598
1. Macrovue EBITDA for the four months ended Apr-19	(593)	-	-
2. Subscription revenue	17	573	-
3. Subscription rebates	(603)	(630)	-
4. Contractor costs	417	(2)	-
5. IT and system expenses	(220)	(480)	-
6. Bank fees	(95)	(79)	-
7. Other expenses	7	49	-
8. Other income	-	(192)	-
9. Shared service costs	(336)	(294)	(230)
10. Offer expenses	-	73	478
11. Incremental ASX listed company costs	(600)	(600)	(600)
12. Payments for investments	3,965	-	200
13. Acquisition of Macrovue	516	-	-
14. Payment for non recurring PPE	9	(5)	-
Pro forma net free cash flow before tax, financing & dividends	(1,681)	(570)	1,446

Refer to Table 6.6 for the Statutory Historical Cash Flows.

Notes:

- Macrovue EBITDA for the four months ended Apr-19 – HALO acquired Macrovue in May 2019. This adjustment represents the impact of Macrovue's EBITDA for the four months ended Apr 19;
- Subscription revenue – prior to 1 July 2020, related parties (APS and ASR) sold the subscription products with the Group receiving a rebate of 20% of the sale value and revenue recognised over the subscription period. Post 1 July 2020, the Group now records the full 100% of the sale value and pays the reseller company (APS and ASR (both related parties)) a rebate instead. As per the new Referral Agreement in FY21, the Group receives the full 100% of the subscription sales value upfront and rebates 50% on up to \$0.5 million of the monthly subscription sales, 60% on subscription sales between \$0.5 million to \$0.8 million and 70% for subscription sales over \$0.8 million. This adjustment reflects the change in rebate structure over the Historical Period, as well as the deferral of revenue over the period of subscription (refer to Section 12.1.3 and 12.1.4 for a summary of the new Referral Agreements);
- Subscription rebates – represents the adjustment to cost of services (subscription rebates) over the Historical Period based on the change in rebate structure and recognition of revenue as mentioned in adjustment 2 and the consequential deferral of cost to match the revenue (refer to Section 12.1.3 and 12.1.4 for a summary of the new Referral Agreements);
- Contractor costs – primarily represents bonuses and consulting service fees paid to the previous owners of Macrovue who are no longer part of the business;
- IT and system expenses – represents expenses for Factset data and exchange fees, the AWS server costs and the HubSpot marketing software expense. The Factset fees, as well as the other costs were recorded in AAIG (a related party shareholder) historically, and a partial expense was recorded by the Group. In FY21 all the cost was borne by the Group as this is considered the appropriate amount relating to the Group and which has been assessed by the Directors;
- Bank fees – represents the 1.52% merchant fees on collection of 100% of the subscription sale value, via credit card billing based on the Rebate Agreement as set out in adjustment 2;
- Other expenses – represents the adjustment for non recurring marketing, accounting fees, filing fees, legal and other expenses;

6. Financial Information

Notes:

8. Other income – represents non-recurring JobKeeper and cash flow boost government incentives provided in relation to COVID-19;
9. Shared service costs: represents the shared services cost with AAIG that commenced in October 2020 (Refer to Section 12.1.1);
10. IPO expenses – represents the non-recurring related professional expenses incurred in relation to the contemplated Offer;
11. Incremental ASX listed company costs – adjustment made to include the Group's estimate of the incremental annual costs that it will incur as a listed company. These include annual listing costs, share registry and additional legal, audit and tax compliance costs;
12. Payment for investments – Payment for investments reflects the cash investment in DomaCom Ltd (ASX: DCL);
13. Acquisition of Macrovue – represents the cash consideration paid for Macrovue; and
14. Payment for non recurring PPE – represents the purchase of PPE during the period.

Statutory Historical Cash Flow Statements

Table 6.6 sets out the Group's audited Statutory Historical Cash Flows for FY19, FY20 and FY21. The statutory cash flow information has been constructed using the indirect method (i.e., reconciling EBITDA to operating cash flows).

Table 6.6: Summary of the Statutory Historical Cash Flows

\$'000	FY19 Audited	FY20 Audited	FY21 Audited
Operating cash flows			
EBITDA	573	1,426	2,249
Movements:			
Trade receivables	(240)	(707)	-1,067
Net client accounts	(1)	(2)	-6
Contract asset, current	-	(299)	-791
Other current assets	8	(77)	61
Trade and other payables	379	(109)	-9
Unearned subscription revenue	-	2,237	5,668
Employee benefits	(1)	21	82
Other current liabilities	11	192	-277
Security deposit	-	(39)	2
Contract asset, non-current	-	(898)	-2,446
Movement in working capital	155	319	1,217
Net operating cash flows	729	1,746	3,465
Investing cash flows			
Payments for investments	(3,965)	-	(200)
Payments for plant and equipment	(9)	5	-
Payment for development costs	(464)	(736)	(1,668)
Acquisition of Macrovue	(455)	-	-
Net investing cash flows	(4,894)	(731)	(1,868)
Total free cash flows before tax, financing and dividends	(4,165)	1,014	1,598
Financing cash flows			
Related party loans	3,965	-	(120)
Net interest paid	8	10	8
Net financing cash inflows	3,973	10	(112)
Net cash movement	(192)	1,024	1,486
Cash at the beginning of the financial period	219	28	1,052
Cash at the end of the period	28	1,052	2,538

6. Financial Information

6.7 Management discussion and analysis of the Pro Forma Historical Financial Information

General factors affecting the historical operating results of the Group

Below is a discussion of the main factors which affected the Group's operations the relative financial performance in FY19, FY20 and FY21, which the Group expects may continue to affect it in the future. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected the Group's historical operating and financial performance, nor everything which may affect the Group's operations and financial performance in the future.

6.7.1 Pro forma historical revenue

The table below provides a breakdown of revenue by type.

Pro forma historical revenue						
	FY19		FY20		FY21	
\$'000	Pro forma	%	Pro forma	%	Pro forma	%
Subscription revenue	1,207	85.1%	2,825	53.6%	4,511	42.8%
Brokerage revenue	211	14.9%	2,376	45.1%	5,848	55.5%
Macrovue Vues and other income	-	-	68	1.3%	181	1.7%
Total pro forma revenue	1418	100%	5,269	100%	10,540	100%

Subscription revenue represents revenue from the cloud-based research platform that primarily provides equities research, market insights and research tools.

Brokerage revenue represents revenue from brokerage fees, foreign exchange conversion fees and fees from ready to invest thematic portfolios called Vues.

Macrovue's Vues income represents revenue from ready to invest thematic portfolios called Vues.

Revenue increased over the Historical Period primarily due to increases in the number of subscribers and trading accounts.

Customers get full refunds if their subscription is cancelled within the first 30 days and a pro rata refund if cancelled after 30 days.

Subscription revenue

The table below provides a breakdown of subscription revenue by product.

Subscription revenue						
	FY19		FY20		FY21	
\$'000	Pro forma	Average price (\$)	Pro forma	Average price (\$)	Pro forma	Average price (\$)
HALO AUS / NZ ¹	968	\$564	1,677	\$435	2,191	\$455
HALO Americas	10	\$354	225	\$247	400	\$165
HALO EMEA	-	-	29	\$143	109	\$126
HALO Asia	-	-	32	\$143	115	\$129
HALO GIR	7	\$157	45	\$86	64	\$73
HALO GTR	-	-	-	-	239	\$374
Total	984	-	2,008	-	3,118	-
HALO VIP	6	\$710	88	\$216	213	\$269
Macrovue Vues	216	\$398	730	\$282	1,181	\$324
Total subscription revenue	1,207	-	2,825	-	4,511	-

Notes

1. HALO Australia and NZ have been set out separately from HALO Asia

6. Financial Information

HALO provides a subscription service for research and analytical tools. The different subscription products primarily represent subscription to data for a particular market.

HALO VIP represents revenue from advanced customer support service provided to customers who have a subscription to one or more HALO products.

Subscription revenue has been primarily sold through the B2B network. The increase in subscription revenue over the Historical Period is primarily due to increases in the number of subscribers. The B2B subscription agreement is based on providing a minimum price per product per year. In terms of HALO B2C which got underway during January 2022, the subscription price is \$208 per month or \$2,499 per annum for domestic market data and \$290 per month or \$3,499 per annum for domestic and international data.

The Macrovue platform access fee is \$1,500 per annum and reflects a value add product provided to existing HALO customers.

HALO's customer segments can primarily be divided into following categories:

- (1) **Self-managed super funds** – includes mature investors who require sophisticated investment frameworks, have accumulated significant wealth and are typically long-term holders of equity investments;
- (2) **Self-directed investors** – includes market experienced investors who want to identify, research and action their own investment decisions;
- (3) **Values based investors** – includes investors who want the business activities of the companies held in their investment portfolios to align with their personal values and/or interests; and
- (4) **Financial advisers** – includes financial advisers, brokers and other commercial partnerships who are seeking easy to explain products that can be white labelled and customised, and which are free from conflicts of interest.

Customers are acquired via direct online and phone marketing and third-party partnership agreements with intermediaries including financial advisers, brokers and other commercial partnerships.

Existing customers are also able to easily subscribe to additional products without undergoing a time-consuming approval process. Different promotional initiatives are directed at existing customers to upsell.

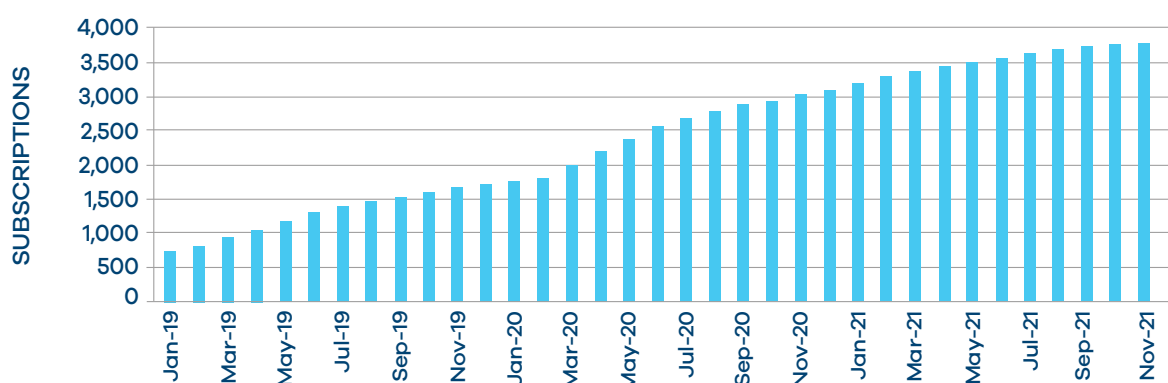
Total customer numbers

Total customer numbers	FY19	FY20	FY21
Existing customers	667	1,714	3,082
New customers	1,208	1,638	1,117
Exited customers	(161)	(270)	(388)
Total customers	1,714	3,082	3,811
Churn %		(15.8%)	(12.6%)

The average term sold to a first-time customer is between 3-4 years, with a retention rate of around 80%.

End clients are then typically upgraded with additional products and additional terms.

TOTAL SUBSCRIPTION CUSTOMERS BY MONTH



6. Financial Information

Brokerage revenue

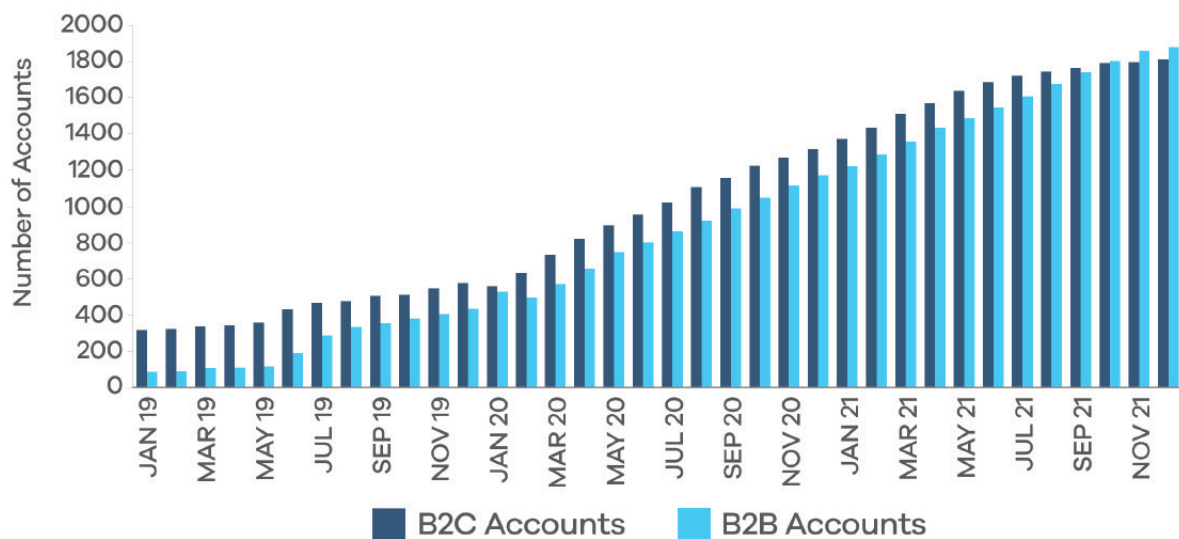
The table below provides a breakdown of brokerage revenue between B2B and B2C.

Brokerage revenue		FY19		FY20		FY21	
\$'000		Pro forma		Pro forma		Pro forma	
B2B brokerage		31	14.6%	1,612	67.8%	4,565	78.1%
B2C brokerage		180	85.4%	765	32.2%	1,283	21.9%
Total brokerage revenue		211	100.0%	2,376	100.0%	5,848	100.0%

- Brokerage revenue primarily consists of revenue from brokerage fees and foreign exchange conversion fees.
- B2B brokerage represents revenue from the Group's business network that primarily includes financial advisers, brokerage firms and financial planners.
- B2C brokerage primarily represents revenue from high-net-worth individuals and direct customers. The B2C brokerage fee is \$15 for trades below \$12,500 and 0.12% for trades above \$12,500.
- B2B brokerage varies among customers but generally is charged at a minimum of \$15 for trades below \$12,500 and 0.12% for trades above \$12,500.
- The FX conversion fee is charged at 0.5% of the value of currency needed to buy the international securities. The increase in brokerage revenue over the Historical Period is primarily due to the increase in the number of brokerage accounts.
- The increase in brokerage revenue over the Historical Period is primarily due to the increase in the number of brokerage accounts.

Broker accounts		FY19		FY20		FY21	
		Pro forma		Pro forma		Pro forma	
B2B accounts		437		1,173		1,883	
B2C accounts		578		1,318		1,812	
Total broker accounts		1,015		2,491		3,695	

TOTAL B2C AND B2B BROKERAGE CUSTOMERS (MACROVUE ACCOUNTS)



6. Financial Information

6.7.2 Pro forma historical gross margin

Subscription cost of services provided primarily represents subscription rebates paid to ASR and APS. As per the Referral Agreement, the Group on a pro forma basis for FY19 to FY21 rebated 50% on up to \$0.5 million of monthly subscription sales per calendar month, 60% on subscription sales between \$0.5 million to \$0.8m and 70% on subscription sales over \$0.8 million to ASR and APS.

Brokerage cost of services primarily represents fees paid to Interactive Brokers. Fees on brokerage depends on a tiered structure based on trading value per month and the market.

Pro forma historical gross margin	FY19	FY20	FY21
\$'000	Pro forma	Pro forma	Pro forma
Subscription gross margin	570	1,351	2,033
Subscription gross margin %	47.2%	47.8%	45.1%
B2B			
B2B gross margin	(19)	305	906
B2B gross margin %	(63.2%)	19.0%	19.8%
B2C			
B2C gross margin	145	716	1,049
B2C gross margin %	80.3%	93.7%	81.8%
Brokerage gross margin	125	1,022	1,955
Brokerage gross margin %	59.3%	43.0%	33.4%

Subscription gross margin (excluding trading costs and refunds) has remained consistent at around 50% over the Historical Period and is in accordance with the Referral Agreement (refer to Section 12.1.3 and 12.1.4).

Brokerage gross margin has decreased from 59.3% in FY19 to 33.4% in FY21 primarily due to the increase in the number of B2B customers year on year which yield a lower margin and changes in the mix of B2C and B2B customers. B2C has a higher margin but has lower transaction dollar amounts and lower volume.

6. Financial Information

6.7.3 Pro forma historical operating expenses

Pro forma historical operating expenses			
\$'000	FY19 Pro Forma	FY20 Pro Forma	FY21 Pro Forma
Employee related expenses	896	694	883
IT and system expense	440	659	933
Public company costs (Incremental)	600	600	600
Professional fees	41	58	324
Marketing and advertising	76	105	286
Accounting fees	25	140	36
Other expenses	303	367	443
Total overheads	2,381	2,623	3,506
Total fixed costs	1,936	1,953	2,416
Total variable costs	445	670	1,090
Total overheads	2,381	2,623	3,506
KPIs			
As a % of revenue			
Employee related expenses	63.2%	13.2%	8.4%
IT and system expense	31.0%	12.5%	8.9%
Public company costs (Incremental)	42.3%	11.4%	5.7%
Professional fees	2.9%	1.1%	3.1%
Marketing and advertising	5.4%	2.0%	2.7%
Accounting fees	1.8%	2.7%	0.3%
Other expenses	21.4%	7.0%	4.2%

Employee expenses represents all amounts paid in relation to employees including superannuation, payroll tax, bonuses and contractor costs.

IT and system expense primarily include data and exchange fees, servers and web hosting, software subscriptions, telephone and internet which has increased over the Historical Period due to increases in the scale of the business and activity levels.

Public company costs represent the incremental expenditure required to be a publicly listed company in Australia including board and listing fees.

Marketing and advertising primarily includes advertisement, the graphic and logo design, brochures and digital advertising. The increase in marketing and advertising during FY21 is primarily due to the costs incurred for the search engine optimization ("SEO") marketing strategy amounting to \$190k (as well as google advertising (\$113k)).

Professional fees primarily relates to consulting fees paid to a director relating to platform development and launch of a mobile application, the payment to a third party for the registration of the trade mark of \$22k, as well as the payment for consulting services of \$21k.

Accounting fees primarily relate to the annual audit fees paid to BDO Audit Pty Ltd.

Other expenses primarily include bank fees, insurance, subscriptions, filing fees and other general expenses.

The Group has no operating or finance leases and currently shares office space with AAIG.

6. Financial Information

6.7.4 Management discussion and analysis of the historical cash flows

Notwithstanding EBITDA improved from (\$1.4 million) in FY19 to \$1.9 million in FY21, net operating cash outflow increased from (\$1.2 million) in FY19 to \$3.1 million in FY21 primarily due to the increase in unearned subscription revenue which is paid in advance of the subscription being provided.

The investing cashflow in FY19, FY20 and FY21 represents capitalised development costs.

6.8 Statutory Historical Statements of Financial Position and Pro Forma Historical Statement of Financial Position

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Group's view of its financial position upon completion of the Offers or at a future date. Further information on the sources and uses of funds of the Offers is contained in Section 9.7.

Table 6.7: Statutory Historical Consolidated Statement of Financial Position and Pro Forma Historical Statement of Financial Position as at 31 December 2021

\$'000	HALO Group Audited	Minimum Pro Forma	Maximum Pro Forma
Current assets			
Cash and cash equivalents	2,537	19,786	24,454
Client trust accounts	246,364	246,364	246,364
Trade receivables	2,237	2,398	2,420
Contract asset, current	1,089	1,089	1,089
Investments	4,006	4,006	4,006
Income tax receivable	1,560	1,560	1,560
Other current assets	26	838	923
Total current assets	257,819	276,040	280,816
Non-current assets			
Contract asset, non-current	3,345	3,345	3,345
Plant and equipment	4	4	4
Security deposit	54	54	54
Development costs	2,621	2,621	2,621
Total non-current assets	6,024	6,024	6,024
Total assets	263,843	282,064	286,840
Current liabilities			
Amount owed to clients	246,355	246,355	246,355
Trade and other payables	207	207	207
Unearned subscription revenue, current	1,942	1,942	1,942
Employee benefits	142	142	142
Related party payables (convertible note)	4,917	-	-
Deferred tax liability	1,510	1,510	1,510
Other current liabilities	28	28	28
Total current liabilities	255,102	250,185	250,185
Non-current liabilities			
Unearned subscription revenue, non-current	5,963	5,963	5,963
Total non-current liabilities	5,963	5,963	5,963
Total liabilities	261,065	256,147	256,147
Net assets	2,778	25,917	30,693
Equity			
Issued capital	1	23,795	28,553
Retained earnings	2,777	2,122	2,139
Total equity	2,778	25,917	30,693

Table 6.7 sets out the Statutory Historical Statement of Financial Position of the Group and the pro forma adjustments that have been made to prepare the Pro Forma Historical Statement of Financial Position as if these transactions had occurred as at 31 December 2021.

6. Financial Information

These adjustments take into account the effect of:

(1) Subsequent events:

A share split prior to the Offers at a ratio of 1:1,041,667;

Interest accrued and capitalised on the AAIG convertible note up to the proposed IPO date at 11% p.a.;

(2) Pro forma transactions:

In relation to the Offers, the following transactions are expected to occur:

- (i) repayment of the AAIG convertible note (including the principal and capitalised interest in full), amounting to \$5.1 million;
- (ii) the completion of the Offers, raising between \$25 million (20,833,333 ordinary shares) (minimum subscription) and \$30 million (25,000,000 ordinary shares) (maximum subscription) at \$1.20; and
- (iii) expenses associated with the minimum Offer amounting to \$3.1 million, with \$1.7 million being capitalised and \$1.3 million being expensed and a GST credit of \$161,000 and a deferred tax asset that arises as a result of the payment of IPO costs of \$812,000. Expenses associated with the maximum Offer amounting to \$3.4 million, with \$2 million being capitalised, \$1.3 million being expensed and a GST credit of \$183,000 and a deferred tax asset that arises as a result of the payment of IPO costs of \$897,000. At 31 December 2021, \$457,000 of the offer costs had already been expensed and paid for. Refer to Section 11.8 for a detailed summary of the offer costs

Pro Forma Capital Structure

Refer to Section 9.10 for a detailed summary of the capital structure.

Table 6.8: Pre and post IPO capital structure

\$'000	No. of shares	Issued capital	Retained earnings	Net assets
As at 31 December 2021	100	1	2,777	2,778
Subsequent events				
Share split	104,166,667			
Number of ordinary shares (post split)	104,166,667	1	2,777	2,778
Interest accrual on the convertible notes	-	-	(178)	(178)
Pro forma transactions				
Public offer	20,833,334	25,000	-	25,000
Offer costs		(1,206)	(477)	(1,684)
Total (undiluted) (pre employee offer)	125,000,000	23,795	2,122	25,916
Incremental pro forma transactions in relation to max offer				
Public offer	4,166,667	5,000	-	5,000
Offer costs		(241)	18	(224)
Total (undiluted) (pre employee offer)	129,166,667	28,553	2,139	30,693

6. Financial Information

6.9 Related Party Transactions and Balances

The tables below provide a breakdown of the related party receivables and payables over the Historical Period.

Related Party Transactions and Balances			
	31 December 2019	31 December 2020	31 December 2021
	Audited	Audited	Audited
Related party trade receivables			
ASR	-	213	320
APS	-	490	860
AAIG	-	2	-
AFM	1	1	-
Macrovue Pte Limited	67		
Total related party trade receivables	67	705	1,181
Related party trade payables			
AAIG convertible notes	4,052	4,521	4,917
ASR	154	18	-
AAIG, other payable	18	-	35
Total related party trade payables	4,225	4,539	4,953
Net related party trade balance	(4,157)	(3,834)	(3,772)

The total loan payables amounting to \$4.9 million from AAIG as at 31 December 2021 represents the convertible notes which will be repaid upon completion of the Offers. The convertible notes bear an interest rate of 11% p.a., compounded monthly which is capitalised. The convertible notes were issued to finance the investment in Domacom Ltd.

6.10 Liquidity and capital resources

Following completion of the Offers, the Company will have on a pro forma basis, net cash of between \$19.8 million and \$24.5 million (after paying the costs of the Offers) as at 31 December 2021 arising from the Offers. The Company expects that it will have sufficient cash to meet its short and medium term operational requirements and other business needs.

6.11 Contractual Obligations, Commitments and Contingent Liabilities

There are no contractual obligations, commitments and contingent liabilities.

6.12 Critical Accounting Policies

Preparing financial statements in accordance with AAS requires management to make judgements, estimates and assumptions about the application of accounting policies that affect the reported revenues and expenses, carrying values of assets and liabilities and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods. Where the Group has made judgements in the application of AAS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next financial year are disclosed, where applicable, in the relevant notes to the financial statements. The key areas in which critical estimates and judgements are applied are in respect of tax, as described in the significant accounting policies outlined in Appendix A.

6.13 Statement of Directors

The Directors have made enquiries and nothing has come to their attention to suggest that the Company is not continuing to earn profit from continuing operations up to the date of this Prospectus



7.

Key Risks

7. Key Risks

7.1 Introduction

This Section 7 describes some of the potential risks associated with an investment in the Company. The Shares being offered under this Prospectus are considered highly speculative in nature and there is no guarantee with respect to the payment of dividends, the return of capital or the market value of Shares.

This Section outlines certain foreseeable risks associated with HALO and its operations. If any of the risks actually occurs, HALO's business, financial condition, operating results and prospects could be materially and adversely affected. In that event, the market price of the Shares could decline, and you could lose part or all of your investment.

The selection of identified risks is based on an assessment of the probability of a risk occurring and its potential impact if it did occur. It does not list every risk associated with an investment in HALO. Some of these risks can be mitigated by the use of safeguards and appropriate controls within the Company's risk management framework. However, many of the risks are outside the control of the Company and cannot be mitigated.

Business risks that the Directors believe are key risks are described in Section 7.2. Senior management and the Directors focus on these risks when managing HALO's business as they have the potential, if they occurred, to result in significant consequences for the Company and an investment in it. General risks, including risks specific to the Offers and holding Shares that are regarded by the Directors as potentially material are described in Section 7.3.

There is no guarantee or assurance that the identified risks will not change or that other risks will not emerge.

No assurances can be made that HALO will deliver on its business strategy, that any forward-looking statement will be achieved or realised or that historic performance is any indicator of future performance.

Before an application is made for Shares, prospective investors should be satisfied that they have an adequate understanding of the risks involved in making an investment in the Company. Relevant considerations may include whether an investment is suitable based on their financial position, taxation position and investment objectives. If an investor requires clarification on any part of the Prospectus or has doubts as to whether an investment is suitable based on their personal circumstances, it is recommended that they seek professional advice and/or guidance from a solicitor, stockbroker, accountant or other independent and qualified professional adviser before making a decision to invest.

7.2 Business Risks

Risk	Summary
Control risk	<p>Following completion of the Offers, the voting power of Matthew Roberts Holdings Pty Ltd ATF MR Family Trust (Substantial Holder) in the Company could be as high as 39% (assuming that the Substantial Holder does not subscribe for any Shares under the IPO Offer. Accordingly, the Substantial Holder's significant interest in the capital of the Company means that it will be in a position to potentially influence the election of directors and the financial decisions of the Company, and its interests may not align with those of all other Shareholders. Further details in respect of the Substantial Holder's interest is set out in Section 9.11.</p> <p>As the Substantial Holder will hold a relevant interest in more than 25% of the Company, it will have the potential to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required in relation to approve certain Company matters including potentially seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is divided into different classes of Shares, approving the variation of the rights attached to any class.</p>
Major client risk	<p>Presently, HALO relies on a small number of clients for a significant portion of its revenue. Although the Group's client base has started to diversify and expand and as a result of its marketing efforts, the Group's client base will continue to diversify after the Company is admitted to the Official List, the Group will for some time, be substantially reliant on a select number of clients; in particular, ASR Referral Agreement and APSEC Referral Agreement. The loss of either of these clients may well have a negative impact on HALO's revenues and profits unless they can be replaced with a new client or clients.</p> <p>Refer to Sections 12.1.3 and 12.1.4 for a summary of the ASR Referral Agreement and the APSEC Referral Agreement.</p>

7. Key Risks

7.2 Business Risks

Risk	Summary
Increased competition	<p>The wealth management sector is highly competitive as there are a variety of solutions available to investors. HALO competes against traditional fund managers (including industry funds), full-service and execution only stockbrokers and alternative providers of low-cost products.</p> <p>The Directors believe Halo'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 HALO negatively impacting on the growth of HALO. Competitors may have significant experience and resources to develop competing products which may affect Halo's financial performance and position.</p>
Retention of Australian Financial Services Licences	<p>Macrovue is the holder of an Australian Financial Services Licence (AFSL 484 264). The loss of any of this licence (or any other licences that the Group may apply for in the future) or the imposition of new conditions or enforceable undertakings could limit or restrict the Group's ability to conduct its business as it presently operates. There is no guarantee the Group will be able to maintain an Australian Financial Services Licence.</p> <p>To mitigate this risk, the Group has established, and regularly reviews, compliance policies and practices to ensure ongoing compliance with the requirements of its Australian Financial Services Licence.</p>
Material Referral Agreement Risk	<p>HALO maintains a number of referral agreements with sales organisations, being ASR and APSEC. As such HALO has financial exposure to the ongoing viability and focus of those organisations and is exposed to significant risk if those organisations choose to discontinue the referral agreements or reduce its importance to their own businesses.</p> <p>The risks associated with this have been, and will continue to be, mitigated to some extent by the addition of new selling organisations.</p>
Foreign market risk	<p>The Company intends to expand its existing business into offshore markets, including but not limited to North America and the United Kingdom. Expansion into new geographies is not without risk. The Company intends to expand through a combination of acquisitive and organic growth, including in offshore markets. The acquisition of businesses in offshore markets will assist in developing regulatory frameworks for the specific markets and obtaining key personnel in these markets.</p>
COVID-19	<p>Events related to the Coronavirus pandemic (COVID-19) have resulted in significant market volatility. There is continued uncertainty as to ongoing and future response of government and authorities globally as well as a likelihood of an Australian economic downturn of unknown duration and severity. As such, the full impact of COVID-19 to consumer behaviour, suppliers, employees and HALO are not fully known. Given this, the impact of COVID -19 could potentially be materially adverse to Halo's financial performance and position. Further, any government or industry measures may adversely impact operations, and are likely beyond the control of HALO.</p>
Loss of clients	<p>The Group has a small but key number of B2B clients. The loss of any one or more of these clients will impact negatively on the Group's business causing a concomitant loss of revenue. In mitigation, the HALO Group is focusing on expanding its number of B2B clients and diversifying directly into the B2C market.</p>
Customer sentiment risk	<p>There is a risk that HALO may face negative customer sentiment in the future. Customer complaints or negative publicity about any of the products provided by HALO (either directly or via re-sellers), customer data handling and security practices or customer support, whether or not they are justified or the fault of HALO, could rapidly and severely diminish customer use of our products and services. As a company, HALO prides itself on very high and distinguished customer service.</p>

7. Key Risks

7.2 Business Risks

Risk	Summary
Failure to meet agreed service levels	<p>HALO products have internal service level expectations which include uptime availability (subject to Amazon Web Services availability), equity market pricing and portfolio information being up to date and availability of trading interfaces. The software is used 365 days of the year, and outside of planned maintenance, HALO places very high standards on itself to deliver a product that is always available. A failure to persistently meet these expectations could result in client attrition due to unreliability of information.</p> <p>HALO seeks to mitigate the potential loss of clients by implementing robust technology solutions to assist in uptime availability in conjunction with backup and recovery processes. Further, an increase in quality assurance resources supports reliable software release cycles.</p>
Changes in the regulatory environment in key markets	<p>The wealth management sector is heavily regulated. As a service provider to this industry, HALO is exposed to changes in laws and regulations. These laws and regulations affect HALO's business. Obligations may be imposed by regulators, such as ASIC, 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 HALO operates could have adverse implications for HALO's reputation and financial performance.</p> <p>HALO seeks to mitigate the potential impact of these risks where possible by monitoring regulatory change and implementing appropriate process or system changes as required.</p>
Software, technology and system related risks	<p>Platform Risks</p> <p>HALO's software solutions, which incorporates its website, databases and systems are critically important to HALO's ability to attract and retain customers.</p> <p>The database of its customers, programs and processes, software repositories, data analytics are a valuable asset for the continued success of HALO, and any irrecoverable loss would incur a financial cost to HALO as well as damage the reputation of the business. Further, HALO 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 HALO's reputation and relationships with re-sellers and customers and may have a material adverse effect on HALO's business and financial performance.</p> <p>Internet and Data Security Breaches</p> <p>There is a risk that, despite HALO'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 HALO's customers or its internal systems. This could result in a breach of law by HALO, 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 HALO's financial and operational performance in the future.</p>
Risks associated with acquisitions	<p>HALO 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. HALO will draw on its past experience to mitigate the risks within the control of HALO, such as seeking to retain key acquired staff within the combined business</p> <p>HALO's Investment in Domacom (ASX:DCL)</p> <p>HALO has a 15.837% holding in Domacom (ASX:DCL) the shares of which are currently suspended from trading on ASX. The lifting of this suspension will depend on Domacom undertaking a successful capital raise to recapitalise.</p>

7. Key Risks

7.2 Business Risks

Risk	Summary
Risks associated with acquisitions	<p>If Domacom is either not relisted or is placed into liquidation, HALO's investment in Domacom will likely be written down accordingly. As at the date of this Prospectus, the value of HALO's investment in Domacom is \$3,722,798. It should be noted that any write-down of HALO's investment in Domacom will have no impact on HALO's trading or its operating results.</p>
Operations in foreign jurisdictions or unfamiliar markets	<p>HALO is seeking to expand into various other foreign countries (including North America, New Zealand and the UK). These foreign jurisdictions may be subject to a range of different legal and regulatory regimes. As HALO expands its presence into new international jurisdictions, HALO will be subject to the risks associated with doing business in regions which may have political, legal and economic instability or less sophisticated legal and regulatory systems to which HALO have become accustomed to in Australia.</p> <p>There is a risk that HALO could face legal, tax or regulatory sanctions or reputational damage as a result of any failure to comply with applicable laws, regulations, codes of conduct and standards of good practice. A breach in any of these areas could result in fines or penalties, the payment of compensation or the cancellation or suspension of HALO's ability to carry on certain activities or product offerings could interrupt or adversely affect parts of HALO's business and may have an adverse effect on HALO's business, operations and financial performance.</p>
Reliance on Key Personnel	<p>HALO'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 HALO's business. If one or more of the senior executives or other personnel of HALO are unable or unwilling to continue in their present positions, HALO 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.</p> <p>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 HALO.</p>
Failure to retain or attract appropriately qualified employees	<p>HALO is reliant on its ability to attract and retain appropriately skilled and qualified employees. If the labour market becomes more competitive then it may become more difficult to retain appropriately skilled employees at existing salary levels. That could in turn increase costs and have adverse implications on HALO's pricing and profitability. HALO attempts to mitigate this risk where possible through its intern recruitment program which provides a 'pool' of early career professionals to progress through the organisation.</p>
HALO's reliance on AAIG	<p>HALO was incubated by and, in the short term, will continue to be reliant on AAIG for some of its personnel and infrastructure needs. Further details of the services that will continue to be provided by AAIG following completion of the Offers are set out in the Marketing Services Agreement, Infrastructure Services Agreement, ASR Referral Agreement and APSEC Referral Agreement (refer to Sections 12.1.3 and 12.1.4). Although AAIG is contractually obliged to continue to provide personnel and infrastructure services to HALO, the risk remains that AAIG may (temporarily or longer) be unable or unwilling to fulfill HALO's needs to the extent required or that these agreements may be terminated if HALO Technologies breaches these agreements.</p> <p>HALO has taken steps to mitigate this risk by hiring its own personnel and creating its own infrastructure and will continue to do so as a priority to reduce its ongoing reliance on AAIG as soon as possible.</p>

7. Key Risks

7.2 Business Risks

Risk	Summary
Contractual risks	<p>As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on HALO's operations and performance generally. It is not possible for HALO to predict or protect itself against all such risks.</p> <p>HALO and/or its subsidiaries have entered into contracts with companies which are governed by the laws of different jurisdictions. Should a contractual dispute result in court action or should HALO be in a position to require the enforcement of the security interests it holds, the procedure in courts in overseas jurisdictions may be different than in Australia.</p> <p>Some of HALO's material contracts may contain termination for convenience clauses and there is also a risk that existing clients choose not to renew current contractual arrangements at the expiry of the current contract.</p> <p>Any termination of contracts or failure to renew may materially impact HALO's financial performance. HALO currently mitigates some of these risks by negotiating prepayment or a transition fee on material contracts.</p>
Third party and outsourcing risk	<p>The operations of HALO require the involvement of a number of third parties, including an omnibus agreement with Interactive Brokers, and the sourcing of equities and market information through Factset.</p> <p>Financial failure, data inaccuracy, default or contractual non-compliance on the part of such third parties may have a material impact on the operations and performance of the Group. It is not possible for HALO to predict or protect the Group against all such risks.</p> <p>Omnibus Agreement with Interactive Brokers</p> <p>Macrovue Pty Ltd has entered into an omnibus agreement with Interactive Brokers. The agreement supports a single long-only account from which Macrovue manages the individual accounts of clients in terms of client onboarding, compliance, account management and cash management.</p> <p>If Interactive Brokers were to close the omnibus account structure type in Australia, this would cause a significant disruption to HALO's brokerage business.</p> <p>Data Provision Agreement with Factset</p> <p>HALO has chosen Factset as the major provider of equity market related information including the Factset Global Consensus Database from which HALO creates various analytical information sets. If this agreement was terminated, there would be a material disruption to services as HALO would need to find another provider of similar information sets potentially at a higher cost.</p>
Protection of intellectual property and know-how	<p>HALO is reliant on various intellectual property and know-how to maintain its competitive position in the market, particularly in relation to the application of information technology to process multiple types of transactions in a highly compliant manner. A failure to protect this intellectual property and maintain this know-how, and/or third parties claiming HALO is infringing their intellectual property rights, could result in an erosion of the quality of HALO's services, its competitive position, margins and profitability.</p>

7. Key Risks

7.2 Business Risks

Risk	Summary
Reputational risk	HALO relies heavily on its reputation and the functionality of its platforms to grow and retain its clients. Any adverse customer experience, inappropriate behaviours of employees, management, Board members, or a number of other people matters, could negatively affect HALO's reputation and therefore a client's preparedness to use its services.
Potential future funding issues	HALO's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to HALO on favourable terms or at all. If adequate funds are not available on acceptable terms, HALO may not be able to take advantage of opportunities or otherwise respond to competitive pressures.
Execution risk	There is a risk that HALO does not achieve its growth forecasts due to inadequate execution of its business strategy. Furthermore, if HALO fails to complete the addition of new functionality to its platforms and to operate its platforms at a standard that will retain clients and attract new clients then there is a risk that the growth forecast will not be achieved. This risk also includes a failure to properly reflect the agreed terms of service and pricing in contracts with clients and then to perform in accordance with the terms of the contract.
Business Strategy	Significant changes to the wealth management sector or changes to HALO's position in the industry could result in a need for HALO to revisit its strategy and organisational structure. If such a strategic or operational realignment is needed, it could result in a wide range of potential issues for HALO. The issues that could arise may include new business lines and functionalities being more costly or difficult to implement than expected, the new strategy or structure not performing as expected or customer losses or dissatisfaction by clients and/or shareholders by the change in direction. This could result in a loss of revenue, confidence or increases in costs, which could decrease profitability.
Financial instability and balance sheet strength	As a consequence of both working capital requirements and customer requirements, HALO is reliant on the strength of its balance sheet. A failure to maintain balance sheet strength could result in either a loss of existing customers, a failure to attract new customers or a loss of operational flexibility. At worst, HALO could fail to meet its financial regulatory obligations. This could result in HALO experiencing reductions in profitability and having a reduced ability to meet its revenue or profit projections.
Relatively Short Operating History and Competition	<p>At the date of this Prospectus, HALO has a relatively short trading history of four years for HALO and eight years for Macrovue. It faces competition in the industry from a number of international, local institutional and smaller competitors. Accordingly, there are other technology platforms and investment products that compete (to a greater or lesser degree) with HALO's offerings, which could negatively impact HALO's operating and financial performance.</p> <p>The period to achieve stable performance and development of reliable execution techniques, regulatory compliance and acceptance of new offerings by investors together with HALO's reputation for innovation, quality of service and its competitive pricing mitigates against these risks.</p>
Operational risk	<p>The operations of HALO may be affected by various factors, including failures in internal controls and financial fraud. To the extent that such matters may be in the control of HALO, HALO aims to mitigate these risks through separation of duties, quality checks and supervision.</p> <p>While HALO endeavours to maintain insurance within ranges of coverage consistent with industry practice, no guarantee can be given that HALO will be able to continue to obtain or continue to maintain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.</p>

7. Key Risks

7.3 General Risks

Risk	Summary
Impairment of intangible assets	Intangible assets created on acquisition and held on HALO's balance sheet, should an acquired business fail to perform as expected, could result in a decrease in value of the intangible assets held and may thus result in write downs.
Litigation risk	The Company is not currently involved in any material litigation and is not aware of any facts or circumstances that may give rise to any material litigation. However, given the scope of the Company's activities and the wide range of parties with which it is likely to deal, the Company may be exposed to potential litigation from third parties such as clients, regulators, employees and business associates.
Fraud or theft	There is a risk of theft if the Company fails to implement sound internal controls over accounting procedures. This risk is mitigated by fully developed sets of controls that are monitored regularly and audited annually by registered external auditors. Nevertheless, theft could have an adverse impact on HALO's operations if it led to loss of money for investors, potential regulatory sanctions and/or loss of key clients.
Insurance risk	The Company may, where economically practicable and available, endeavour to mitigate some business risks by procuring relevant insurance cover. While the Group will undertake reasonable due diligence in assessing its insurance requirements there remains the risk that the policy provisions and exclusions may render a particular claim by the Group outside the scope of the insurance cover, leading to unforeseen costs. The Group seeks to contract with reputable insurers but does not independently verify their creditworthiness. Accordingly, the risk of default on a claim remains if an insurer fails.
Related Party Risk	<p>HALO has a number of key contractual relationships with related parties. If these relationships breakdown and the related party agreements are terminated, there is a risk that HALO may not be able to find a satisfactory replacement.</p> <p>The operations of HALO will also require involvement of related parties and other third parties including contractors. With respect to these persons and despite applying best practice in terms of pre-contracting due diligence, HALO is unable to completely avoid the risk of:</p> <ol style="list-style-type: none"> (1) financial failure or default by a participant in any agreement to which HALO may become a party; and/or (2) insolvency, default on performance or delivery by any operators, contractors or service providers. <p>There is also a risk that where HALO has engaged a contractor who is a related party, the contract between the contractor and HALO may terminate for reasons outside of the control of HALO. This may then result in the termination of the contract between HALO and the contractor and the impact HALO's position, performance and reputation.</p>
Existing Shareholders will retain a significant stake in HALO following completion of the Offers	<p>Upon completion of the Offers, certain existing shareholders will voluntarily escrow 50% of their Shares (held at the date the Company is admitted to the Official List excluding any participation in the IPO Offer) for 12 months and their remaining Shares (held at the date the Company is admitted to the Official List excluding any participation in the IPO Offer) for a further 12 months. Accordingly, there is significant liquidity risk associated with the Offers in that upon these Shares being released from escrow, a significant block of Shares will be able to be sold.</p> <p>A significant sale of Shares by these shareholders, or the perception that such a sale has occurred or might occur, could adversely affect the price of the Shares.</p> <p>Alternatively, the absence of any sale of Shares by these shareholders may cause or contribute to a diminution in the liquidity of the market for the Shares.</p>

7. Key Risks

7.3 General Risks

Risk	Summary
Requirements of a public company	<p>The requirements of being a public company will subject HALO to increased costs and could strain resources. As a public company, HALO will be subject to increased reporting requirements. Compliance with these rules and regulations will increase our legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources.</p> <p>The Company has invested resources to comply with laws and regulations, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities.</p>
Market factors	<p>The general market may impact the financial performance of the Company. A reduction in asset prices, including local and global share prices, has a direct impact on a portion of Company revenue, where some revenue is calculated as a percentage of the value of funds under administration. The Company seeks to mitigate this risk by continuing to diversify its revenue streams including revenue that is not derived as a direct percentage of the value of funds under administration. Naturally an increase in asset prices provides an increase in revenue of this nature.</p>
Share price value	<p>The market value of Shares quoted on ASX may increase or decrease for a variety of reasons that are beyond the Company's control. These reasons may include, but are not limited to, changes in the pricing of comparable stocks, shifts in demand for listed equities, the publication of speculative press commentary or research about the Company, changes to general economic conditions, changes in interest rates, exchange rates, commodity prices, domestic or international changes to fiscal, monetary or regulatory policy, changes in legislation or regulations, shifts in industry dynamics and changes to the operating environment.</p> <p>In general, factors such as terrorism, international hostilities, natural disasters such as earthquakes, fires or floods, labour strikes, civil wars, outbreaks of pandemics or other similar issues may negatively affect investor sentiment and influence the Company specifically or the stock market generally (which may have negative implications on the pricing of HALO).</p> <p>These reasons or factors, amongst others, may result in the Shares trading below the Offer Price and no assurance can be made that the price of Shares will increase following quotation on ASX.</p>
Liquidity risk	<p>There is currently no market in which the Company's Shares may be sold. From the date the Company lists on the ASX, there is no certainty that an active market will develop or that the price of Shares will increase above the Offer Price in this Prospectus.</p> <p>Low liquidity in the listing of the Company's Shares means that there may be limited prospective buyers and sellers of the Shares on the ASX at any time. If the Shares of the Company remain illiquid, there is a risk that Shareholders will be unable to realise their investment in the Company. As a result, this may increase volatility of the market price of Shares, prevent investors from acquiring more Shares and prevent investors from selling their shareholding at a fair market value below what they had purchase them for.</p> <p>Following completion of the Offers and assuming the maximum amount is raised, the Director Related Shareholders will hold at least 50.1% of the issued capital of HALO, which will make the Director Related Shareholders the largest Shareholders following completion of the Listing. Certain shareholders will have escrowed Shares as a consequence of entering into escrow arrangements. The escrowed Shares will be 51.7% of Shares on issue at the Minimum Subscription and 50.1% at the Maximum Subscription. The escrow period for 33,200,147 Shares will end on 24 February 2023 and the escrow period for 33,200,148 Shares will end on 24 February 2024.</p> <p>The absence of sales during the escrow period may contribute to limited liquidity in the market for the Company's Shares.</p>

7. Key Risks

7.3 General Risks

Risk	Summary
Liquidity risk	Following the release of the escrowed Shares and the vesting of ESP Shares, the released and newly created Shares will be able to be freely traded on ASX. Should the holders of those Shares wish to sell their interests, or the market perceive that holders are divesting, it could adversely impact the trading price of HALO's Shares.
Risk of shareholder dilution	HALO may seek to issue Shares to raise capital for either working capital or to fund acquisitions within the constraints of the Listing Rules (other than where exceptions apply). This may result in the dilution of existing shareholders.
Price of Shares may fluctuate	<p>The trading price of HALO's Shares could be volatile or fluctuate in response to a wide range of events, some of which are beyond the Company's control and may not be related to its operating performance. Factors which may cause the Share price to rise and fall include, but are not limited to, changes in Australian and international stock markets and investor sentiment, domestic and international economic conditions and outlook, inflation rates, interest rates, employment and changes to government policy, regulation or legislation.</p> <p>HALO is unable to forecast the market price for Shares and they may trade on the ASX at a level below that of the Offer Price.</p>
Exposure to changes in tax rules or their interpretation	<p>Tax rules relating to both equity investments and superannuation holdings are subject to change and could potentially manifest as either a change in the level or basis of taxation. Tax changes could indirectly have an impact of the underlying value of assets of the Company's customers, negatively impacting financial performance of the Company.</p> <p>An investment in Shares may also have different tax implications for each shareholder. As such, each prospective shareholder is encouraged to seek professional tax advice in connection with any investment in the Company.</p>
Payment of dividends	Payment of future dividends and franking credits will depend on matters such as the future profitability and financial position of the Company, the Company having sufficient franking credits in the future and the other risk factors set out in this Section. There can be no assurance that the Group will achieve profitability in the future and be able to pay any dividend.



8.

Board, Management and Corporate Governance

8. Board, Management and Corporate Governance

8.1 Board of Directors

The Directors bring relevant experience and skills to the Board, including industry and business knowledge, financial management and corporate governance experience.

The Board consists of:

(1) Ivan Oshry - Independent Non-Executive Chairman

Ivan has more than 30 years' experience of legal practice in Australia and internationally, specialising in commercial and corporate law. He has advised on a large number of transactions for both listed and unlisted entities and has been a guest speaker at various local, interstate and international seminars dealing with mergers and acquisitions and equity capital market topics. Ivan has acted as co-legal counsel to the Offers.

Ivan sits on numerous company boards including EZZ Life Science Holdings Limited (ASX:EZZ), a distributor of branded skin care and consumer healthcare products; Jamieson Health Products Australia Pty Ltd, a subsidiary of Jamieson Wellness Inc, a Canada based listed company (TSE:JWEL), one of Canada's largest manufacturers, marketers and distributors of advanced natural-health products; PMFresh Pty Ltd, a large national supplier of fresh food products to the major chains and OpusXenta Pty Ltd, a technology company operating in the death care sector in Australia, New Zealand, the UK and the USA.

Ivan holds a Bachelor of Arts and LLB degree from the University of Natal, higher diplomas in Company Law and Tax from the University of Witwatersrand and a Graduate Certificate in Applied finance and investment from the Securities Institute of Australia.

Ivan sits on the board of AAIG (and certain of its subsidiary companies).

Notwithstanding Ivan's role as co-legal counsel to the Offers, his association with AAIG and Ivan's security holding following completion of the Offers, the Board considers that Ivan is an independent Director.

(2) Matthew Roberts – Managing Director

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. In that time, he has worked on transactions across a variety of sectors, including financial services, healthcare, media, resources, information technology, digital currency and renewable energy. Matthew is a Responsible Manager to the Australian Stock Exchange and is a former member of the Australian Digital Commerce Association's Advisory Board.

Matthew is passionate about Environmental, Social and Governance (ESG) and impact investing, and shaping the future of investment management. Under his leadership, AAIG has grown into a diversified and integrated financial services and technology group by targeted acquisitions and the creation of proprietary products through in-house research & development.

Matthew sits on the boards of AAIG (and certain of their subsidiary companies) and Domacom Limited (ASX: DCL).

The Board considers that Matthew is not an independent Director.

(3) George Paxton - Executive Director and Chief Executive Officer

George is an experienced finance executive and has spent more than 15 years' working in financial services with experience across in research, funds management and corporate finance across different geographies, including Europe, Asia and the USA. He has been involved in the creation of investment research products since 2006, on both the institutional and retail or high net worth side. Prior to moving to Australia in 2011, he was employed by Dealreporter, the Merger-Arbitrage division of Acuris, providing the client base of hedge funds and other institutional investors with actionable research and analysis. In Australia he has worked in equities research delivering research for a predominantly retail and high net worth client base, as a portfolio manager of investment products for retail investors, and at HALO since its inception.

He holds a BA (Hons) in Law & Economics from Queen Mary University of London, is a CFA Charter holder and is RG146 Compliant.

George sits on the boards of AAIG (and certain of their subsidiary companies) and Domacom Limited (ASX: DCL).

The Board considers that George is not an independent Director.

(4) Nicolas Bryon – Executive Director

Nicolas 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 investors and advisers alike require to manage their day-to-day investing activities.

8. Board, Management and Corporate Governance

8.1 Board of Directors

(4) Nicolas Bryon – Executive Director – Ctd.

Nicolas has been involved in analysing companies and managing portfolios in financial markets for more than 20 years in various capacities. His early days in financial markets were in the capacity of a research analyst (1998-2001; resources and various other industries) and as a portfolio manager (2001-current) of various strategies including more traditional fundamental long only, long-short Australia & Asia and systematic arbitrage strategies.

Nicolas holds a BEc (Hons) from Macquarie University, Sydney.

The Board considers that Nicolas is not an independent Director.

(5) Louise McElvogue – Non-Executive Director

Louise is an experienced executive and director with more than 20 years' experience with boards, corporates and start-ups. She has been involved in more than 30+ consumer technology projects across the UK, USA, Europe and Asia.

She currently serves on several boards including Cluey Learning (ASX:CLU), a digital education platform and Healthdirect, the Federal & State Government consumer digital health platform. Louise also sits on the NSW Council of the Australian Institute of Company Directors and previously served on cybersecurity company WhiteHawk (ASX:WHK).

Her executive and advisory experience includes more than 20 years in media, strategy and technology and leading over 30 digital projects in Australia, the UK and the US.

The Board considers that Louise is an independent Director.

(6) Philippa Lewis – Non-Executive Director

Philippa is a professional company director with over 30 years of global, commercial experience. She has been a director and CEO in the digital, medtech, healthcare and life sciences sectors. As a strategic futurist she has founded multiple companies, led local and North American IPOs, reverse mergers, complex M&A transactions, raised and managed strategic capital for private and listed entities and has been engaged in multilateral joint ventures within North America, Europe and China.

She currently serves on several boards as including Imunexus Therapeutics Ltd; a public unlisted company in the oncology therapeutics sector and Aquitas Pty Ltd, a privately owned residential aged care company.

Philippa has acted as a director of ASX and TSV listed MedTech company Simavita Ltd (ASX: SVA) between 2007 and 2016. She also chaired the board of Lifespot Health Ltd (ASX: LSH) (now, InhaleRx (ASX: IRX)) between September and October 2017, EZZ Life Science Holdings Limited (ASX:EZZ) between October 2020 and November 2021 and was chair and 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 also served as a non-executive director of the Medical Technology Association of Australia.

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

The Board considers that Philippa is an independent Director.

8.2 Senior Management

(1) Reuben Goodsell – Chief Financial Officer

Reuben has numerous years of audit, tax, advisory, financial planning and financial and board reporting experience within the financial services industry. Having qualified in South Africa and being admitted as a chartered accountant in 1994, Reuben was admitted as a practising accountant in Australia in January 2002.

Reuben has spent the last 15 years in several high-profile financial roles (including with Commonwealth Bank, Suncorp Group and Wesfarmers) providing leadership and developing high performance teams to establish, develop and implement financial, accounting, treasury, taxation and risk management frameworks.

Reuben will be responsible to present and submit financial and performance reports to the board of directors, senior management, key shareholders, regulatory and statutory bodies.

8. Board, Management and Corporate Governance

8.2 Senior Management

(2) Naimul Khaled – Chief Technology Officer

Naimul is an experienced technology executive with a track record of driving digital transformation across a range of industries by applying technology to build new products, optimise business processes, and improve business intelligence.

He has spent the last 15 years providing solutions for all stages of the software development life cycle for high profile local and international clients, including Adobe, The World Bank, Samsung, NGS Super, HCF and 1300 Home Loan. Naimul effectively builds high performance engineering teams by establishing IT governance standards and nurturing a cohesive environment for development operations within the organisation. He is fluent across a range of technical domains, including cloud native distributed applications, mobile app development, embedded systems, virtual and augmented reality, machine learning, and blockchain.

Naimul holds a Bachelor of Engineering (Software) and a Bachelor of Commerce from the University of Sydney.

(3) James Mayberry – Chief Marketing Officer

James is a proven marketing professional with a wealth of experience in the strategic planning, creation and delivery of digital traffic, lead generation and customer acquisition campaigns in a variety of different industries.

As Chief Marketing Officer, James oversees lead generation, online acquisition and brand equity for HALO Technologies and its products.

Accompanying a Bachelors Degree in Media (PR and Advertising), from the University of New South Wales, James also holds a variety of certifications in SEM, SEO, display, retargeting and social media and content marketing from industry experts and thought leaders.

(4) Clay Carter – Head of Global Research

Clay Carter has over 35 years of global investment experience within senior portfolio management roles across AMP, Legal and General Life of Australia, PM Capital, QBE Insurance and Perennial Investment Partners.

He has developed alternative methods to traditional market analysis and portfolio management, particularly in regard to high conviction investing.

Clay is also responsible for developing MacroVue's investment themes, as well as stock selection, and monitoring stocks daily to ensure optimal performance within each Vue.

(5) Alan O'Farrell – Head of Operations

Alan O'Farrell has 15 years' experience in fund administration and operations management. He started his career working in Dublin in Fund Administration in State Street and Brown Brothers Harriman and moved into Operations Management after moving to Sydney in 2011.

He possesses extensive experience in a wide range of asset classes and during his career has worked in several roles across Middle Office Servicing, Custody, Unit Registry, Settlements & Client Service. In these roles, Alan has represented his departments for a number of projects to implement systems & streamline processes within Operations.

8.3 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed director of HALO holds or has held within the two years before lodgement of this Prospectus with ASIC, any interest in:

- (1) the formation or promotion of the Company;
- (2) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offers; or
- (3) the Offers,

and no amount has been paid or agreed to be paid, and no benefit been given or agreed to be given to any such person:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

8. Board, Management and Corporate Governance

8.3.2 Directors' interests and remuneration

The Constitution provides the following in relation to the remuneration of Directors:

- (1) non-executive Directors are to be paid such aggregate Directors' fees as the Company in a general meeting determines, to be divided among them as agreed. The current aggregate Directors' fees are \$264,000, capped at \$360,000; and
- (2) each executive Director is to be paid an amount of remuneration determined by the Board. The remuneration of executive Directors is determined by the Directors after recommendations are received from the remuneration committee. Under the Listing Rules an executive Director's remuneration may not be a commission on, or a percentage of, operating revenue.

Details of the Directors' remuneration for the previous two completed and the current financial year (on an annualised basis) are set out in the table below:

Directors' Remuneration				
	Remuneration for the year ended 31 December 2020	Remuneration for the year ended 31 December 2021	Remuneration for the year ended 31 December 2022 ^{2,4}	Annual Remuneration
Ivan Oshry ¹	-	-	\$100,000	\$120,000
George Paxton ³	-	-	\$125,000	\$150,000
Nicolas Bryon	\$113,199	\$172,883	\$230,000 ⁵	\$150,000
Matthew Roberts ³	-	-	\$125,000	\$150,000
Louise McElvogue	-	-	\$60,000	\$72,000
Philippa Lewis	-	-	\$60,000	\$72,000

Notes:

1. Oshry Lawyers of which Ivan Oshry is the principal, has earned legal fees in the amount of \$165,000 in relation to the Offers. Oshry Lawyers (or its nominee) also holds 208,333 Performance Rights that will vest upon the Company receiving conditional approval from ASX for its admission to the Official List and receiving valid applications for \$35 million under the IPO Offer.
2. Performance Rights have been granted to each of the Directors which rights are subject to vesting conditions, including the future earnings of the Company (refer to Section 11.4.1).
3. Matthew Roberts and George Paxton previously rendered services to HALO via the Infrastructure Services Agreement with AAIG but with effect from 1 July 2021, now render services directly to HALO.
4. Assuming that the Company is admitted to the Official List during April 2022.
5. Includes a bonus of \$80,000.

8.3.3 Sell Down

The Company has entered into deeds with select Shareholders (**Selling Shareholders**) whereby Selling Shareholders have agreed to sell their existing Shareholding (**Sell Down Deeds**). The Selling Shareholders have agreed to sell down an aggregate of 8,333,333 Shares at an issue price of \$1.20 per Share under the IPO Offer. The material terms and conditions of the Sell Down Deeds are summarised at Section 12.3.7.

8. Board, Management and Corporate Governance

8.3.4 Directors' interests in the Company's Shares

The table below sets out each Director's direct and indirect security holding in the Company following the Offers and assuming the Maximum Subscription is raised:

Directors' interests	Direct Shares	Indirect Shares	Selldown	Total Direct and indirect Shares after Sell Down ¹	Performance Rights
Ivan Oshry	-	63	-	63 ¹	2,708,333 ²
George Paxton	-	10,416,667	(2,500,000)	8,071,764 ¹	5,000,000
Nicolas Bryon	10,416,667	-	(2,500,000)	7,916,667	5,000,000
Matthew Roberts	-	53,125,000	(3,333,333)	50,411,864 ¹	5,000,000
Louise McElvogue	-	-	-	-	625,000
Philippa Lewis	-	-	-	-	625,000

Notes:

- Includes 63 Shares that will be issued to Ivan Oshry, 155,097 Shares that will be issued to George Paxton and 620,197 Shares that will be issued to Matthew Roberts (or their associates) via the in-specie distribution of Shares held by AAIG.
- Includes 208,333 Performance Rights that will vest upon the Company receiving conditional approval from ASX for its admission to the Official List and receiving valid applications for \$35 million under the IPO Offer.

8.4 Agreements with Directors and Related Parties

The Company's policy in respect of related party arrangements is:

- a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Section 12.3.

8.4.2 Potential Conflict of interest

The Company notes that Ivan Oshry (the Company's Chairperson and principal of the Company's co-legal adviser to the Offers) will have a relevant interest in a total of 208,396 Shares and 2,500,000 Performance Rights following the Company's admission to the Official List. The Company does not believe that this Shareholding (that is, relative to the Company's overall issued share capital) undermines Ivan Oshry's independence or the integrity of the legal advice he has rendered to the Company whether in relation to the Offers or otherwise.

The Company's policy in relation to entering into related party agreements is summarised in Section 8.4 above. Given Mr Oshry's position as principal of Oshry Lawyers, Mr Oshry abstained on voting on the Company's entry into its engagement with Oshry Lawyers as co-legal adviser to the Offers.

The Board believes that the consideration payable to Oshry Lawyers is reasonable remuneration and is consistent with or favourable to prevailing market rates for the services performed. For further information in relation to the fees payable to Oshry Lawyers in connection with the Offers refer to Section 11.7.

Furthermore, given that the role of Oshry Lawyers has been limited to providing commercial legal advice only in relation to the Offers, the Company is satisfied that Oshry Lawyers' role as co-legal adviser to the Offers has not, and will not, result in any conflict with Ivan Oshry's position as chairperson and that no prejudice, or potential for prejudice, to the Company will result.

8. Board, Management and Corporate Governance

8.4.3 Senior Management Interests and Remuneration

No senior manager presently holds any Shares. The following senior managers have been invited (and have accepted) to participate in the Employee Share Offer and following completion of the Offers, will hold Shares under the Employee Share Offer as set out in the following table.

Employee Share Offer	
Manager	ESP Shares
Reuben Goodsell	166,668
Naimul Khaled	166,668
James Mayberry	83,332
Clay Carter	166,668
Alan O'Farrell	83,332

8.5 Corporate Governance

The Board is responsible for the overall corporate governance of the Company. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy including approving the strategic goals of the Company and its corporate governance. The Board is committed to maximising performance, generating appropriate levels of shareholder value and financial return and sustaining the growth and success of the Company.

In conducting business, the Board's objective is to ensure that the Company is properly managed to protect and enhance shareholder interests, and that the Company, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Company's corporate governance principles and policies are structured with reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations - 3rd edition (**Recommendations**).

The principles recommended by the ASX Corporate Governance Council are:

Principle 1 – Lay solid foundations for management and oversight

The role of the Board is set out above. The Company complies with this principle of the Recommendations.

Principle 2 – Structure the Board to add value

The Company has a six-member Board comprising a Non- Executive Chairman, three executive Directors and two Non-Executive Directors. Together, the Directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the Company and its business. The Company believes it is in its best interests to maintain a small but efficient board of Directors with at least two executive directors. Three of the Company's six Directors are independent and have significant sectorial experience.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

Principle 3 – Promote ethical and responsible decision making

This principle deals with a code of conduct for the Company, including the level of integrity of its Directors and employees, the legal obligations of the Company and the responsibility of investigating and reporting unethical practices.

Consistent with the Company's statement of commitments, principles and values, the Board has developed and implemented policies governing director and employee conduct as well as a code of conduct for transactions dealing in the Company's securities. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. The Company has also adopted a policy of diversity (including gender diversity) to take into account the amendments to the Recommendations. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy. A summary of these codes are available on the Company's website at www.HALO-technologies.com.

8. Board, Management and Corporate Governance

8.5 Corporate Governance

The purpose of these codes is to guide Directors and employees in the performance of their duties and to define the circumstances in which both they and management, and their respective associates, are permitted to deal in securities. The codes have been designed with a view to ensuring the highest ethical and professional standards, as well as compliance with legal obligations, and therefore comply with the Recommendations.

Principle 4 – Safeguard integrity in financial reporting

The Board has established a committee to undertake the selection and proper application of accounting policies, the integrity of financial reporting, the identification and management of risk and review of the operation of the internal control systems.

Principle 5 – Make timely and balanced disclosure

The Company's current practice on disclosure is consistent with the Recommendations. The Board has adopted a continuous disclosure policy and procedures are in place to ensure compliance with ASX Listing Rule disclosure requirements. The Board's continuous disclosure policy is available on the Company's website at www.HALO-technologies.com.

Principle 6 – Respect the rights of shareholders

The Company is committed to providing regular communication to Shareholders about the financial performance of the Company and its business and operations. Annual reports are to be provided to Shareholders, except those who request not to receive a copy. The Board will communicate with Shareholders regularly and clearly by electronic means as well as by traditional methods. Shareholders are encouraged to attend and participate at general meetings. The Company's auditor will attend the annual general meeting and will be available to answer Shareholders' questions. The Company's policies comply with the Recommendations in relation to the rights of Shareholders.

A description of arrangements regarding communication with and participation of Shareholders is available on the Company's website at www.HALOTEchnologies.com.au

Principle 7 – Recognise and manage risks

The Board oversees the Group's risk profile. The financial position of the Group and matters of risk are considered by the Board on a daily basis. The Board is responsible for ensuring that controls and procedures are in place to identify, analyse, assess, prioritise, monitor, and manage risk and are continuously being maintained and adhered to.

A summary of its policies on risk oversight and management of material business risks is available on the Company's website at www.HALO-technologies.com.au.

Principle 8 – Remunerate fairly and responsibly

The objective of the Group's remuneration framework is to ensure reward for performance is competitive and appropriate to the results delivered. The framework aligns executive reward with the creation of value for shareholders and conforms to market best practice.

The Board ensures that executive rewards satisfy the following key criteria for good reward governance practices:

- (1) Competitiveness and reasonableness;
- (2) Acceptability to the shareholders;
- (3) Performance linked;
- (4) Transparency; and
- (5) Capital management.

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

The following is a summary of policies and procedures that have been adopted by the Company and in accordance with the ASX Corporate Governance Principles and lodged with the ASIC.

8. Board, Management and Corporate Governance

8.5 Corporate Governance

Board Charter

The Board Charter sets out the functions and responsibilities of the Board. The Company has adopted a charter (which will be reviewed and amended from time to time as the Board considers appropriate) to give formal recognition of the Board's role and responsibilities and to specify how the Company is governed so as to promote the Company and protect the interests of Shareholders, employees, customers and the broader community.

Audit, Risk Management and Compliance Committee Charter

The Audit and Risk Management and Compliance Committee Charter details the role of the internal committee which is to oversee the processes for financial reporting, internal control, financial and non-financial risk management, external audit and monitoring the Company's compliance with laws, regulations and its own policies and evaluating the adequacy of processes and controls established to identify and manage areas of potential risk.

Nomination and Remuneration Committee Charter

The Nomination and Remuneration Committee Charter outlines the composition of the committee, its responsibilities, meeting requirements, reporting procedures and duties of the committee.

Code of Conduct

The Code of Conduct provides a set of guiding principles which are to be observed by all employees of the Group and addresses matters that are relevant to the Company's legal and ethical obligations to its shareholders. The policy outlines requirements in respect of the Directors' discharge of their duties, relationships, compliance with laws and ethics, conflicts of interest and confidentiality.

Share Trading Policy

The Securities Trading Policy sets out the Company's policy with regard to trading in Company securities. The policy applies to all Directors, and senior executives of the Group and their associates, and any other persons identified by the Board or the Company Secretary from time to time. The policy outlines the general prohibition on insider trading, restrictions on trading, how permission to trade must be sought, what are trading windows and closed periods for trading, and how proposed trading in securities must be notified to the Company.

Diversity Policy

The Diversity Policy provides a framework for the Company to set measurable objectives for achieving diversity and sets out the procedures by which the Board can report the progress of these objectives in order to achieve a diverse and skilled workforce.

Continuous Disclosure Policy

The Continuous Disclosure Policy sets out how the Company will comply with the continuous disclosure requirements of the ASX Listing Rules and how shareholders are to be informed of all material developments in respect of the Company.

Copies of these charters, codes and policies are available in full on the Company's website at www.HALO-technologies.com.

You are also able to obtain, free of charge, a copy of each of the above corporate governance policies and procedures by contacting the Company at its registered office during normal business hours during the Offer Period.

Following admission to the Official List of the ASX, the Company will be required to report any departures from the ASX Corporate Governance Principles in its annual report.

The Company has set up its governance practices to currently comply with the ASX Corporate Governance Principles and therefore has no departures to report.

8.6 Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established the Audit and Risk Management Committee and a Remuneration and Nomination Committee, and other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of HALO, relevant legislative and other requirements and the skills and experience of individual Directors.

8. Board, Management and Corporate Governance

8.6.1 Audit and Risk Management Committee

Under its charter, this committee must comprise of at least three independent Directors and the Chair must be an independent Director. The Company Secretary and the Company's external auditor will also sit on this Committee. In accordance with its charter, it is intended that all members of the committee should be financially literate and have familiarity with financial management, and at least one member should have relevant qualifications and experience.

The primary role of this committee includes:

- (1) overseeing the process of financial reporting (including to assist the Managing Director or Chief Financial Officer to provide their declaration under section 295A of the Corporations Act), internal control, continuous disclosure, financial and non-financial risk management and compliance and external audit;
- (2) monitoring the Company's compliance with laws and regulations and the Company's own codes of conduct and ethics;
- (3) encouraging effective relationships with, and communication between, the Board, management and the Company's external auditor;
- (4) evaluating the adequacy of processes and controls established to identify and manage areas of potential risk; and
- (5) seeking to safeguard the assets of the Company.

Under the charter, it is the policy of the Company that its external auditing firm must be independent. The committee will review and assess the independence of the external auditor on an annual basis. In accordance with its obligations under the ASX Listing Rules, the Board intends to comply with the recommendations set by the ASX Corporate Governance Council in relation to composition and operation of the Audit and Risk Management Committee.

8.6.2 Remuneration and Nomination Committee

Under its charter, this committee must have at least three members, the majority being independent Directors and the Chair being an independent Director. The Company Secretary and Chief Financial Officer will also sit on this committee

The main functions of the committee are to assist the Board with a view to establishing a Board of effective composition, size, diversity, expertise and commitment to adequately discharge its responsibilities and duties, and assist the Board with a view to discharging its responsibilities to Shareholders and other stakeholders to seek to ensure that the Company:

- (1) has coherent remuneration policies and practices which enable the Company to attract and retain executives and Directors, including succession planning for the Board and executives;
- (2) fairly and responsibly remunerates Directors and executives, having regard to the performance of the Company, the performance of the executives and the general remuneration environment;
- (3) has policies to evaluate the performance of the Board, individual Directors and executives on (at least) an annual basis; and
- (4) has effective policies and procedures to attract, motivate and retain appropriately skilled and diverse persons to meet the Company's needs.

Remuneration of Directors

The Company will determine by resolution the total remuneration to be paid to the Directors, and the Directors will determine how the total remuneration is divided among them. The remuneration of a Director must not include a commission on, or a percentage of, profits or revenue. In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$264,000 per annum – see Section 8.3.2 for further details.

Directors will also be eligible to participate in the Employee Share Plan, subject to any necessary Shareholder approval (see Section 11.6 for further details).

The Company may also pay the Directors' travelling and other expenses that they properly and reasonably incur in attending Directors' meetings or any meetings of committees of Directors, general meetings of the Company, and in connection with the Company's business. Subject to the Corporations Act, any Director called upon to perform extra services or undertake any executive or other work for the Company beyond his or her general duties may be remunerated either by a fixed sum or a salary as determined by the Directors.

8. Board, Management and Corporate Governance

8.63 Departures from Recommendations

Departures from Recommendations Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and departures from the Recommendations will also be announced prior to admission to the Official List of the ASX.



9.

Details of the Offers

9. Details of the Offers

9.1 Key Dates

Event	Date
Lodgement of Prospectus with ASIC	28 February 2022
Exposure period ends	14 March 2022
Offers open	15 March 2022
Offers close (Closing Date)	4 April 2022
Settlement of the Offers	6 April 2022
Completion of the Offers - Issue of Shares	7 April 2022
Expected dispatch of shareholder holding statements	7 April 2022
Expected commencement of trading of Shares on ASX	11 April 2022

Notes:

1. The above dates are indicative only and may change without notice. Unless otherwise indicated, all time given are AEST. The Exposure Period may be extended by the ASIC by not more than seven days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Shares to applicants.
2. If the Offers are cancelled or withdrawn before completion of the Offers, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.

9.2 Description of the IPO Offer

Pursuant to this Prospectus:

- (1) the Company is conducting a capital raising to raise a minimum of \$25,000,000* and a maximum of \$30,000,000 of new monies by an offer to issue up to 25,000,000 New Shares at an issue price of \$1.20 per New Share; and
- (2) the Selling Shareholders are conducting a \$10,000,000 sell down by an offer of 8,333,333 Existing Shares held by the Selling Shareholders at a sale price of \$1.20 per Existing Share.
The New Shares and Existing Shares are fully paid ordinary shares in the Company and will, rank equally with all other Shares on issue as at the date of this Prospectus. A summary of the rights attaching to the Shares is set out in Section 11.3.

The capital raising noted at Section 9.2(1) above does not include the amount raised under the Sell Down or the Employee Offer (which are not considered to be part of the capital raising exercise).

The New Shares and Existing Shares are fully paid ordinary shares in the Company and will, rank equally with all other Shares on issue as at the date of this Prospectus. A summary of the rights attaching to the Shares is set out in Section 11.3.

9. Details of the Offers

9.3 Minimum Subscription and Maximum Subscription

The Minimum Subscription under the IPO Offer is 29,166,667 Shares (comprising 20,833,334 New Shares and 8,333,333 Existing Shares) at \$1.20 per Share to raise approximately \$35 million.

The Maximum Subscription under the IPO Offer is 33,333,333 Shares (comprising 25,000,000 New Shares and 8,333,333 Existing Shares) at \$1.20 per Share to raise approximately \$40 million.

Any issue of Shares under the Employee Offer will not be included in the calculation of the Minimum Subscription or Maximum Subscription.

9.4 No Underwriting

The Offers are not underwritten.

9.5 Purpose of the IPO Offer

The purpose of the IPO Offer is to:

- (1) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules;
- (2) broaden the Company's shareholder base and provide a liquid market for its Shares;
- (3) assist in attracting and retaining quality staff due to increased profile, transparency and credibility that arises from being a listed entity;
- (4) facilitate the Sell Down;
- (5) raise funds to enable the Company to:
 - (i) enhance the functionality of its products, implement increased global marketing strategies and pursue future growth opportunities;
 - (ii) repay debt; and
 - (iii) pay for the transaction costs associated with listing on the ASX; and
- (6) provide HALO with ongoing access to the capital markets to provide financial flexibility and opportunity to pursue its growth opportunities and acquisition strategy.

The Company intends on applying the funds raised under the IPO Offer in the manner detailed in Section 9.7.

9.6 Employee Offer

The Company has agreed to issue Shares under the Plan to the Participating Employees (or their respective nominees) under the Employee Offer.

This Prospectus includes a separate offer of 3,354,124 Shares to the Participating Employees (or their respective nominees) under the Plan.

The rights and liabilities attaching to the Shares are further described in Section 11.3.

Only the Participating Employees (or their respective nominees) may accept the Employee Offer.

The Employee Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale or transfer of any Shares that are issued under the Employee Offer.

An Application Form in relation to the Employee Offer will be issued to the Participating Employees together with a copy of this Prospectus.

The issue price of Shares under the Employee Offer will be \$0.025 per Share.

9.7 Use of Funds

The Company is expecting to make a net profit in both FY22 and FY23. As such, the Company expects to fund its operations through operational cash flows. Following the Offers, the Company will have sufficient working capital to meet its stated objectives.

The table below sets out in detail the intended use of the proceeds raised from the IPO Offer, assuming the Minimum Subscription of \$35 million and the Maximum Subscription of \$40 million is raised.

9. Details of the Offers

Use of Funds	Minimum Subscription (\$35 million)	Maximum Subscription (\$40 million)
Sell Down	10.0	10.0
Acquisition Targets ¹	9.0	9.0
Marketing ²	3.8	8.5
Redemption of Convertible Notes	5.1	5.1
Database Acquisition	2.0	2.0
Technology Development ³	2.0	2.0
Offer Costs	3.1	3.4
Total Use of funds	35.0	40.0

Notes:

- The Company also intends to build scale quickly through the acquisition of complementary, value accretive businesses. HALO has completed an assessment of the landscape for acquisitions in North America and the UK. The analysis to date has highlighted a large pool of acquisitions in both markets that present significant growth opportunities for the Company when coupled with its existing subscription products. Following completion of the IPO, the Company will be strongly positioned to make complementary acquisitions of this nature to fast track the expansion of its subscriber base.
The Directors believe the Company has an opportunity to become a globally recognised online investment platform on a wholesale basis, distributed through a broad network of established financial services providers.
- After the IPO, the Company will continue with its existing strategy of digital and direct selling models but on an enlarged scale and increasingly international basis.
- After the IPO, the Company intends to accelerate development of its proprietary technology by adding additional features and enhancing existing features and applications.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

In the event the Company raises more than the Minimum Subscription of \$35 million under the IPO Offer but less than the Maximum Subscription, the additional funds raised will be first applied towards the expenses of the IPO Offer and then proportionally to the other line items in the above table.

9.8 Applications

Applications for Shares under the IPO Offer must be made by using the relevant Application Form as follows:

- using an online Application Form at <https://www.HALO-technologies.com/ipo> and pay the application monies electronically; or
- completing a paper-based application using the relevant Application Form attached to, or accompanying, this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

By completing an Application Form, each applicant under the IPO Offer will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Applications for Shares under the IPO Offer must be for a minimum of \$2,100 worth of Shares (1,750 Shares) and thereafter in multiples of 500 Shares and payment for the Shares must be made in full at the issue price of \$1.20 per Share. Completed Application Forms and accompanying cheques, made payable to **"HALO Technologies Holdings Ltd"** and crossed **"Not Negotiable"**, must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (AEST) on the Closing Date, which is scheduled to occur on 4 April 2022.

If paying by **BPAY®** or **EFT**, please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY or EFT should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is process by their financial institution on or before the day prior to the Closing Date of the Offers. You do not need to return any documents if you have made payment via BPAY or EFT.

9. Details of the Offers

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Offers early.

9.9 Allocation policy under the IPO Offer

The Company retains an absolute discretion to allocate Shares under the IPO Offer and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the IPO Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in conjunction with the Lead Manager) will be influenced by the following factors:

- (1) the number of Shares applied for;
- (2) the overall level of demand for the IPO Offer;
- (3) the desire for a spread of investors, including institutional investors;
- (4) recognising the ongoing support of existing Shareholders;
- (5) the likelihood that particular Applicants will be long-term Shareholders;
- (6) the desire for an informed and active market for trading Shares following completion of the IPO Offer;
- (7) ensuring an appropriate Shareholder base for the Company going forward; and
- (8) any other factors that the Company and the Lead Manager consider appropriate.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

9.10 Capital Structure

The capital structure following the Offers, at the Minimum Subscription and Maximum Subscription, is outlined in the table below.

Capital Structure				
	Minimum Subscription		Maximum Subscription	
	Shares	%	Shares	%
Total Shares on issue before the Offers¹	104,166,667	70.71%	104,166,667	68.77%
New Shares to be issued under the IPO Offer	20,833,334	14.14%	25,000,000	16.50%
New Shares to be issued under the Employee Offer	3,354,124	2.28%	3,354,124	2.21%
Total Shares on completion of the Offers²	128,354,125	87.13%	132,520,791	87.48%
Performance Rights	18,958,333	12.87%	18,958,333	12.52%
Total Shares (fully diluted)²	147,312,458	100.00%	151,479,124	100.00%

Notes:

1. Includes 8,333,333 Existing Shares which will be offer under the IPO Prospectus pursuant to the Sell Down.
2. As set out in Section 12.3.4, Director, Ivan Oshry may elect to take a portion of the fee payable under his non-executive director appointment letter in Shares, which will be issued quarterly in arrears and valued at the volume weighted average price (**VWAP**) at which the Shares have been quoted on the ASX over the last 30 days comprising the quarter to which the fee relates.

9. Details of the Offers

Details of the Shares that will be subject to escrow arrangements are set out in Section 12.3.6. At completion of the Offers, and assuming maximum subscription:

- (1) 50.1% of the Shares on issue will be subject to voluntary escrow; and
- (2) the Director's believe the free-float of the Shares at the time of Listing on the Official list will be no less than 49.9% of Shares on issue at that time.

9.11 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offers are set out in the respective tables below.

Substantial shareholders As at the date of the Prospectus		
	Shares	Percentage (%)
Matthew Roberts Holdings Pty Ltd ATF MR Family Trust	53,125,000	51%
George Paxton and Alexandra Paterson-Ridgway jointly ATF Nutex Trust	10,416,667	10%
Nicolas Bryon	10,416,667	10%
Amalgamated Australian Investment Group Limited	30,208,333	29%

On completion of the issue of Shares under the Offers with Minimum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the IPO Offer)

Substantial shareholders On completion		
	Shares	Percentage (%)
Matthew Roberts Holdings Pty Ltd ATF MR Family Trust	50,411,864	39%
George Paxton and Alexandra Paterson-Ridgway jointly ATF Nutex Trust	8,071,764	6%
Nicolas Bryon	7,916,667	6%

The Company will announce to the ASX details of its top-20 Shareholders following completion of the Offers prior to the Shares commencing trading on ASX.

9.12 Lead Manager

The Company has appointed Lodge Corporate Pty Ltd (**Lead Manager**) as lead manager to the IPO Offer. For further information in relation to the appointment of the Lead Manager and its fee for services, please refer to Section 12.4.

9.13 Foreign Selling Restrictions

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

9.13.1 United States

The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US persons, except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws.

9. Details of the Offers

Each Applicant will be taken to have represented, warranted and agreed as follows:

- (1) it understands that the Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities law of any state of the United States and may not be offered, sold or resold in the United States, or to or for the account or benefit of US persons, except in a transaction exempt from, or not subject to, registration under the US Securities Act 1933 and any other applicable securities laws;
- (2) it is not in the United States or a US person, and is not acting for the account or benefit of a US person
- (3) it has not and will not send the Prospectus or any other material relating to the Offers to any person in the United States or to any person that is, or is acting for the account or benefit of, a US person; and
- (4) it will not offer or sell the Shares in the United States or to, or for the account or benefit of, any US person or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act 1933 and in compliance with all applicable laws in the jurisdiction in which Shares are offered or sold.

9.13.2 Applicants outside of Australia

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of any such law and that all necessary approvals and consents have been obtained by the Applicant.

The Company may also accept Applications from Institutional Investors in jurisdictions outside of Australia subject to that investor being eligible to apply for Shares in the IPO Offer under the security laws of their home jurisdiction.

9.13.3 Hong Kong

This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six (6) months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offers. If you are in doubt about any contents of this document, you should obtain independent professional advice.

9.13.4 Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other documents or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis you are (i) an existing holder of the Company's Shares, (ii) an “institutional investor” (as defined in the SFA) or (iii) an “accredited investor” (as defined in the SFA). If you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Note any Shares for which you subscribe under the Offers, may not subsequently be offered for sale to any other party. There are on sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

9. Details of the Offers

9.13.5 New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (1) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (2) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (3) is “large” within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (4) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (5) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

9.13.6 United Kingdom

Neither the information in this document nor any other document relating to the Offers has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended [**FSMA**]) has been published or is intended to be published in respect of the Shares.

This document is issued on a confidential basis to “qualified investors” (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together **Relevant Persons**). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

9.14 ASX Listing, Registers and Holding Statements

9.14.1 ASX listing and quotation

The Company will apply within seven days of the date of issue of this Prospectus for admission to the Official List of ASX and for the quotation of its Shares on ASX. The Company’s expected ASX code is expected to be HAL. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offers.

The fact that ASX may admit the Company to the Official List is not to be taken in any way as an indication of the value or merits of the Company or the Shares offered for subscription.

Official quotation of the Shares, if granted, will commence as soon as practicable after the issue of initial shareholding statements to successful Applicants. If the Company does not make such an application within seven days after the date of this Prospectus, or the Company has not been admitted to the Official List of ASX within three months after the date of this Prospectus (or such period as varied by ASIC), all Application Monies will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

9.14.2 Issue

The issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

9. Details of the Offers

9.14.2 Issue ctd.

The Directors (in conjunction with the Lead Manager) will determine the recipients of the issued Shares in their sole discretion in accordance with the allocation policy detailed in Section 9.9). The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus Application Monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

9.14.3 Holding statements

The Company will apply to participate in ASX's Clearing House Electronic Sub-register System (**CHESS**), in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

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

Following completion of the Offers, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated. This statement will also provide details of a Shareholder's Holder Identification Number (HIN) for CHESS holders or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

The Company, the Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise (to the maximum extent permitted by law), if you sell Shares before receiving your holding statement, even if you confirmed your firm allocation through a broker.

9.15 Dividend Policy

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

9.16 Brokerage, Commission and Stamp Duty

No brokerage, commission or stamp duty is payable by Applicants upon acquisition of the Shares under the Offers. However, the Company will pay to the Lead Manager 6% (ex GST) of the total amount raised by the Lead Manager under the Prospectus. Details are set out in Section 12.4.

9.17 Withdrawal of Offers

The Offers may be withdrawn at any time. In this event, the Company will return all Application Monies (without interest) in accordance with applicable laws.

9.18 Further Enquiries

If you have any queries relating to aspects of this Prospectus please call the HALO Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am until 5.30pm (Sydney time) Monday to Friday (excluding public holidays) during the Offer Period. If you have queries or uncertainties relating to any matter you should also consult your stockbroker, accountant or other financial adviser before deciding whether to invest.



10.

Independent Limited Assurance Report

RSM Corporate Australia Pty Ltd

Level 13, 60 Castlereagh Street
Sydney NSW 2000
T +61 (02) 8226 4500
F +61 (02) 8226 4501
rsm.com.au

25 February 2022

The Board of Directors
Halo Technologies Holdings Ltd
Level 12, 225 George Street
Sydney, NSW, 2000

Dear Directors,

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report on Halo Technologies Holdings Ltd's statutory and pro forma historical financial information

We have been engaged by Halo Technologies Holdings Ltd ("Halo" or "the Halo Group") to report on certain statutory historical and pro forma historical financial information for inclusion in a Prospectus dated on or about 25 February 2022.

The Prospectus relates to the Company's proposed listing of ordinary shares on the Australian Securities Exchange ("ASX") via an Initial Public Offering ("Offer"), to raise between \$35 million and \$40 million.

Expressions and terms defined in the Prospectus have the same meaning in this report.

Scope

Statutory Historical Financial Information

You have requested RSM Corporate Australia Pty Ltd ("RSM") to review the statutory historical financial information of the Halo Group included in Section 6 of the Prospectus, comprising:

- Halo Technologies Pty Limited's audited statutory historical consolidated statement of profit and loss and other comprehensive income for the financial years ended 31 December 2019 (FY19), 31 December 2020 (FY20) and 31 December 2021 (FY21);
- Halo Technologies Pty Limited's audited statutory historical consolidated statement of cash flows for FY19, FY20 and FY21; and
- Halo Group's audited statutory historical consolidated statement of financial position as at 31 December 2021;

collectively "the Statutory Historical Financial Information".

THE POWER OF BEING UNDERSTOOD **AUDIT | TAX | CONSULTING**

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of Australian Financial Services Licensees)

The Statutory Historical Financial Information has been extracted from the audited general purpose financial statements of both the Halo Group and Halo Technologies Pty Limited. These financial statements were audited for the years ended 31 December 2019, 31 December 2020 and 31 December 2021 by BDO. BDO issued unqualified audit opinions on these financial statements. The financial information is set out in Section 6 of the Prospectus.

Halo Technologies Holdings Limited acquired 100% of the shares in Halo Technologies Pty Limited on 1 July 2021 via a script for script transaction, and which was a cashless transaction. Halo Technologies Holdings Limited was incorporated on 30 October 2020 as a public company and is the holding company of Halo Technologies Pty Limited (operating company incorporated on 15 January 2018). There are limited actual historical financial results for Halo Technologies Holdings Limited, given it will act as the holding company for the group going forward. Consequently, only Halo Technologies Pty Limited financial information has been disclosed in Section 6 as it is the operating company within the group.

The Historical and Pro Forma Statement of Financial Position presented in the Prospectus reflects a consolidation of Halo Technologies Holdings Limited that will comprise the Halo Group (including Halo Technologies Pty Limited) upon listing.

The Statutory Historical Financial Information of the Halo Group has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Halo Group's adopted accounting policies.

The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested RSM to review the pro forma historical financial information of the Halo Group included in Section 6 of the Prospectus and comprising:

- Halo Technologies Pty Limited's unaudited pro forma historical consolidated statement of profit and loss and other comprehensive income for FY19, FY20 and FY21;
- Halo Technologies Pty Limited's unaudited pro forma historical consolidated cash flows for FY19, FY20 and FY21;
- Halo Group's unaudited pro forma historical consolidated statement of financial position as at 31 December 2021; and
- the subsequent events and pro forma adjustments as described in Section 6 of the Prospectus.

collectively referred to as "the Pro Forma Historical Financial Information".

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Halo Group, adjusted for the transactions / adjustments summarised in Section 6 of the Prospectus. The stated basis of preparation is the recognition and measurement requirements of Australian Accounting Standards and the Halo Group's adopted accounting policies applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 6 of the Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Halo Group's actual or prospective financial position.

The Pro Forma Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Directors' responsibility

The directors of the Halo Group are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information; and
- the preparation and presentation of the Pro Forma Historical Financial Information, including the selection and determination of the pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information.

This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of the Statutory Historical Financial Information and the Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450: "*Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*".

Statutory Historical Financial Information

We made such enquiries, primarily of persons responsible for financial and accounting matters, and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a consistency check of the application of the stated basis of preparation of the Statutory Historical Financial Information;
- a review of the Halo Group's work papers, accounting records and other supporting documents;
- enquiry of directors, management personnel and advisors; and
- the performance of analytical procedures applied to the Statutory Historical Financial Information.

Pro Forma Historical Financial Information

We made such enquiries, primarily of persons responsible for financial and accounting matters, and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- consideration of the appropriateness of the Pro Forma adjustments described in table 6.2, 6.5 and 6.7 of the Prospectus;
- a consistency check of the application of the stated basis of preparation to the Pro Forma Historical Financial Information;
- a review of the Halo Group's work papers, accounting records and other supporting documents;

- enquiry of directors, management personnel and advisors;
- the performance of analytical procedures applied to the Pro Forma Historical Financial Information; and
- a review of accounting policies adopted and used by the Halo Group over the relevant periods for consistency of application.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source for the financial information.

Conclusions

Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of the Halo Group, as described in Section 6 of the Prospectus, and comprising:

- Halo Technologies Pty Limited's audited statutory historical consolidated statement of profit and loss and comprehensive income for FY19, FY20, and FY21;
- Halo Technologies Pty Limited's audited statutory historical consolidated statement of cash flows for FY19, FY20, and FY21; and
- Halo Group's audited statutory historical consolidated statement of financial position as at 31 December 2021;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of the Halo Group, as set out in Section 6 of the Prospectus, and comprising:

- Halo Technologies Pty Limited's unaudited pro forma historical consolidated statement of profit and loss and other comprehensive income FY19, FY20 and FY21;
- Halo Technologies Pty Limited's unaudited pro forma historical consolidated cash flows for FY19, FY20 and FY21;
- Halo Group's unaudited pro forma historical consolidated statement of financial position as at 31 December 2021; and
- the subsequent events and pro forma adjustments as described in Section 6 of the Prospectus.

is not presented fairly in all material aspects, in accordance with the stated basis of preparation, as described in Section 6 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 6.2, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Declaration of Interest

RSM Corporate Australia Pty Ltd does not have any interest in the outcome of this transaction other than the preparation of this report for which normal professional fees will be received.

Consent

RSM Corporate Australia Pty Ltd has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

Yours faithfully,

A handwritten signature in black ink that reads "Tim Goodman".

RSM CORPORATE AUSTRALIA PTY LTD
Tim Goodman
Director



11.

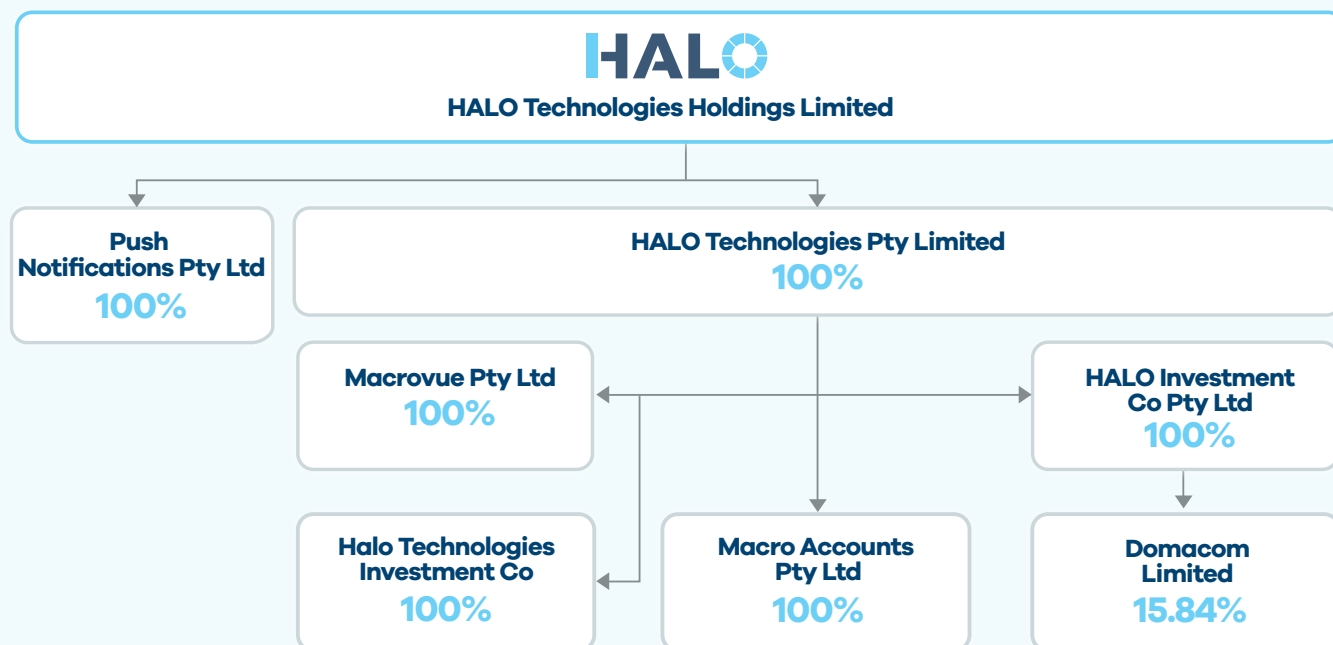
Additional Information

11. Additional Information

11.1 Incorporation

The Company was incorporated in New South Wales as a proprietary company limited by shares on 30 October 2020 under the name HALO Technologies Holdings Ltd. In October 2020, HALO was incorporated as a public company for purposes of enabling the Group to pursue a listing on ASX. The Company subsequently acquired Push Notifications Pty Ltd on 25 November 2020. A restructure occurred in July 2021, whereby the shares on issue in HALO Technologies were exchanged for Shares in HALO.

11.2 Corporate Structure



11.3 Constitution and Rights Attaching to Shares

Introduction

The business of the Company is to be managed by or under the direction of the Directors.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(1) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of HALO. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(2) Voting rights

Subject to the Corporations Act, any rights or restrictions for the time being attached to any class or classes of Shares, and the Constitution, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call are ignored when calculating the proportion.

11. Additional Information

(3) Dividend rights

The Directors may from time to time pay to the Shareholders any interim and final dividends as they believe to be justified subject to the requirements of the Corporations Act. No dividend shall carry interest as against HALO. The Directors may set aside out of the profits of HALO any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of HALO may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the HALO Director's may implement a dividend selection plan on terms it decides under which participants may choose to receive a dividend from HALO or to forego a dividend from HALO in place of some other form of distribution from HALO or another body corporate or a trust.

(4) Winding-up

If HALO is wound up, the liquidator may, with the authority of a special resolution of HALO, divide among the shareholders in kind the whole or any part of the property of HALO, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(5) Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(6) Future increase in capital

The issue of any new Shares is under the control of the HALO Directors. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the HALO Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the HALO Directors may issue Shares as they shall, in their absolute discretion, determine.

(7) Variation of rights

Pursuant to section 246B of the Corporations Act, HALO may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not HALO is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(8) Alteration of HALO Constitution

The HALO Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

11. Additional Information

11.4 Terms and Conditions of Performance Rights and Performance Rights Plans

11.4.1 Performance Rights - Terms and Conditions

Set out below are the terms and conditions of the Performance Rights:

(a) Vesting Conditions

The Performance Rights shall be subject to the following **Vesting Conditions** and shall have the following **Expiry Dates**:

Tranche	Number of Performance Rights	Vesting Condition	Expiry Date
Executive Tranche 1	3,750,000	HALO achieving \$2.5 million in audited earnings before interest, taxes, depreciation, and amortization (EBITDA) for the financial year ending 31 December 2022.	The date that is 60 days after the audited financial statements of HALO for FY22 are released to ASX
Executive Tranche 2	11,250,000	The Executive Tranche 2 Performance Rights will vest as follows: (a) if the audited EBITDA of HALO for the financial year ending 31 December 2023 (FY23 EBITDA) is less than \$11,250,000, no Executive Tranche 2 Performance Rights will vest; (b) if the FY23 EBITDA is between \$11,250,000 and \$12,750,000 then 50% of the Executive Tranche 2 Performance Rights will vest; (c) if the FY23 EBITDA is between \$12,750,001 and \$14,250,001, then 75% of the Executive Tranche 2 Performance Rights will vest; or (d) if the FY23 EBITDA is greater than \$14,250,000, then 100% of the Executive Tranche 2 Performance Rights will vest.	The date that is 60 days after the audited financial statements of HALO for FY23 are released to ASX
NED Performance Rights	3,750,000	The NED Performance Rights will vest as follows: (a) if the audited EBITDA of HALO for the financial year ending 31 December 2023 (FY23 EBITDA) is less than \$11,250,000, no NED Performance Rights will vest; (b) if the FY23 EBITDA is between \$11,250,000 and \$12,750,000 then 50% of the NED Performance Rights will vest; (i) If the FY23 EBITDA is between \$12,750,001 and \$14,250,000, then 75% of the NED Performance Rights will vest; or (ii) If the FY23 EBITDA is greater than \$14,250,000, then 100% of the NED Performance Rights will vest.	The date that is 60 days after the audited financial statements of HALO for FY23 are released to ASX
IO Performance Rights	208,333	HALO receiving conditional approval from ASX for its securities to be admitted to the Official List of the ASX and receiving valid applications for \$35 million under the IPO Offer.	31 December 2022

11. Additional Information

(b) Notification to holder

The Company shall notify the holder in writing when the relevant Vesting Condition has been satisfied.

(c) Conversion

Following notification of the satisfaction of the applicable Vesting Condition, each Performance Right will, at the election of the holder, convert into one Share.

(d) Expiry Date

If the relevant Vesting Condition attached to the Performance Right has not been achieved by the Expiry Date, all unconverted Performance Rights of the relevant class will automatically lapse at that time.

(e) Lapsing of Performance Right

A Performance Rights will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Performance Right occurring;
- (ii) a Vesting Condition in relation to the Performance Right is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition;
- (iii) in respect of unvested Performance Rights only, the Director ceases to be engaged by the Group, unless the Board:
 - (A) exercises its discretion to vest the Performance Right; or
 - (B) resolves to allow the unvested Performance Rights to remain unvested;
- (iv) in respect of vested Performance Rights only, the Director ceases to be engaged by the Group and the Performance Right granted in respect of that Director is not exercised within one month (or such later date as the Board determines) of the date the Director ceases to be engaged by the Group;
- (v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder or the Director;
- (vi) the Company undergoes a change in control or a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right in accordance with the Executive Performance Rights Plan (**EPRP**) or the Non-Executive Performance Rights Plan (**NPRP**) (as applicable); and
- (vii) the Expiry Date of the Performance Right.

(f) Fraud and Related Matters

The Board may, by written notice to the holder, deem any unvested, or vested but unexercised, Performance Rights of the holder to have lapsed or require the holder to do all such things necessary to cancel any Shares issued on exercise of the holder's Performance Rights where the Director:

- (i) in the opinion of the Board, acts fraudulently or dishonestly, is grossly negligent, demonstrates serious and wilful misconduct, or causes a material adverse effect on the reputation of the Company;
- (ii) has his or her employment or office terminated due to serious or wilful misconduct or otherwise for cause without notice;
- (iii) becomes ineligible to hold his or her office due to Part 2D.6 of the Corporations Act; or
- (iv) deals with or disposes of Performance Rights or any Shares issued on conversion of the Performance Rights contrary to the provisions of the ERP or NPRP (as applicable) or the relevant offer letter.

(g) Automatic Vesting

Notwithstanding the Vesting Conditions specified in paragraph (a), the Board may in its absolute discretion, by written notice to the holder, resolve to waive any of the Vesting Conditions applying to Performance Rights due to:

- (i) Special Circumstances arising in relation to the Director in respect of those Performance Rights;
- (ii) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
- (iii) a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (iv) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board; or
- (v) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

11. Additional Information

(h) Consideration

The Executive Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Performance Rights into Shares.

The NED Performance Rights will be issued for nil consideration. Upon the conversion of the Performance Rights into Shares, the holder will be required to pay the Fair Market Value of each Share on the date the Performance Rights were granted.

(i) Timing of issue of Shares on conversion

Subject to the Corporations Act, the ASX Listing Rules, and the EPRP or NPRP (as applicable), within 10 Business Days of receipt of a valid notice of exercise for Performance Rights, the Board will issue or transfer one Share, free of encumbrances, to the holder or his personal representative (as the case may be) for each Performance Right exercised, and dispatch a share certificate or enter the shares in the holder's uncertificated holding, as the case may be.

(j) Application to ASX

If the Company is admitted to the Official List, the Company will, subject to the ASX Listing Rules, apply to the ASX for Shares issued on conversion of the Performance Rights to be quoted on ASX within the later of 10 Business Days after:

- (i) the date the Shares are issued; and
- (ii) the date any Restriction Period that applies to the Shares, ends.

The Company will not apply for quotation of the Performance Rights on ASX.

(k) Share ranking

The Shares issued on conversion of the Performance Rights will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

(l) Restriction Period

A Share issued on conversion of a Performance Right must not be sold, transferred, mortgaged, charged or otherwise disposed of, dealt with, or granted or encumbered any interest in, for the period of one year after issue to the holder (**Restriction Period**). the Board may in its sole discretion, having regard to the circumstances at the time, waive the Restriction Period.

(m) Prohibited disposal of Shares

A holder must not sell, transfer or dispose of any Shares issued to them on exercise of the Performance Rights (or any interest in them) in contravention of the Corporations Act, including insider trading and on-sale provisions.

(n) Transfer of Performance Rights

A Performance Right is not transferable except in Special Circumstances (as defined in the EPR or NPRP (as applicable)) or by force of law upon death or bankruptcy.

(o) Participation Rights

- (i) There are no participating rights to entitlements inherent in the Performance Rights and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.
- (ii) A Performance Right does not confer the right to change in the number of underlying Shares over which the Performance Right can be exercised.
- (iii) A holder who is not a Shareholder, is not entitled to:
 - (A) notice of, or to vote or attend at, a meeting of the Shareholders of the Company; or
 - (B) receive any dividends declared by the Company, unless and until any Performance Right is exercised and the holder hold shares that provide the right to notice in dividends.

(p) Adjustments for Reorganisation

If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Performance Rights will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(q) Notice of adjustments

Whenever the number of Shares to be issued on the exercise of a Performance Right is adjusted, the Company will give notice of the adjustment to the holder together with calculations on which the adjustment is based.

(r) Rights on winding up

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up of the Company.

11. Additional Information

(s) No rights to return of capital

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(t) Additional terms of Executive Performance Rights

Subject to special circumstances as defined in the ERPR, all Shares issued upon the vesting of Executive Performance Rights will be forfeited if the holder's engagement with the Company ends within 12 months of the date of issue of the Shares.

(u) Additional terms of NED Performance Rights

- (i) Unless the holder of a NED Performance Right disposes of a NED Performance Right or a Share issued on conversion of a NED Performance Right (**Plan Share**) under an arrangement which meets the requirement in section 83A-130 of the Tax Act, a legal or beneficial interest in a NED Performance Right or a Plan Share may not be disposed of until the earlier of:
 - (A) 3 years after the issue of the Performance Right or such earlier time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of the Tax Act; and
 - (B) where the Director becomes a Leaver.
- (ii) When a NED becomes a Leaver (**Trigger Event**), the Board may, in its absolute discretion, exercise the rights below in relation to the NED Performance Rights.
- (iii) If a Trigger Event occurs in relation to a holder, the Board may in its absolute discretion:
 - (A) serve a notice in writing on the Leaver (**Lapse Notice**), advising the Leaver that all or some of his or her unvested NED Performance Rights have lapsed on the date specified in the Lapse Notice;
 - (B) serve a notice in writing on the Leaver (**Transfer Notice**), requiring the Leaver sell some or all of his or her vested NED Performance Rights (**Transfer Performance Rights**) to any person nominated by the Board; or
 - (C) allow the Leaver to retain some or all of his or her NED Performance Rights.
- (iv) The price for the Transfer Performance Rights will be their fair market value as at the date of the Trigger Event.

(v) No other rights

A Performance Right does not give a holder any other rights other than those expressly provided by these terms and other the EPRP or NPRP (as applicable) and those provided at law where such rights at law cannot be excluded by these terms.

11.4.2 Performance Rights - Guidance Note 19 Disclosure

The Company is proposing to issue Performance Rights to each of the Company's Directors (or their nominees). The Company has applied to ASX for approval of the terms of the Performance Rights under ASX Listing Rule 6.1. Where ASX requires any amendments to the terms of the Performance Rights in order for them to be approved, the Company will act in good faith with the holders to agree upon those amendments to retain the intent of the incentive and performance objectives contained in these terms.

The following additional information is provided in respect of the Performance Rights proposed to be issued by the Company to the Directors:

- (1) the Performance Rights proposed to be issued to the Directors are set out in Section 11.4.1;
- (2) the Performance Rights proposed to be issued to the Directors will be issued on the terms and conditions set out in Section 11.4.1 above;
- (3) the Performance Rights are to be issued to the Directors as part of their remuneration package, in order to link part of the remuneration payable to the Directors to specific performance milestones (set out in Section 11.4.1) and to align the goals of the Directors with Shareholders. As such, the Performance Rights are not ordinary course of business remuneration securities;
- (4) a summary of the agreements entered into by the Company with each of the Directors is included at Section 12.3;
- (5) the Company considers that each of the Directors will play a significant role in meeting the milestones attaching to the Performance Rights. Each of the Directors will be responsible for:
 - (i) establishing and implementing the business strategy for organic and inorganic growth of the Company;
 - (ii) identifying and assisting the sales team with new opportunities;
 - (iii) subscribing new clients to the company's services;
 - (iv) expanding subscribed services to existing customers; and
 - (v) seeking new opportunities that will fit into the Company's strategy and with the support of the Board, completing any transactions and integrating the new business or product into the Company's operations.

11. Additional Information

- (6) details of the existing total remuneration package of the Directors are set out in Section 8.3.2;
- (7) details of the security holdings of the Directors assuming completion of the Offers) are set out in Section 8.3.4. The Performance Rights are proposed to be issued to the Directors as an incentive component of the Director's remuneration package;
- (8) the Company considers it necessary and appropriate to further remunerate and incentivise the Directors to achieve the applicable performance milestones for the following reasons:
- (i) the issue of Performance Rights to the Directors will further align the interests of the Directors with those of Shareholders;
 - (ii) the Performance Rights are unlisted therefore, the grant of the Performance Rights has no immediate dilutionary impact on Shareholders;
 - (iii) the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed;
- (9) the number of Performance Rights to be issued to each of the Directors has been determined based upon a consideration of:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the number of securities proposed to be held by each of the Directors;
 - (iii) the remuneration of each of the Directors; and
 - (iv) incentives to attract and retain the service of the Directors, who have the appropriate knowledge and expertise, while maintaining the Company's cash reserves.
- In addition to the above, regard was also had to the principles and guidance articulated in ASX Guidance Note 19 with respect to the issue of performance linked securities;
- (10) the Board considers the number of Performance Rights to be appropriate and equitable for the following reasons:
- (i) the Performance Rights are consistent with ASX's policy regarding the base requirements for performance securities, which are detailed in section 9 of ASX Guidance Note 19;
 - (ii) the number of Shares into which the Performance Rights will convert if the milestones are achieved is fixed (one for one) which allows investors and analysts to readily understand and have reasonable certainty as to the impact on the Company's capital structure if the milestones are achieved. The maximum number of Shares which may be issued if the Performance Rights are converted into Shares (following satisfaction of the milestones) is 18,958,333 Shares (refer to paragraph (v) below for further detail regarding the dilutive effect);
 - (iii) there is an appropriate link between the milestones and the purposes for which the Performance Rights are being issued and the conversion milestones are clearly articulated by reference to objective criteria;
 - (iv) there is an appropriate link to the benefit of Shareholders and the Company at large through the achievement of the milestones, which have been constructed so that satisfaction of the milestones will be consistent with increases in the value of Company's business;
 - (v) the Performance Rights which are proposed to be issued represent a small proportion of the Company's issued capital upon listing, representing approximately 14.77% in aggregate on an undiluted basis and 12.87% on a fully diluted basis (assuming the Minimum Subscription is raised under the IPO Offer);
 - (vi) the Performance Rights have an expiry date by which the milestones are to be achieved and, if the milestones are not achieved by that date, the Performance Rights will lapse; and
- (11) as the quantum of the Performance Rights which are proposed to be issued will be greater than 10% of the total ordinary shares on issue at their time of issue, in accordance with section 13 of Guidance Note 19, the Company commissioned an independent expert to opine on the fairness and reasonableness of the issue of the Performance Rights for the Company's non-participating shareholders. The Independent Expert's Report concluded that the issue of the Performance Rights is fair and reasonable to non-associated Shareholders. Please refer to the Independent Expert's Report at Annexure A for further information.

11. Additional Information

11.5 Terms and Conditions of Performance Rights Plans

The Company has adopted the EPRP and the NPRP (each, a **PR Plan**) to allow eligible participants to be granted Performance Rights in the Company. The material terms and conditions of the PR Plans are summarised below:

Topic	Summary
Eligibility	<p>Participants in a PR Plan may be:</p> <ul style="list-style-type: none"> (a) a Director of the Company or any subsidiary or related body corporate (Group Company); (b) a full or part time employee of any Group Company; (c) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (Class Order); (d) a consultant to the Company (not being a professional adviser to the Company) who serves an executive function within the Company; or (e) a person to whom the Offer (defined below) is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under provisions (a) or (b) above, <p>who is declared by the Board to be eligible to receive grants of Performance Rights under the PR Plan (Eligible Participant).</p>
Offer	<p>The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for Performance Rights, upon the terms set out in the PR Plans and upon such additional terms and conditions as the Board determines (Offer). An Eligible Participant (or nominee) may accept an Offer in whole or in part, by delivering a signed acceptance form to the Company no later than the date on which an Offer is stated to close.</p>
Consideration	<p>Performance Rights granted under the EPRP will be issued for nil cash consideration. Performance Rights granted under the NPRP will be issued for nil cash consideration. However, the Participant will be required to pay an exercise price (as specified in the Offer) to exercise the Performance Right.</p>
Vesting	<p>A Performance Right may be made subject to vesting conditions as set out in an Offer (Vesting Conditions).</p> <p>A Performance Right will not vest or be exercisable unless the Vesting Conditions (if any) attaching to that Performance Right been satisfied and the Board has notified the Eligible Participant of that fact.</p> <p>The Board must notify a Participant in writing within 10 Business Days of becoming aware that any Vesting Condition attaching to a Performance Right has been satisfied.</p> <p>Notwithstanding the above, the Board may in its absolute discretion by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Performance Rights due to:</p> <ul style="list-style-type: none"> (a) special circumstances arising in relation to in respect of an Participant (Relevant Person), being: <ul style="list-style-type: none"> (i) a Relevant Person ceasing to be an Eligible Participant due to: <ul style="list-style-type: none"> (A) death or total or permanent disability of a Relevant Person; or (B) retirement or redundancy of a Relevant Person; and (ii) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the Relevant Person which circumstances has resulted in or will result in the termination of a Relevant Person's employment or engagement, <p>(together, Special Circumstances);</p> (b) a change of control occurring; or (c) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

11. Additional Information

Topic	Summary
Exercise of Performance Rights	<p>Subject to the Corporations Act, the Listing Rules and the terms of the PR Plan and the Offer, within 10 Business Days of receipt of a valid notice of exercise for Performance Rights, the Board must, in its absolute discretion, either:</p> <ul style="list-style-type: none"> (a) pay the Eligible Participant (or their nominee) a cash amount equal to the market value of a single Share as at the date the Performance Right is exercised (Cash Payment) for each Performance Right exercised; or (b) issue or transfer one Share, free of encumbrances, to the Eligible Participant (or their nominee) for each Performance Right exercised.
Rights attaching to Shares	<p>Shares issued under the PR Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.</p>
Quotation of Shares	<p>If Shares of the same class as those issued on exercise of the Performance Rights are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on the ASX within 10 business days of the later of:</p> <ul style="list-style-type: none"> (a) the date the Shares are issued; and (b) the date any Restriction Period applying to the Shares ends. <p>The Company will not apply for quotation of any Performance Rights on the ASX.</p>
Restriction Period	<p>The Board may, in its discretion, determine at any time up until the exercise of Performance Rights, that a restriction period will apply to some, or all of the Shares issued to a Participant on exercise of those Performance Rights, up to a maximum of seven years from the date of issue of the Performance Rights (Restriction Period).</p>
Lapse of a Performance Right	<p>A Performance Right will lapse upon the earlier to occur of:</p> <ul style="list-style-type: none"> (a) an unauthorised dealing in, or hedging of, the Performance Right occurring; (b) a Vesting Condition in relation to the Performance Right is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition and vest the Performance Right or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant; (c) in respect of unvested Performance Right only, a Relevant Person ceases to be an Eligible Participant, unless the Board <ul style="list-style-type: none"> (i) exercises its discretion to vest the Performance Right by waving the Restriction Period; or (ii) the Board resolves, in its absolute discretion, to allow the unvested Performance Right to remain unvested after the Relevant Person ceases to be an Eligible Participant; (d) in respect of vested Performance Right only, a Relevant Person ceases to be an Eligible Participant and the Performance Rights granted in respect of that Relevant Person are not exercised within one month (or such later date as the Board determines) of the date that Relevant Person ceases to be an Eligible Participant; (e) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the Participant; (f) the Company undergoes a change of control or a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right; and (g) the date on which the Performance Right lapses, as set out in an Offer.

11. Additional Information

Topic	Summary
Restrictions on Transfer	<p>(a) Subject to the Listing Rules, and except as otherwise provided for by an offer, Performance Rights are only transferrable in Special Circumstances with the consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.</p> <p>(b) Subject to disposal restriction under the Plan and the terms of the Constitution, there will be no transfer restrictions on Shares issued under the Plan unless the sale, transfer or disposal by the Participant of the Shares issued to them on exercise of the Performance Rights (or any interest in them) would require the preparation of a disclosure document (as that term is defined in the Corporations Act).</p> <p>(c) A Participant must not sell, transfer or dispose of any Shares issued to them on exercise of the Performance Rights (or any interest in them) in contravention of the Corporations Act, including insider trading and on-sale provisions.</p>
Change of Control	<p>If a company (Acquiring Company) obtains control of the Company as a result of a change of control and both the Company and the Acquiring Company agree, an Eligible Participant may in respect of any vested Performance Rights that are exercised, be provided with shares of the Acquiring Company or its parent in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Performance Rights.</p>
Participation Rights	<p>During the currency of any Performance Rights, and prior to their vesting, Eligible Participants are not entitled to participate in any new issue of Securities in the Company as a result of their holding Performance Rights.</p> <p>An Eligible Participant who is not a Shareholder, is not entitled to:</p> <p>(a) notice of, or to vote or attend at, a meeting of the Shareholders of the Company; or</p> <p>(b) receive any dividends declared by the Company, unless and until any Performance Right is exercised and the Participant hold shares that provide the right to notice in dividends.</p>
Change in number of underlying Shares	<p>A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.</p>
Reorganisation	<p>If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Performance Rights will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.</p>
Specific Terms of NPRP	<p>(a) Unless the holder of a Performance Right disposes of a Performance Right or a Share issued on conversion of a Performance Right (Plan Share) under an arrangement which meets the requirement in section 83A-130 of the Tax Act, a legal or beneficial interest in a Performance Right or a Plan Share may not be disposed of until the earlier of:</p> <p>(i) 3 years after the issue of the Performance Right or such earlier time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of the Tax Act; and</p> <p>(ii) where the Director becomes a Leaver.</p> <p>(b) When a NED becomes a Leaver (Trigger Event), the Board may, in its absolute discretion, exercise the rights below in relation to the NED Performance Rights.</p> <p>(c) If a Trigger Event occurs in relation to a holder, the Board may in its absolute discretion:</p> <p>(i) serve a notice in writing on the Leaver (Lapse Notice), advising the Leaver that all or some of his or her unvested Performance Rights have lapsed on the date specified in the Lapse Notice;</p> <p>(ii) serve a notice in writing on the Leaver (Transfer Notice), requiring the Leaver sell some or all of his or her vested Performance Rights (Transfer Performance Rights) to any person nominated by the Board; or</p> <p>(iii) allow the Leaver to retain some or all of his or her Performance Rights.</p> <p>(d) The price for the Transfer Performance Rights will be their Fair Market Value as at the date of the Trigger Event.</p>

11. Additional Information

Topic	Summary
Plan Limit	The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Performance Rights offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous three year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.
Amendment of Plan	<p>Subject to the Listing Rules, the Corporations Act and the Company's constitution, the Board may at any time amend any provisions of the PR Plan, including (without limitation) the terms and conditions upon which any Performance Rights that have been granted under the PR Plan and determine that any amendments to the PR Plan be given retrospective effect.</p> <p>No amendment to any provision of the PR Plan may be made if the amendment materially reduces the rights of any participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, to take into consideration possible adverse taxation implications in respect of the PR Plan, amongst other things, or is agreed to in writing by the relevant participant.</p>
Plan Duration	The Board may terminate the PR Plan at any time by resolution. Termination shall not affect the rights or obligations of a Participant or the Company which have arisen under the PR Plan before the date of termination and the provisions of the PR Plan relating to a participant's Performance Rights shall survive termination of the PR Plan until fully satisfied and discharged.
Issue of Performance Rights	The Board does not presently intend to issue any Performance Rights in reliance on Listing Rule 7.2 (Exception 13).

Directors are entitled to participate in the PR Plans. The current Performance Rights which are held by the Directors are set out below.

Directors' Performance Rights					
	Performance Rights currently held under the EPRP		Performance Rights currently held under the NPRP		Total
Directors	Executive Tranche 1	Executive Tranche 2	NED Tranche 1	IO Rights	
Matt Roberts	1,250,000	3,750,000	-	-	5,000,000
George Paxton	1,250,000	3,750,000	-	-	5,000,000
Nicolas Bryon	1,250,000	3,750,000	-	-	5,000,000
Ivan Oshry	-	-	2,500,000	208,333	2,708,333
Louise McElvogue	-	-	625,000	-	625,000
Phillipa Lewis	-	-	625,000	-	625,000
TOTAL	3,750,000	11,250,000	3,750,000	208,333	18,958,333

11. Additional Information

11.6 Terms and Conditions of Employee Share Plan

The material terms and conditions of the Employee Share Plan (Plan) are as follows:

Topic	Summary
Eligibility	<p>Participants in the Plan may be:</p> <ul style="list-style-type: none"> (a) a Director of the Company or any subsidiary of the Company (Group Company); (b) a full or part time employee of any Group Company; (c) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (the Class Order); (d) a consultant to the Company (not being a professional adviser to the Company) who serves an executive function within the Company; or (e) a prospective participant, being a person to whom an ESP Offer is made but who can only accept the ESP Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under (a) or (b) above, who is declared by the Board to be an Eligible Participant for the purposes of the Plan (Eligible Participant).
ESP Offer	<p>The Board may, from time to time, in its absolute discretion, make an offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Shares under the Plan (Plan Shares), upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (ESP Offer). Upon receipt of Plan Shares, an Eligible Participant will become a Participant.</p>
Issue Price	<p>The Board will determine, in its sole and absolute discretion, the issue price of the Plan Shares (Issue Price). The Issue Price of the Plan Shares shall not be less than 85% of their fair market value, being the value of the Plan Shares as determined by the Board in good faith on such basis as it deems appropriate and applied consistently in respect of all Plan Shares.</p>
Vesting Conditions	<p>A Plan Share may be made subject to a condition, set out in an ESP Offer that must be satisfied (or waived) before that Plan Share can be sold, transferred, assigned, charged or otherwise encumbered, as determined by the Board in its discretion and as specified in the ESP Offer for the Plan Shares (Vesting Condition).</p>
Loan	<p>The Company may, in its absolute discretion, grant a Loan to a Participant for the purpose of purchasing Plan Shares under an ESP Offer.</p> <p>Where the Company decides to offer a Loan to a Participant to acquire Plan Shares, the ESP Offer for the Plan Shares must include:</p> <ul style="list-style-type: none"> (a) the maximum amount of the Loan (which must not exceed the payment for Plan Shares offered under an ESP Offer); and (b) the Loan repayment date.
Restriction Period	<p>A Plan Share may be subject to a restriction period (Restriction Period), commencing on the date of issue of the Plan Share and ending on the later of:</p> <ul style="list-style-type: none"> (a) the date all Vesting Conditions that apply to that Plan Share (if any) are satisfied or waived; and (b) the date any Loan in relation to the Plan Share is repaid in full or otherwise discharged under the Plan. <p>Subject to certain exceptions, a Participant may not dispose or otherwise deal with any Plan Shares until the end of any Restriction Period applying to those Plan Shares.</p>
Plan Limit	<p>The Company must have reasonable grounds to believe, when making an ESP Offer, that the number of Shares offered under an ESP Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the ESP Offer.</p>

11. Additional Information

Topic	Summary
Forfeiture	<p>A Plan Share will be forfeited and the Company must buy back and cancel a Plan Share where:</p> <ul style="list-style-type: none"> (a) an unauthorised dealing in, or hedging of, the Plan Share occurs; (b) a Vesting Condition in relation to the Plan Share is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion; (c) a Relevant Person ceases to be an Eligible Participant and, at that time, there is a Vesting Condition in relation to that Plan Share that is unsatisfied or is incapable of satisfaction in the opinion of the Board, unless the Board: <ul style="list-style-type: none"> (i) exercises its discretion to waive that Vesting Condition; or (ii) in its absolute discretion, resolves to allow the Vesting Condition to continue to apply; (d) the Board deems that a Plan Share is forfeited due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant (including where a Relevant Person is a bad leaver as that term is defined in the Plan); or (e) the Company undergoes a change in control or a winding up resolution or order is made, and the Board does not waive the Vesting Condition.
Sale of Plan Shares	<p>Unless the Shareholder disposes of a Plan Share under an arrangement which meets the requirement in section 83A-130 of the Income Tax Assessment Act 1997 (Cth), a legal or beneficial interest in a Plan Share may not be disposed of until the earlier of:</p> <ul style="list-style-type: none"> (a) 3 years after the issue of the Plan Share or such earlier time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of the Tax Act; and (b) when the Shareholder becomes a bad leaver by ceasing to be an Eligible Participant or to hold office in any of the following circumstances: <ul style="list-style-type: none"> (i) the Participant's employment is terminated, or the Participant is dismissed from office, due to serious misconduct, material breach, gross negligence or other conduct which in the sole and absolute discretion of the Company justified termination of employment without notice; (ii) the Participant resigns or ceases employment with the Company and commences employment with or holds the office of a consultant to or director (other than as non-executive director) of or directly or indirectly holds more than 5% of the issued capital of a competitor within 12 months of his resignation; (iii) the Participant resigns or ceases employment with or engagement by the Company and is otherwise in breach of any non-compete provisions; or (iv) the Participant becomes ineligible to hold office.
Participation Rights	<p>Upon issue of Plan Shares, Participants will enjoy all rights attaching to Shares of the Company.</p>
Amendment of Plan	<p>Subject to the following paragraph, the Listing Rules and the Corporations Act, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Plan Shares that have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by the relevant Participant.</p>
Maximum Number of Plan Shares:	<p>The maximum number of Plan Shares proposed to be issued under the Plan, following Shareholder approval is 6,626,040 Plan Shares. It is not envisaged that the maximum number of Plan Shares will be issued immediately.</p>

Directors are entitled to participate in the Employee Share Plan, however no Plan Shares have been issued or are currently proposed to be issued to the Directors under the Employee Share Plan.

11. Additional Information

11.7 Interests of Experts and advisers

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

- (1) person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (2) promoter of the Company; or
- (3) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (4) the formation or promotion of the Company;
- (5) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or

- (6) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (7) the formation or promotion of the Company; or
- (8) the Offers.

Lodge Corporate Pty Ltd has acted as Lead Manager to the IPO Offer and will receive those fees set out in Section 12.4 following the successful completion of the IPO Offer for its services as Lead Manager to the IPO Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Lodge Corporate Pty Ltd has not received fees from the Company for any other services.

Oshry Lawyers has acted as legal adviser (other than in respect of taxation) in connection with the Offers. The Company estimates it will pay Oshry Lawyers \$165,000 (excluding GST) for these services. Further amounts may be paid to Oshry Lawyers in accordance with its normal time-based charges. In addition, Ivan Oshry, the principal of Oshry Lawyers, and chairman of the Company, will participate in the HALO Performance Rights Plan under which he has been issued 208,333 Performance Rights which will vest upon the Company receiving conditional approval from ASX for its securities to be admitted to the Official List of the ASX and receiving valid applications for \$35 million under the Offers. During the 24 months preceding lodgement of this Prospectus with the ASIC, Oshry Lawyers has not received fees from the Company for any other services.

Steinepreis Paganin has acted as a legal adviser to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$80,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

BDO Audit Pty Ltd has been appointed as the Company's auditor. The Company estimates it will pay BDO Audit Pty Ltd a total of \$55,000 on an annual basis (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, BDO Audit Pty Ltd has received \$182,450 in fees from the Company for audit services.

RSM Corporate Australia Pty Ltd (**RSM**) has acted as the Investigating Accountant and Independent Expert in connection with the Offers and has prepared the Independent Limited Assurance Report at Section 10 and Independent Expert's Report at Annexure A, respectively. The Company estimates it will pay RSM a total of \$180,000 (excluding GST) for these services. Subsequently fees will be charged in accordance with its normal time-based charges. During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM has not received fees from the Company for any other services.

11. Additional Information

11.8 Expenses of the Offers

The GST inclusive costs associated with the Offers are set out below:

Expenses	Minimum (\$'000)	Maximum (\$'000)
Legal fees	248	248
Investigating accountants' fees	165	165
Independent expert report	33	33
Printing costs	6	6
Lead manager retainer	89	88
Share registry fee	4	4
Commissions (brokerage)	2,356	2,686
ASX listing fee	212	215
Total cash costs of the Offers (GST inclusive)	3,113	3,444
Offer costs paid as at 31 December 2021	(457)	(457)
Unpaid cash offer costs	2,656	2,988

11.9 Litigation and claims

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

11.10 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offer or of the Shares), the Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (1) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (2) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (3) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

RSM Corporate Australia Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of statements by it, including the Independent Limited Assurance Report in Section 8 and as well as the Independent Expert Report in Annexure A and the statements specifically attributed to it in the text of, or by a footnote in, this Prospectus, in the form and context in which they are included (and all other references to that report and those statements) in this Prospectus.

BDO Audit Pty Ltd has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of HALO Technologies Pty Ltd and its controlled entities for the financial years ended 31 December 2019 and 31 December 2020 and the audited financial information of the Company and its controlled entities for the financial year ended 31 December 2021 contained in the Independent Limited Assurance Report included in Section 8 of this Prospectus in the form and context in which it appears.

Steinepreis Paganin has given its written consent to being named as the Australian legal advisers to the Company in relation to the Offers in this Prospectus.

Oshry Lawyers has given its written consent to being named as the legal advisers (other than in respect of taxation) to the Company in relation to the Offers in this Prospectus.

Lodge Corporate Pty Ltd has given its written consent to being named as the Lead Manager to the Company in this Prospectus.

Boardroom Pty Limited has given its written consent to being named as the Company Secretary and share registry to the Company in this Prospectus.

11. Additional Information

11.11 Australian taxation considerations

The following tax comments are based on the tax law in Australia in force as at the date of this Prospectus. Australian tax laws are complex. This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each investor. During the ownership of the Shares by investors, the taxation laws of Australia or their interpretation may change. The precise implications of ownership or disposal will depend upon each shareholder's specific circumstances. Shareholders should seek their own professional advice on the taxation implications of holding or disposing of the Shares, taking into account their specific circumstances.

The following information is a general summary of the Australian income tax implications for Australian resident individuals, complying superannuation entities, trusts, partnerships and corporate shareholders each of whom holds their shares on capital account. These comments do not apply to shareholders that hold Shares on revenue account, or carry on a business of trading in shares, investors who acquired Shares under an employee share scheme, or investors who are exempt from Australian income tax or shareholders subject to the Taxation of Financial Arrangements regime in Division 230 of the Income Tax Assessment Act 1997 which have made elections for the Fair Value or Reliance on Financial Reports methodologies.

Taxation issues, such as (but not limited to) those covered by this Section are only one of the matters a shareholder should consider when making a decision about a financial product. Given that the precise implications of ownership or disposal of Shares will depend upon each investor's specific circumstances, investors should obtain independent advice on the taxation implications of holding or disposing of Shares, taking into account their specific circumstances (including whether they are Australian tax resident).

11.11.1 Dividends paid on Shares

Dividends may be paid to Shareholders by HALO and will constitute assessable income of an Australian tax resident Shareholder. HALO may attach 'franking credits' to such dividends. Franking credits broadly represent the extent to which a dividend is paid by HALO out of profits that have been subject to Australian tax. It is possible for a dividend to be fully franked, partly franked or unfranked.

It should be noted that the concept of a dividend for Australian income tax purposes is very broad and can include payments that are made in respect of such things as off-market share buy-backs.

11.11.2 Australian resident individuals and complying superannuation entities

Australian tax resident shareholders who are individuals or complying superannuation entities should include the dividend in their assessable income (some superannuation funds may be exempt in relation to shares to the extent they are held to support current pension liabilities) in the year the dividend is paid, together with any franking credit attached to that dividend. Such shareholders should be entitled to a tax offset equal to the franking credit attached to the dividend. The tax offset can be applied to reduce the tax payable on the shareholder's taxable income. Where the tax offset exceeds the tax payable on the shareholder's taxable income, such shareholders should be entitled to a tax refund.

To the extent that the dividend is unfranked, the shareholder will generally be taxed at his or her prevailing marginal rate on the dividend received with no tax offset.

11.11.3 Corporate shareholders

Corporate shareholders are also required to include both the dividend and associated franking credit in their assessable income.

They are then allowed a tax offset up to the amount of the franking credit on the dividend.

An Australian resident corporate shareholder should be entitled to a credit in its own franking account to the extent of the franking credit on the distribution received. This will allow the corporate shareholder to pass on the benefit of the franking credits to its own shareholder (s) on the payment of dividends.

Excess franking credits received cannot give rise to a refund for a company but can be converted into carry forward tax losses.

11.11.4 Trusts and partnerships

Investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include any dividend declared by HALO in their assessable income in determining the net income of the trust or partnership. Subject to satisfaction of the qualified person rules, such investors should also include any franking credit attached to the dividend in their net income.

11. Additional Information

As a result, a relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the franking credit received by the investor. As the qualified person rules can be complex in the context of distributions received indirectly via a trust or partnership, it is recommended that investors seek independent advice on the tax consequences arising in these circumstances.

11.11.5 Shares held at risk

The benefit of franking credits can be denied where a shareholder is not a 'qualified person' in which case the shareholder will not need to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a 'qualified person', two tests must be satisfied, namely the holding period rule and the related payment rule.

Under the holding period rule, a shareholder is required to hold shares "at risk" for more than 45 days continuously (which is measured as the period commencing the day after the shares were acquired and ending on the 45th day after the shares become ex-dividend) in order to qualify for franking benefits, including franking credits. This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed A\$5,000.

Special rules apply to trusts and beneficiaries.

Under the related payment rule, a different testing period applies where the shareholder has made, or is under an obligation to make, a related payment in relation to the dividend. The related payment rule requires the shareholder to have held the shares at risk for the continuous 45-day period as above but within the limited period commencing on the 45th day before, and ending on the 45th day after, the day the shares become ex-dividend.

Shareholders should seek professional advice to determine if these requirements, as they apply to them, have been satisfied.

11.11.6 Dividend washing

Dividend washing is a practice through which taxpayers seek to claim two sets of franking credits by selling shares held on the Australian Securities Exchange (ASX) and then effectively repurchasing the same parcel of shares on a special ASX trading market. The timing of this transaction occurs after the taxpayer becomes entitled to the dividend but before the official record date for dividend entitlements. Where applicable, no tax offset is available (nor is an amount required to be included in your assessable income) for a dividend received on the parcel of shares purchased on the special ASX trading market.

These measures do not apply to individuals who receive \$5,000 or less in franking credits in the relevant income year, although general anti-avoidance rules may still apply.

Investors should seek independent taxation advice regarding the dividend washing rules, and consider the impact of these rules, having regard to their own personal circumstances.

11.11.7 Disposal of Shares

Australian tax resident Shareholders who hold their Shares on capital account will be required to consider the impact of the Australian capital gains tax (CGT) provisions in respect of the disposal of their Shares.

Where the capital proceeds received on disposal of the Shares exceed the CGT cost base of those Shares, Australian tax resident Shareholders will be required to recognise a capital gain. The CGT cost base of the Shares should generally be equal to the issue price or acquisition price of the Shares plus, among other things, incidental costs associated with the acquisition and disposal of the Shares. In respect of the CGT cost base of the Shares, this amount may be reduced as a result of receiving non-assessable distributions from HALO, such as returns of capital.

Conversely, Australian tax resident Shareholders may recognise a capital loss on the disposal of Shares where the capital proceeds received on disposal are less than the reduced CGT cost base of the Shares.

All capital gains and losses recognised by an Australian tax resident Shareholder for an income year are added together. To the extent that a net gain exists, such Shareholders should be able to reduce the gain by any amount of unapplied net capital losses carried forward from previous income years (provided certain loss recoupment tests are satisfied). Any remaining net gain (after the application of any carried forward tax losses) will then be required to be included in the Australian tax resident Shareholder's assessable income (subject to the comments below in relation to the availability of the CGT discount concession) and will be taxable at the Shareholder's applicable rate of tax. Where a net capital loss is recognised, the loss will only be deductible against future capital gains. Capital losses are capable of being carried forward indefinitely, provided the relevant loss recoupment tests are satisfied.

11. Additional Information

Non-corporate Shareholders may be entitled to a concession which discounts the amount of capital gain that is assessed. Broadly, the concession is available where the Shares have been held for at least 12 months prior to disposal. The concession results in a 50% reduction in the assessable amount of a capital gain for an individual Shareholder or trust, and a one third reduction of a capital gain for an Australian tax resident complying superannuation entity Shareholder. The concession is not available to corporate Shareholders.

In relation to trusts, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries, subject to certain requirements being satisfied.

Investors that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

11.11.8 Disposal of Shares – Non-Australian tax resident investors

The disposal of a Share by an investor who is not tax resident in Australia should constitute a CGT event. A capital gain may initially arise to the extent that the capital proceeds on disposal exceed the cost base of the Share (refer Section 9.18.2 for further details). However, any capital gain initially arising as a result of the CGT event should be disregarded unless the Share constitutes “taxable Australian property”. In the ordinary case, a Share should not constitute taxable Australian property unless both of the following requirements are satisfied:

- (1) the investor (together with any associates of the investor) holds an interest of at least 10% in HALO at the time of the disposal, or has held such an interest throughout a 12-month period in the 24 months preceding the disposal; and
- (2) HALO is land rich for Australian income tax purposes (broadly, because more than 50% of the value of HALO’s assets, including those of certain downstream subsidiaries, is comprised by Australian real property interests and/or certain interests in respect of Australian minerals).

A Share should also constitute taxable Australian property if it is used by an investor in carrying on a business in Australia through a permanent establishment (for example, a fixed place of business, such as an office, which is located in Australia). In the event that an investor who is not tax resident in Australia realises a capital gain in connection with the disposal of a Share that constitutes taxable Australian property, the investor should ordinarily be required to lodge an Australian income tax return including the capital gain. In such circumstances, the investor should generally not be entitled to claim the benefit of the CGT discount to reduce the amount of the capital gain included, but may be able to offset the capital gain with available capital losses, subject to certain loss recoupment tests being satisfied.

The amount of the capital gain, after application of available capital losses, should be subject to Australian income tax at the investor’s marginal tax rate. A capital loss should initially be realised by an investor who is not tax resident in Australia to the extent that the reduced cost base of a Share exceeds the capital proceeds from its disposal (refer Section 9.18.2 for further details). However, as with capital gains, a capital loss should be disregarded by the investor unless the Share being disposed of constitutes taxable Australian property. Capital losses which are not disregarded may only be offset against capital gains from the disposal of taxable Australian property in the same income year or future income years, subject to certain loss recoupment tests being satisfied.

11.11.9 Non-resident CGT withholding

The disposal of certain taxable Australian property under contracts entered into on or after 1 July 2016 carries a 10% non-final withholding tax at settlement. The withholding obligation does not apply if the purchaser acquires shares as a result of being issued or allotted those shares through an Initial Public Offer because the shares will not be indirect Australian real property interests.

11.11.10 Dividends on a Share – Non-Australian tax resident investors

Investors who are not tax resident in Australia should generally be subject to Australian dividend withholding tax with respect to any unfranked dividends paid by HALO. Australian dividend withholding tax should be imposed at a flat rate of 30% on the amount of the dividend that is unfranked unless the investor is tax resident in a country that has concluded a double tax treaty with Australia. If that is the case, and the investor is otherwise able to rely on the double tax treaty, the rate of Australian dividend withholding tax may be reduced (usually to 15%), depending on the terms of the double tax treaty.

Fully franked dividends paid by HALO should not be subject to Australian dividend withholding tax.

11. Additional Information

11.11.11 Tax file numbers

A Shareholder is not obliged to quote a tax file number (TFN), or where relevant, Australian Business Number (ABN), to HALO. However, if a TFN or ABN is not quoted and no exemption is applicable, income tax is required to be deducted by HALO at the highest marginal rate (currently 45%), and the Medicare Levy (2% as of the date of issue of this prospectus)) from certain dividends paid.

No withholding requirement applies in respect of fully franked dividends paid by HALO on the Shares.

11.11.12 Stamp duty

No stamp duty should be payable by a Shareholder on the issue or acquisition of Shares pursuant to the Offers. Further, under current stamp duty legislation, stamp duty would not ordinarily be payable on any subsequent acquisition of Shares by a Shareholder provided HALO remains listed on ASX.

11.11.13 Australian goods and services tax (GST)

Under current Australian law, GST should not be payable in respect of the issue, acquisition or transfer of Shares. However, GST may be payable on brokerage fees.

11.12 Privacy

The Company and the Share Registry on its behalf, collect, hold and use your personal information to process your application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration. Once you have become a Shareholder, the Corporations Act requires information about you (including your name, address and details of the Shares you hold) to be included in the Shareholder register. This information must continue to be included in the Shareholder register even if you cease to be a Shareholder. If you do not provide all the information requested in the Application Form, your Application Form may not be able to be processed.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including the following:

- (1) the Share Registry for ongoing administration of the Shareholder register;
- (2) the Lead Manager in order to assess your application;
- (3) printers and other companies for the purpose of preparation and administration of documents and for handling mail;
- (4) market research companies for the purpose of analysing the Company's shareholder base and for product development and planning; and
- (5) legal and accounting firms, auditors, management consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

You may request access to your personal information held by the Share Registry on behalf of the Company, by contacting the Share Registry. You will generally be provided access to your personal information (subject to some exceptions permitted by law), but you may be required to pay a reasonable charge to the Share Registry for access. The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Share Registry if any of the details you have provided change. In accordance with the requirements of the Corporations Act, information on the Shareholder register will be accessible by members of the public.

If you have any concerns or queries about the way your personal information is managed by the Company, please contact the Company by phone on 1300 737 760 or write to the Company Secretary at Level 4 / 10 Barrack Street, Sydney NSW 2000. The Company's privacy policy is available on its website. The privacy policy contains information about how you can gain access to or seek correction of personal information that the Company holds about you. It also contains information about how you may make a privacy complaint and how the Company will deal with it.

11.13 Governing law

This Prospectus and the contracts that arise from the acceptance of the applications and bids under this Prospectus are governed by the law applicable in New South Wales, and each applicant and bidder submits to the exclusive jurisdiction of the courts of New South Wales.



12.

Material Contracts

12. Material Contracts

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

12.1 Agreement with the AAIG Group

12.1.1 Infrastructure Services Agreement

HALO Technologies Pty Ltd (ACN 623 830 866) (**HALO Technologies**) has signed an infrastructure services agreement with AAIG governing the use of AAIG services, infrastructure and staff for the HALO Technologies business (**Infrastructure Services Agreement**), the material terms and conditions of which are summarised below:

Topic	Summary
Term	The Infrastructure Services Agreement has a term of three years calculated from the date of execution of the Infrastructure Services Agreement (Term) (being 30 September 2020). The Term will automatically renew unless either party gives 30 days written notice that it wishes to terminate the Infrastructure Services Agreement.
Services	The parties have agreed that AAIG will: <ul style="list-style-type: none">(a) provide various employees, developers and programmers during the Term, full or part time, reasonably required in order to properly and efficiently conduct the business;(b) engage consultants and independent contractors from time to time to provide Services for the conduct of its business;(c) administer and manage certain aspects of HALO's business during the Term;(d) provide office accommodation of not less than 9m² per employee at AAIG corporate offices in Sydney;(e) provide information technology infrastructure including internet and wi-fi; and(f) such other matters as the parties may agree from time to time, (together, the Services).
Fee	In consideration for the Services, HALO Technologies must pay AAIG an amount equal to the cost to AAIG of providing the relevant services plus a compensatory margin of 7.5% (calculated on the cost excluding GST) (Fee).
Termination of the agreement by HALO Technologies	HALO Technologies may terminate the Infrastructure Services Agreement or the schedule to the Infrastructure Services Agreement, which sets out the details of the Services and the Fee (Schedule) (in whole or in part) by immediate effect upon written notice to AAIG: <ul style="list-style-type: none">(a) if AAIG breaches any obligation under the Infrastructure Services Agreement or the Schedule which is capable of remedy and does not remedy that breach within 14 days of receipt of a notice from HALO Technologies specifying the breach and requiring it to be remedied;(b) if AAIG commits a breach of the Infrastructure Services Agreement or the Schedule which is incapable of remedy;(c) where AAIG regularly or habitually commits breaches of the same provision of the Infrastructure Services Agreement whether or not they are remedied, or commits a significant number of breaches which are not remedied and collectively constitute a material breach;(d) if AAIG or any of its personnel providing the Services does anything that materially damages or is likely to materially damage the brand or reputation of HALO Technologies or its related bodies corporate;(e) if AAIG or any of its personnel commit any act of fraud or dishonesty in relation to the Infrastructure Services Agreement or the Schedule;(f) if a change of control occurs in relation to AAIG;

12. Material Contracts

Topic	Summary
Termination of the agreement by HALO Technologies	<p>(g) if an insolvency event occurs in relation to AAIG ; or</p> <p>(h) if a force majeure event continues for more than fourteen days.</p> <p>HALO Technologies may also, at any time on at least 30 days written notice to AAIG, terminate the Infrastructure Services Agreement or the Schedule, for convenience, in which case HALO Technologies' sole liability will be to pay AAIG for all Services performed up to the date of termination.</p>
Termination of a Schedule by HALO Technologies	<p>HALO Technologies may terminate the Schedule (in whole or in part) by immediate effect upon written notice to AAIG:</p> <p>(a) if AAIG repeatedly fails to meet the requirements of the Schedule;</p> <p>(b) if AAIG fails to comply with any lawful direction given by HALO Technologies; or</p> <p>(c) if any deliverables are required to be delivered or installed, or any Services are required to be completed, prior to a specified date, as specified in the Schedule, and the deliverables are not delivered or installed, or the Services are not completed, prior to that date or HALO Technologies reasonably determines that the deliverables will not be delivered or installed or the Services will not be completed, prior to that date, in each case because of a breach of the Schedule by AAIG.</p>
Termination of the agreement by AAIG	<p>AAIG may terminate the Infrastructure Services Agreement and the Schedule by immediate effect upon written notice to HALO Technologies:</p> <p>(a) if HALO Technologies breaches any obligation under the Infrastructure Services Agreement or the Schedule which is capable of remedy and does not remedy that breach within 14 days of receipt of a notice from HALO Technologies specifying the breach and requiring it to be remedied;</p> <p>(b) if an insolvency event occurs in relation to HALO Technologies; or</p> <p>(c) if a force majeure event continues for more than 14 days.</p>
Consequences of Termination	<p>As soon as practicable after expiry of the Infrastructure Services Agreement. AAIG must:</p> <p>(a) provide to HALO Technologies a copy of all deliverables produced under the Schedule;</p> <p>(b) return, and must ensure that all AAIG personnel return, to HALO Technologies all equipment records documents and materials provided by HALO Technologies to enable AAIG to provide the Services;</p> <p>(c) return, and must ensure that all AAIG personnel return to HALO Technologies all copies of all confidential information in the possession or control of HALO Technologies; and</p> <p>(d) provide such services as HALO Technologies reasonably requests to achieve an orderly, uninterrupted transition of the supply of the Services to HALO Technologies, a related body corporate of HALO Technologies, or a new supplier of similar services appointed by HALO Technologies, such services to be provided at rates no more favourable than the rated charged by AAIG.</p>
Intellectual Property Rights	<p>AAIG has agreed to assign all intellectual property rights in material created by AAIG and its personnel under the Infrastructure Services Agreement to HALO.</p>

The Infrastructure Services Agreement otherwise contains provisions considered standard for an agreement of its nature (including warranties, confidentiality provisions and audit rights).

12. Material Contracts

12.1.2 Marketing Services Agreement

HALO Technologies has signed a services agreement with AAIG governing the provision of marketing services for the HALO Technologies business by AAIG (**Marketing Services Agreement**), the material terms and conditions of which are summarised below:

Topic	Summary
Term	The Marketing Services Agreement has a term of 3 years calculated from the date of execution of the Marketing Services Agreement (Term) (being 30 September 2020). The Term will automatically renew unless either party gives 30 days written notice that it wishes to terminate the Marketing Services Agreement.
Services	The parties have agreed that AAIG will provide strategic marketing, branding and communication services (and such other services as required from time to time by written consent) to HALO Technologies (Marketing Services) on the terms and conditions set out in the Marketing Services Marketing Services Agreement.
Price	In consideration for the Marketing Services, HALO Technologies must pay AAIG \$75 (excluding GST) per hour per person providing the Marketing Services.
Termination of the Marketing Services Agreement by HALO Technologies	<p>HALO Technologies may terminate the Marketing Services Agreement or the schedule to the Marketing Services Agreement, which sets out the details of the Marketing Services (Schedule) (in whole or in part) by immediate effect upon written notice to AAIG:</p> <ul style="list-style-type: none"> (a) if AAIG breaches any obligation under the Marketing Services Agreement or the Schedule which is capable of remedy and does not remedy that breach within 14 days of receipt of a notice from HALO specifying the breach and requiring it to be remedied; (b) if AAIG commits a breach of the Marketing Services Agreement or the Schedule which is incapable of remedy; (c) where AAIG regularly or habitually commits breaches of the same provision of the Marketing Services Agreement whether or not they are remedied, or commits a significant number of breaches which are not remedied and collectively constitute a material breach; (d) if AAIG or any of its personnel providing the Marketing Services does anything that materially damages or is likely to materially damage the brand or reputation of HALO Technologies or its related bodies corporate; (e) if AAIG or any of its personnel commit any act of fraud or dishonesty in relation to the Marketing Services Agreement or the Schedule; (f) if a change of control occurs in relation to AAIG; (g) if an insolvency event occurs in relation to AAIG; or (h) if a force majeure event continues for more than fourteen days. <p>HALO Technologies may also, at any time on at least 30 days written notice to AAIG, terminate the Marketing Services Agreement or the Schedule, for convenience and without any requirement to give reasons, in which case HALO Technologies' sole liability will be to pay AAIG for all Marketing Services performed up to the date of termination.</p>
Termination of a Schedule by HALO Technologies	<p>HALO Technologies may terminate the Schedule (in whole or in part) by immediate effect upon written notice to AAIG:</p> <ul style="list-style-type: none"> (a) if AAIG repeatedly fails to meet the requirements of the Schedule; (b) if AAIG fails to comply with any lawful direction given by HALO Technologies; or (c) if any deliverables are required to be delivered or installed, or any Marketing Services are required to be completed, prior to a specified date, as specified in the Schedule, and the deliverables are not delivered or installed, or the Marketing Services are not completed, prior to that date or HALO Technologies reasonably determines that the deliverables will not be delivered or installed or the Marketing Services will not be completed, prior to that date, in each case because of a breach of the Schedule by AAIG.

12. Material Contracts

Topic	Summary
Termination of the Marketing Services Agreement by AAIG	<p>AAIG may terminate the Marketing Services Agreement and the Schedule by immediate effect upon written notice to HALO Technologies:</p> <p>(a) if HALO Technologies breaches any obligation under the Marketing Services Agreement or the Schedule which is capable of remedy and does not remedy that breach within 14 days of receipt of a notice from HALO Technologies specifying the breach and requiring it to be remedied;</p> <p>(b) if an insolvency event occurs in relation to HALO Technologies; or</p> <p>(c) if a force majeure event continues for more than 14 days.</p> <p>AAIG has agreed to assign all intellectual property rights in material created by AAIG and its personnel under the Marketing Services Agreement to HALO.</p>
Intellectual Property Rights	<p>AAIG has agreed to assign all intellectual property rights in material created by AAIG and its personnel under the Marketing Services Agreement to HALO.</p>

The Marketing Services Agreement otherwise contains provisions considered standard for an agreement of its nature (including warranties, confidentiality provisions and audit rights).

12.1.3 Referral Agreement - Australian Stock Report Pty Ltd

HALO Technologies has signed a referral agreement with Australian Stock Report Pty Ltd (ACN 106 863 978) (**Australian Stock Report**) dated 1 October 2020 (**ASR Referral Agreement**), the material terms and conditions of which are summarised below:

Topic	Summary
Summary of the agreement	<p>HALO Technologies has developed and owns the HALO Global Investment and Research software solution which provides investors with a wide array of tools and resources to assist in making informed investment decisions (HALO Global).</p> <p>Australian Stock Report has a wide network of clients and prospective clients to whom it is able to market HALO Global and the online service enabling the user to perform research and analysis of international equities and complete international investment transactions (Macrovue Service, and, together with HALO Global, the Services).</p> <p>The parties entered into the ASR Referral Agreement to regulate the rights and obligations in respect of referrals made by Australian Stock Report pursuant to the ASR Referral Agreement.</p>
Term	<p>The ASR Referral Agreement has a term of 3 years calculated from the date of execution of the ASR Referral Agreement (Term) (being 1 October 2020). The Term will automatically renew unless either party gives 30 days written notice that it wishes to terminate the Marketing Services Agreement.</p>
Referral Fee	<p>In consideration of any referral to HALO Technologies that results in a prospective person who agrees to subscribe to use the Services for a period of 12 months (Subscription) completing or renewing a Subscription at the standard rate (the Subscription Amount), HALO Technologies will pay Australian Stock Report a monthly fee (Referral Fee) calculated on the aggregate subscription revenues for the subject month. The Referral Fee is payable for each Subscription. Accordingly, if a referred client subscription to both HALO Global and the Macrovue Service, the Referral Fee will be payable in respect of each Subscription. The ASR Referral Agreement provides that if a liquidity event does not occur on or before 1 October 2021, the parties will renegotiate (in good faith) the referral fee.</p>
Termination	<p>Either party may terminate the ASR Referral Agreement without notice if the other party has committed an event of default that is not capable of remedy, or if capable of remedy has failed to remedy that event within 14 days of written notice calling upon it so to do.</p>

12. Material Contracts

The ASR Referral Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

12.1.4 Referral Agreement – Atlantic Pacific Securities Pty Ltd t/a ASR Wealth Advisers

HALO Technologies has signed a referral agreement with Atlantic Pacific Securities Pty Ltd (ACN 135 187 085) (**APSEC**) dated 24 March 2021 (**APSEC Referral Agreement**), the material terms and conditions of which are summarised below:

Topic	Summary
Summary of the agreement	<p>HALO Technologies is has developed and owns the HALO Global Investment and Research software solution which provides investors with a wide array of tools and resources to assist in making informed investment decisions (HALO Global).</p> <p>APSEC has a wide network of clients and prospective clients to whom it is able to market HALO Global and the online service enabling the user to perform research and analysis of international equities and complete international investment transactions (Macrovue Service, and, together with HALO Global, the Services).</p> <p>The parties have entered into the APSEC Referral Agreement to regulate the rights and obligations in respect of referrals made by APSEC pursuant to the APSEC Referral Agreement.</p>
Term	The APSEC Referral Agreement has a term of three years calculated from the date of the APSEC Referral Agreement (Term) (being 1 October 2020). The Term will automatically renew unless either party gives 30 days written notice that it wishes to terminate the APSEC Referral Agreement.
Referral Fee	<p>In consideration of any referral to HALO Technologies that results in a prospective person who agrees to subscribe to use the Services for a period of 12 months (Subscription) completing or renewing a Subscription at the standard rate (the Subscription Amount), HALO Technologies will pay APSEC a monthly fee (Referral Fee) calculated on the aggregate subscription revenues for the subject month. The Referral Fee is payable for each Subscription. Accordingly, if a referred client subscription to both HALO Global and the Macrovue Service, the Referral Fee will be payable in respect of each Service.</p> <p>The APSEC Referral Agreement provides that if a liquidity event does not occur on or before 1 October 2021, the parties will renegotiate (in good faith) the referral fee.</p>
Termination	Either party may terminate the APSEC Referral Agreement without notice if the other party has committed an event of default that is not capable of remedy, or if capable of remedy has failed to remedy that event within 14 days of written notice calling upon it so to do.

The APSEC Referral Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

12.1.5 Redeemable Convertible Notes

The HALO Group has historically relied on AAIG to fund its establishment and growth, which included the issue of redeemable convertible notes by HALO Investment Co Pty Ltd (ACN 635 995 578) (**HALO Investment**) to AAIG (**Redeemable Convertible Notes**). Details of the Redeemable Convertible Notes issued are set out below.

Redeemable Convertible Notes	
Certificates	Initial Face Value Amount
Certificate 1	\$1,200,000
Certificate 2	\$1,800,000
Certificate 3	\$965,271

12. Material Contracts

The Redeemable Convertible Notes have accrued interest at a rate of 11% per annum, calculated daily and compounded monthly.

HALO, HALO Investment and AAIG have agreed that the Redeemable Convertible Notes will be extinguished upon the Closing Date of the IPO Offer. In consideration for the extinguishment of the Redeemable Convertible Notes, HALO has agreed to pay AAIG the sum of AUD\$5,100,000 within 5 days of the date of admission of HALO to the Official List.

12.2 Factset Data Agreement

AAIG and FactSet UK Limited (**FactSet UK**) have entered into a data agreement granting AAIG and HALO Technologies a limited, non-exclusive, non-tradable, non-sub licensable right and license to distribute and display certain data (**Factset Data Agreement**), the material terms and conditions of which are summarised below:

Topic	Summary
Term	The agreement initially commenced on 10 April 2018 and will continue until 1 November 2022 unless otherwise extended.
Services	Factset UK shall make available data relating to global financial markets, including, but not limited to ASX, NYSE and TSE (Factset Data).
Termination of the Agreement	The agreement may be terminated: (a) if the other party fails to cure a material breach, by the non-breaching party providing no less than ten (10) days written notice to the breaching party; (b) if the other party becomes insolvent or unable to pay its debts; or (c) if the other party suspends or threatens to suspend or ceases or threatens to cease to carry on all or a substantial part of its business (d) if AAIG breaches the agreement by distributing or otherwise making available any Information or content, by FactSet UK within two business days of giving written notice to AAIG.
Assignment	The agreement and the rights and obligations under it shall not be assignable or transferable by AAIG without the prior written consent of FactSet UK.

The Factset Data Agreement otherwise contains provisions considered standard for an agreement of its nature (including confidentiality provisions).

12. Material Contracts

12.3 Agreements with Directors

12.3.1 Consultancy Agreement – LEL Australia Pty Ltd

HALO has entered into a consultancy agreement with LEL Australia Pty Ltd (ACN 651 863 320) (an entity controlled by George Paxton) (**LEL**) pursuant to which HALO has agreed to engage LEL as an independent contractor to perform the role of chief executive officer.

Topic	Summary
Term	5 years commencing on 1 July 2021.
Fees	HALO shall pay LEL a flat rate of \$12,500 per calendar month, exclusive of GST. These fees will accrue and be payable from the month immediately preceding the month in which the Company is admitted to the Official List.
Expenses	LEL shall be entitled to claim reimbursement for any travel related expenses (food, flights and accommodation) incurred in providing the role.
Insurance	HALO will maintain adequate insurances, including professional indemnity, public liability and workers' compensation insurance and will ensure that LEL and its named representatives are included in the policy.
Termination	(a) The agreement may be terminated at any time by a party providing 30 days written notice, or by HALO making a pro-rata termination payment of fees owed in lieu of notice to LEL. (b) The agreement may be terminated immediately and without notice at any time by HALO if LEL: (i) commits a breach of a material term of the agreement; or (ii) is bankrupt, insolvent, enters into a deed of arrangement with its creditors, has a receiver or a manager appointed, or an order is made for it to be wound up.

The consultancy agreement with LEL otherwise contains provisions considered standard for an agreement of this nature (including standard of service requirements, intellectual property and confidentiality provisions).

12.3.2 Consultancy Agreement - Matthew Roberts Holdings Pty Ltd

HALO has entered into a consultancy agreement with Matthew Roberts Holdings Pty Ltd (ACN 623 814 004) (an entity controlled by Matthew Roberts) (**MRH**) pursuant to which HALO has agreed to engage MRH as an independent contractor to perform the role of managing director.

Topic	Summary
Term	5 years commencing on 1 July 2021.
Fees	HALO shall pay MRH a flat rate of \$12,500 per calendar month, exclusive of GST. These fees will accrue and be payable from the month immediately preceding the month in which the Company is admitted to the Official List.
Expenses	MRH shall be entitled to claim reimbursement for any travel related expenses (food, flights and accommodation) incurred in providing the role.
Insurance	MRH will maintain adequate insurances, including professional indemnity insurance (for amounts up to \$10M), public liability and workers' compensation insurance as required by law.
Termination	(a) The agreement may be terminated at any time during the term of the agreement by providing the other party 30 days written notice, or by HALO making a pro-rata termination payment of fees owed in lieu of notice to MRH. (b) The agreement may be terminated immediately and without notice at any time by HALO if MRH: (i) commits a breach of a material term of the agreement; or (ii) is bankrupt, insolvent, enters into a deed of arrangement with its creditors, has a receiver or a manager appointed, or an order is made for it to be wound up.

12. Material Contracts

The consultancy agreement with MRH otherwise contains provisions considered standard for an agreement of its nature (including standard of service requirements, intellectual property and confidentiality provisions).

12.3.3 Consultancy Agreement – Baige Holdings Pty Ltd

HALO has entered into a consultancy agreement with Baige Holdings Pty Ltd (ACN 626 373 886) (an entity controlled by Nicolas Bryon) (**Baige**) pursuant to which HALO has agreed to engage Baige as an independent contractor to perform the role of director and chief product officer.

Topic	Summary
Term	5 years commencing 27 September 2021.
Services	HALO shall pay LEL a flat rate of \$12,500 per calendar month, exclusive of GST. Baige must perform the services through Nicolas Bryon. The services shall include, but not be limited to: (a) providing and developing product roadmaps for HALO; (b) managing technical resources of HALO and its subsidiaries; (c) providing strategic advice on the development of the product set of HALO; and (d) providing strategic advice on the marketing of the products.
Fees	HALO shall pay Baige a flat rate of \$12,500 per calendar month, exclusive of GST.
Expenses	Baige shall be entitled to claim reimbursement for any travel related expenses (food, flights and accommodation) incurred in providing the roles outlined in the agreement.
Insurance	Baige will maintain adequate insurances, including public indemnity, public liability and workers' compensation insurance.
Termination	(a) The agreement may be terminated at any time during the term of the agreement by providing the other party 30 days written notice, or by HALO making a pro-rata termination payment of fees owed in lieu of notice to Baige. (b) The agreement may be terminated immediately and without notice at any time by HALO if Baige: (i) commits a breach of a material term of the agreement (ii) bankrupt, insolvent, enters into a deed of arrangement with its creditors, has a receiver or a manager appointed, or an order is made for it to be wound up.

The consultancy agreement with Baige otherwise contains provisions considered standard for an agreement of its nature (including standard of service requirements, intellectual property and confidentiality provisions).

12.3.4 Non-Executive Directors Agreements

Ivan Oshry, Philippa Lewis and Louise McElvogue and have entered into appointment letters with the Company to act in the capacity of Non-Executive Chair and Non-Executive Directors respectively. These Directors will receive the remuneration set out in the table below with effect from the month immediately preceding the month in which the Company is admitted to the Official List.

Ivan Oshry	\$120,000 per annum payable in 12 monthly instalments of \$10,000. Ivan may elect to take a portion of the fee in Shares, which will be issued quarterly in arrears and valued at the VWAP at which the Shares have been quoted on the ASX over the last 30 days comprising the quarter to which the fee relates.
Philippa Lewis Louise McElvogue	\$72,000 per annum payable in monthly instalments of \$6,000.

The non-executive directors agreements otherwise contain provisions considered standard for an agreement of their nature (including confidentiality provisions).

12. Material Contracts

12.3.5 Deeds of indemnity, insurance and access

HALO has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, HALO has agreed to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of HALO. HALO will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

12.3.6 Voluntary Escrow Deeds

HALO has entered into voluntary escrow deeds with each of the parties identified below have been entered into. The escrow restrictions cease on satisfaction of the following conditions

Escrowed Shares	Escrow Period
50% of Shares held at the date the Company is admitted to the Official List by: (a) Matthew Roberts Holdings Pty Ltd ATF MR Family Trust; (b) Nicolas Bryon; and (c) George Paxton and Alexandra Paterson-Ridgway jointly ATF Nutex Trust.	24 February 2022 to 24 February 2023
50% Shares held at the date the Company is admitted to the Official List by: (a) Matthew Roberts Holdings Pty Ltd ATF MR Family Trust; (b) Nicolas Bryon; and (c) George Paxton and Alexandra Paterson-Ridgway jointly ATF Nutex Trust.	24 February 2022 to 24 February 2024

The above escrow restrictions will fall away to enable the escrowed shareholders to accept a successful takeover bid in circumstances similar to those permitted for ASX restricted securities.

The voluntary escrow deeds otherwise contain provisions considered standard for an agreement of their nature.

12.3.7 Sell Down Deeds

HALO has entered into deeds with select Shareholders (**Selling Shareholders**) whereby the Selling Shareholders have agreed to sell their existing Shareholding under the IPO Offer (**Sell Down Deeds**). The material terms and conditions of the Sell Down Deeds are summarised below:

Sell Down	The following Selling Shareholders have agreed to sell the quantum of Shares set out below (the Existing Shares): (a) Nicolas Bryon: 2,500,000 Shares; (b) George Paxton and Alexandra Paterson-Ridgway, jointly ATF Nutex Trust: 2,500,000 Shares; and (c) Matthew Roberts Holdings Pty Ltd ATF MR Family Trust: 3,333,333 Shares.
Consideration	HALO covenants in favour of each Selling Shareholder that HALO will pay \$1.20 for each Existing Share at the same time as the Shares the subject of the Sell Down Deeds are transferred as part of the IPO Offer.

The Sell Down Deeds otherwise contain provisions considered standard for an agreement of their nature (including covenants and warranties).

12. Material Contracts

12.4 Lead Manager Mandate

HALO has signed a mandate letter to engage Lodge Corporate Pty Ltd (ACN 125 323 168) (**Lodge**) to act as lead manager to the IPO Offer (**Lead Manager Mandate**). The material terms and conditions of which are summarised below:

Fees	<p>In consideration for Lodge acting as lead manager, HALO will provide the following consideration to Lodge:</p> <ul style="list-style-type: none">(a) a selling fee equal to 6% of the gross amount raised by Lodge under the IPO Offer (plus GST);(b) an engagement fee of \$80,000 (plus GST); and(c) a settlement fee of \$42,000 (plus GST). <p>HALO has agreed to reimburse Lodge for all agreed direct costs and reasonable expenses incurred by Lodge in relation to the Lead Manager Mandate. Lodge agrees not to incur any single out-of-pocket expense exceeding \$1,500 without the prior approval of the Company.</p>
Termination Events	<p>Lodge may terminate the Lead Manager Mandate, at any time after the date of the Lead Manager Mandate.</p> <p>HALO may terminate the Lead Manager Mandate on two months' written notice to Lodge.</p> <p>In the event of termination of the Lead Manager Mandate, Lodge will be entitled to payment of the full amount of fees that are outstanding.</p>

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including confidentiality provisions and an indemnity).

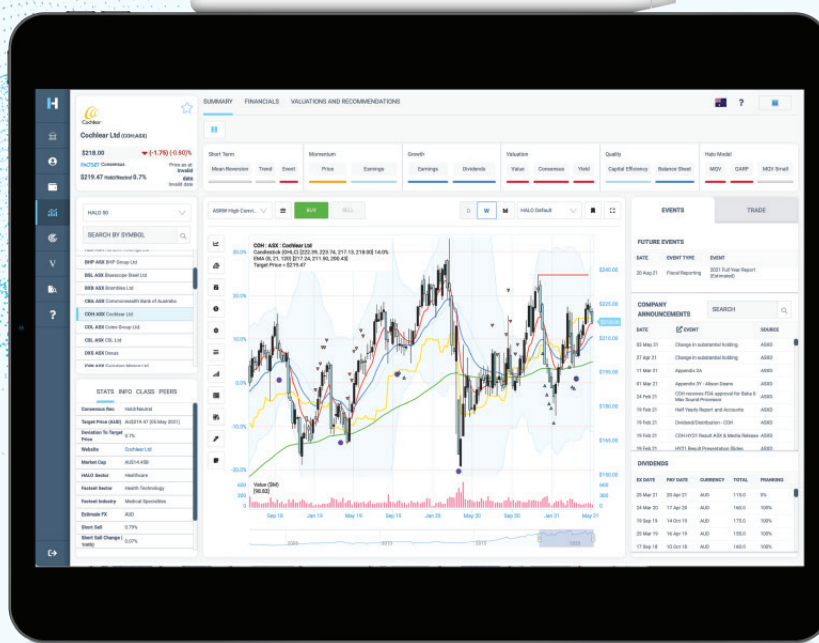
12.5 Sale Nominee Agreement

HALO is proposing to appoint Ascot Securities as the sale nominee for shareholders of AAIG on the record date of the In-specie Distribution with an address outside an eligible country or who will hold a parcel of Shares worth less than \$500 at listing (based on the issue price of \$1.20 taking into account any allocation to existing AAIG shareholders under the IPO Offer) (**Ineligible AAIG Shareholders**).

The following fees are proposed to be paid to Ascot Securities by HALO in relation to their engagement as sale nominee:

- (1) a fee of 4% (plus GST) of the value of Shares sold by Ascot Securities under the IPO Offer in its role as sale nominee;
and
- (2) a fee of 2% (plus GST) of the value of Shares sold on-market by Ascot Securities in its role as sale nominee.

Ascot Securities will act on a best endeavours only basis to sell the ineligible AAIG shareholders' Shares, and will not be liable to any Ineligible AAIG Shareholders for any loss suffered as a result.



13.

Directors' Authorisation

13. Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in dark blue ink, appearing to read 'G. Paxton', with a stylized flourish at the end.

George Paxton
Chief Executive Officer
For and on behalf of
HALO Technologies Holdings Ltd



14. Glossary

14. Glossary

General terms and abbreviations in this Prospectus have the following meaning:

Glossary Terms & Abbreviations	
Term	Definition
\$ or AUD	Australian dollars
AAIG	Amalgamated Australian Investment Group Limited (ACN 140 208 288)
AAS	Australian Accounting Standards
AFM	APSEC Funds Management Pty Ltd (ACN 152 440 723)
Applicant	A person applying for Shares under this Prospectus
Application	The lodgement of an Application Form
Application Form	The form of Application for Shares attached to this Prospectus
Application Monies	The Offer Price multiplied by the number of Shares applied for
APSEC	Atlantic Pacific Securities Pty Ltd (ACN 135 187 085) trading as ASR Wealth Advisers
Ascot Securities	Ascot Securities Pty Ltd (ACN 075 902 206) (AFSL 246718)
ASIC	Australian Securities and Investments Commission
ASR	Australian Stock Report Pty Ltd (ACN 106 863 978)
ASX	ASX Limited (ACN 008 624 691) or the securities market operated by the ASX as the case may be
ASX Bookbuild or ASX Bookbuild Facility	The automated on-market bookbuild facility operated by the ASX to enable a trading participant acting on behalf of an entity to offer and allocate financial products and to enable trading participants to enter bids for those financial products (including where financial products are offered, bid for and allocated by way of the purchase and immediate exercise of rights to subscribe for those financial products)
ASX Settlement Operating Rules	The ASX Settlement Operating Rules issued by ASX Settlement Pty Limited
Australian Financial Services Licence or AFSL	A licence given by ASIC that allows people or companies to legally carry on a financial services business, including selling, advising or dealing in financial products
Board	The board of directors of the Company
BoardRoom	Boardroom Pty Ltd (ACN 003 209 836)
Business Day	A day on which ASX is open for trading securities, and banks are open for general banking business in Sydney
Company or HALO	HALO Technologies Holdings Limited (ACN 645 531 219)
Constitution	The constitution of the Company
Corporations Act	Corporations Act 2001 (Cth)

14. Glossary

Term	Definition
Directors	The directors of the Company as at the date of this Prospectus
DomaCom	DomaCom Limited (ACN 604 384 885)
Eligible Participant	Eligible employees as described in Section 11.6
Employee Offer	The offer of Shares under this Prospectus to Participating Employees
Escrowed Shareholders	Matthew Roberts Holdings Pty Ltd ATF MR Family Trust, Nicolas Bryon and George Paxton and Alexandra Paterson-Ridgway jointly ATF Nutex Trust
ESP	HALO's Employee Share Plan
ESP Shares	Shares issued to Eligible Participants under the ESP
Existing Shares	8,333,333 Shares which are the subject of the Sell Down.
Expiry Date	13 months after the Prospectus Date
Fair Market Value	As of any date, the value of a Performance Right or a Share, as determined by the Board in good faith on such basis as it deems appropriate and applied consistently with respect to all Performance Rights or Shares.
Global Investing Report	Provides longer term opportunities supported by the research of the HALO Research Team. These are your more traditional style recommendations that are produced by global Investment Banking Research teams.
Global Market Scanner	The HALO Software solution enables customers to scan the entire the globe based on various factors including price, industry, fundamental or revision factors. The purpose is to reduce a universe of 2000 or 5000 opportunities in a particular market (say Australia or the US) to a more manageable list of say 20-40 which meet the individual investor's investment bias. The Global Market Scanner is completely customisable by a client and not deterministic.
Global Trading Report	Provides shorter term opportunities sourced from the complete coverage of research by the HALO Research Team. This may be due to a near term catalyst expected to drive share price performance or due to valuation.
Glossary	This glossary
Group	The Company and its subsidiaries which are outlined in Section 11.2
HALO	HALO Technologies Holdings Limited, the Company or Group as the context requires
HALO Factor Scoring	The HALO Software solution provides signals (or Monitors) which describe various price formation strategies or certain characteristics of company fundamentals. There are a number models explicitly provided with full descriptions including models of mean reversion, revision, trend, volatility, dividends and short-selling. Monitors are a very useful component as they highlight various new pieces of information. For example, prices are always changing. Company information is always changing. Market Analyst views of companies are always changing. To be able to monitor these changes systematically will bring you into the heart of the equity market where change is ever present.

14. Glossary

Term	Definition
Independent Expert	RSM Corporate Australia Pty Limited
Independent Expert Report	The Independent Expert Report and Financial Services Guide prepared by the Independent Expert and set out in Annexure A
Independent Limited Assurance Report	The Independent Limited Assurance Report and Financial Services Guide prepared by the Investigating Accountant and set out in Section 10
IPO	The initial public offering of Shares under this Prospectus and Listing
In-specie Distribution	The transfer by AAIG of 24,166,666 Shares in-specie to eligible AAIG shareholders on a pro-rata basis.
Institutional Investors	Investors who are: (a) persons in Australia who are wholesale clients under section 761G of the Corporations Act and either “professional investors” or “sophisticated investors” under sections 708(11) and 708(8) of the Corporations Act; or (b) institutional investors in certain other jurisdictions, as agreed by HALO and the Lead Manager, to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any government agency (except one with which HALO is willing in its discretion to comply); or (c) provided that in each case such investors are not in the United States or are “Eligible U.S. Fund Managers” (as defined by the Lead Manager) in transactions exempt from or not subject to the registration requirements of the US Securities Act in reliance on Regulations thereunder.
Interactive Brokers	Interactive Brokers Australia Pty Ltd (ACN 166 929 568)
Investigating Accountant	RSM Corporate Australia Pty Limited
Lead Manager	Lodge Corporate Pty Ltd (ACN 125 323 168)
Leaver	A Non-Executive Director who ceases to be employed or contracted by the Company.
Listing	Admission of the Company to the Official List quotation of its Shares
Listing Rules or ASX Listing Rules	The rules of ASX that govern the admission, quotation and removal of securities from the Official List, as amended from time to time
Managed Account	An investment product that provides investors with direct ownership and control of an investment account looked after by a professional investment manager
Maximum Subscription	The maximum subscription under the IPO Offer being 33,333,333 Shares to raise \$40 million
Minimum Subscription	The minimum subscription under the IPO Offer being 29,166,667 Shares to raise \$35 million

14. Glossary

Term	Definition
New Shares	Up to 25,000,000 Shares which are to be issued under the IPO Offer.
Offers	The offers of Shares under this Prospectus,
Offer Period	The period commencing on the Opening Date and ending on the Closing Date
Offer Price	\$1.20 per Share
Official List	The official list of entities that ASX has admitted and not removed
Opening Date	In relation to the Offers, the first day on which valid Application Forms may be accepted as set out in Section 9 of this Prospectus
Oshry Lawyers	Oshry Lawyers
Participating Employee	An Eligible Participant under the Company's Employee Share Plan participating in the Employee Offer.
Prospectus	This document dated 28 February 2022 issued by the Company (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document
Relevant Interest	As defined in the Corporations Act.
Relevant Person	In respect of (a) an Eligible Participant, that person; and (b) a nominee of an Eligible Participant, that Eligible Participant.
Responsible Entity	A registered Australian company that holds an AFSL with authority to operate a managed investment scheme
Selling Shareholders	Matthew Roberts Holdings Pty Ltd ATF MR Family Trust, George Paxton and Alexandra Paterson-Ridgway, jointly ATF Nutex Trust and Nicolas Bryon
Share	A fully paid ordinary share in the capital of HALO
Shareholder	A holder of Shares from time to time
Shareholding	A holding of Shares
Share Registry	An organisation who manages all changes to a company's share register. The Share Registry for this Offer is BoardRoom.
Special Circumstances	(a) The Non-Executive Director or Executive Director (as applicable) ceasing to be engaged by the Group due to death, total and permanent disability, retirement or redundancy; or (b) Any other circumstances determined by the Board at any time (whether before or after the offer of Performance Rights) and notified to the holder which circumstances has resulted in or will result in the termination of the Non-Executive's or Executive's (as applicable) employment or engagement.
Takeover Bid	The minimum subscription under the IPO Offer being 29,166,667 Shares to raise \$35 million
TFN	Tax File Number
Voting Power	As defined in section 9 of the Corporations Act



Appendix A

Appendix A

1. Revenue

Rendering of services

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 is recognised over time, i.e., over the subscription contract term when the related services are performed, and the performance obligations are satisfied. Contract assets and contract liabilities are included within "trade and other receivables" and "trade and other payables" respectively on the face of the statement of financial position. They arise from subscriptions with clients that have a term over a few years, since payments received from clients at each balance sheet date do not necessarily equal the amount of revenue recognised over the contract term.

Interest income

Interest income is recognised using the effective interest rate method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

2. 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:

- (a) when the deferred income tax asset or liability arises from the initial recognition 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
- (b) 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 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. In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

3. 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 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.

Appendix A

A liability is classified as current when: it is either expected to be settled in 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 unconditional right 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

4. Cash and cash equivalents

Cash and cash equivalents include 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.

5. Client funds

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 entity, as they are not available for use by the group.

6. 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 provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The Group does not hold any collateral as security. The Group applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

Other receivables are recognised at amortised cost, less any provision for impairment.

7. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

8. 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 consolidated entity 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.

Appendix A

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.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity'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.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

9. Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Computer Equipment: 3 years

Office Equipment: 3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

10. Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

11. Capitalised 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.

Amortisation is calculated on a straight-line basis to write off the net cost of each item of capitalised development costs over their expected useful lives as follows

Development costs 5 years

Appendix A

12. 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 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 as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the 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 national government 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.

13. Issued capital

Ordinary and Preference 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.

14. Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

15. Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.



ANNEXURE A

Independent Expert's Report



HALO TECHNOLOGIES HOLDINGS LIMITED

Financial Services Guide and Independent Expert's Report

28 February 2022

Fair and Reasonable

FINANCIAL SERVICES GUIDE

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("RSM Corporate Australia Pty Ltd" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. The majority of our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and / or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, Level 13, 60 Castlereagh Street, Sydney, NSW 2000.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent dispute resolution scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au. You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll Free: 1800 931 678
Email: info@afca.org.au

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

Contact details

You may contact us using the details set out at the top of our letterhead on page 5 of this report.

CONTENTS

1.	Introduction	5
2.	Summary and conclusion.....	9
3.	Summary of Performance Rights	14
4.	Scope of the Report	17
5.	Profile of Halo	19
6.	Valuation approach	27
7.	Assessment of EBITDA Capitalisation Multiple to apply to incremental EBITDA.....	28
8.	Is the proposed issue of the Performance Rights Fair to Halo Shareholders?	33
9.	Is the Proposed Transaction Reasonable to Shareholders?	36

TABLE OF APPENDICES

A.	Declarations and Disclaimers.....	39
B.	Sources of Information	40
C.	Glossary of Terms.....	41
D.	Industry Analysis.....	43
E.	Valuation Methodologies.....	46
F.	Comparable Companies	48
G.	Comparable Company Multiples	50
H.	Comparable Transactions	51
I.	Comparable Target Descriptions	52

RSM Corporate Australia Pty Ltd

Level 13, 60 Castlereagh Street,
Sydney NSW 2000
T +61 (02) 8226 4500
F +61 (02) 8226 4501

www.rsm.com.au

28 February 2022

The Directors
Halo Technologies Holdings Limited
Level 13, 130 Pitt Street
Sydney, NSW, 2000

Dear Directors

INDEPENDENT EXPERT'S REPORT ("REPORT")

1. Introduction

- 1.1 This Independent Expert's Report (the "Report" or "IER") has been prepared to accompany the Prospectus, as an annexure, to be issued in relation to Halo Technologies Holdings Limited's ("Halo" or the "Company") application for admission to the ASX via an initial public offering ("IPO") of 29,166,667 ordinary shares (comprising 20,833,334 New Shares and 8,333,333 Existing Shares) at \$1.20 per share, raising \$25 million, with oversubscriptions of up to \$5 million, resulting in a total raising of up to \$30 million (comprising 25,000,000 New Shares and 8,333,333 Existing Shares at \$1.20 per share) ("the Offer").
- 1.2 At completion of the IPO, Halo intends to offer 3,354,124 shares under the Employee Share Plan to participating employees as part of their agreed remuneration packages ("Employee Offer").¹
- 1.3 In addition, at completion of the IPO, Halo intends to grant Performance Rights to its Executive Directors under the Executive Performance Rights Plan ("EPRP") and its Non-Executive Directors under the Non-Executive Performance Rights Plan ("NPRP"), subject to the terms set out below.
- 1.4 **Performance Rights Plan**
- An initial grant of Performance Rights under the EPRP and NPRP (together, the "Plans") to the Directors. The total number of Performance Rights proposed to be granted under the initial grant is 18,958,333 Performance Rights allocated amongst the Directors as follows:

¹ Considered an issue of ordinary course business remuneration securities in accordance with ASX Guidance Note 19 and, therefore, not subject to our fairness and reasonableness assessment in the Report.

Table 1: Performance Rights

Director	EPRP		NPRP		Total
	Executive Tranche 1 (31 Dec 2022)	Executive Tranche 2 (31 Dec 2023)	NED Tranche 1 (31 Dec 2023)	IO Rights (IPO Date)	
Matt Roberts	1,250,000	3,750,000			5,000,000
George Paxton	1,250,000	3,750,000			5,000,000
Nic Bryon	1,250,000	3,750,000			5,000,000
Ivan Oshry			2,500,000	208,333	2,708,333
Louise McElvogue			625,000		625,000
Phillipa Lewis			625,000		625,000
Total	3,750,000	11,250,000	3,750,000	208,333	18,958,333

Source: Halo Prospectus, Offer Letters

- 1.5 Each Performance Right under the initial grant of the Plans entitles the participant to be issued with the right to acquire one (1) ordinary share ("Performance Rights Share") based on certain vesting conditions (explained below). No consideration will be payable on the issue or the vesting of the Performance Rights granted under the EPRP. Non-Executive Directors are required to pay the fair market value of the Performance Rights on the day they exercise their right to convert the Performance Rights into shares under the NPRP. Fair market value in this context is deemed under the start-up concessions to be the net asset value of Halo as at the date of grant of the Performance Rights.
- 1.6 The Board has set the following performance vesting conditions for the initial grant of Performance Rights under the Plans:
- The participant has to remain employed or engaged by the Company during the Performance Period (being the period commencing upon the Grant Date and ending on the vesting dates as set out in Table 2 below);
 - Performance criteria has been set as EBITDA targets on the basis that achievement of the relevant EBITDA target should result in a corresponding increase to the share price of the Company, and accordingly a corresponding return to shareholders ("Non-market Vesting Conditions"). The Non-market Vesting Conditions are detailed in the table below:

Table 2 - Number of Performance Rights to vest based on EBITDA target

Tranche	Vesting Date	Number of Performance Rights	Vesting Condition	Expiry Date
Executive Tranche 1	31-Dec-22 ("Vesting Date 1")	3,750,000	Halo achieving \$2.5 million audited EBITDA for the financial year ending 31 December 2022.	The date that is 60 days after the audited financial statements of Halo for FY22 are released to ASX
Executive Tranche 2	31-Dec-23 ("Vesting Date 2")	11,250,000	The Executive Tranche 2 Performance Rights will vest as follows based on the audited EBITDA of Halo for the financial year ending 31 December 2023: (a) less than \$11,250,000, no Executive Tranche 2 Performance Rights will vest; (b) between \$11,250,000 and \$12,750,000 then 50% of the Executive Tranche 2 Performance Rights will vest; (c) between \$12,750,001 and \$14,250,001, then 75% of the Executive Tranche 2 Performance Rights will vest; or (d) greater than \$14,250,000, then 100% of the Executive Tranche 2 Performance Rights will vest.	The date that is 60 days after the audited financial statements of Halo for FY23 are released to ASX
NED Tranche 1	31-Dec-23 ("Vesting Date 2")	3,750,000	The NED Performance Rights will vest as follows based on the audited EBITDA of Halo for the financial year ending 31 December 2023: (a) less than \$11,250,000, no NED Performance Rights will vest; (b) between \$11,250,000 and \$12,750,000 then 50% of the NED Performance Rights will vest; (c) between \$12,750,001 and \$14,250,000, then 75% of the NED Performance Rights will vest; or (d) greater than \$14,250,001, then 100% of the NED Performance Rights will vest.	The date that is 60 days after the audited financial statements of Halo for FY22 are released to ASX

Source: EPRP, NPRP, Prospectus

- 1.7 Mr Ivan Oshry will be issued an additional 208,333 Performance Rights ("IO Rights"), which will not be subject to the above vesting conditions, but which will vest upon the Company receiving conditional approval from ASX for its securities to be admitted to the Official List of the ASX and receiving valid applications for \$35 million under the IPO. These rights have been offered as compensation for Mr Oshry's role in co-ordinating and preparing documentation relevant to this Offer.
- 1.8 ASX issued an updated Guidance Note 19 "Performance Securities" ("GN 19") on 12 March 2021 which states that an entity applying to be listed should obtain a report from an independent expert, if it has or proposes to have, performance securities on issue at IPO which convert in aggregate (if the applicable milestone is achieved) to greater than 10% of the number of ordinary shares on completion of the IPO², and the Performance Rights do not fall into one of the exemption categories as set out in GN 19. The Independent Expert is required to opine on whether the issue of the performance securities is fair and reasonable to the shareholders not participating in the issue of the Performance Securities ("Non-Participating Shareholders")³. The Performance Rights are classified as performance securities under GN 19.

² Taking into account any ordinary shares the entity may be issuing in connection with its listing.

³ All shareholders of Halo excluding those who are the recipients of the Performance Rights.

- 1.9 The Performance Rights, if the vesting conditions (detailed in paragraph 1.6 above) are achieved, will convert into a maximum of 18,750,000 Halo shares which represent:
- Between 14.1% and 14.6% of the undiluted shares on issue, excluding the shares to be issued upon vesting and exercise of the Performance Rights; and
 - Between 12.4% and 12.7% of the diluted shares, assuming that the new Halo shares are issued upon the vesting and exercise of the Performance Rights.
- 1.10 The Directors of the Company have requested that RSM Corporate Australia Pty Ltd ("RSM"), being independent and qualified for the purpose, express an opinion as to whether the proposed issue of the Performance Rights is fair and reasonable to Non-Participating Shareholders, as the number of ordinary shares resulting from the conversion of the Performance Rights (assuming all vesting conditions are met) exceeds the GN 19 10% threshold.
- 1.11 The ultimate decision whether to participate in the IPO should be based on each Non-Participating Shareholder's assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt as to the action they should take with regard to participation in the IPO, or the matters dealt with in this Report, Shareholders should seek independent professional advice.

2. Summary and conclusion

Opinion on the proposed issue of Performance Rights

- 2.1 In our opinion, and for the reasons set out in Sections 8 and 9 of this Report, the proposed issue of the Performance Rights is fair and reasonable to the Non-Participating Shareholders of Halo.

Approach

- 2.2 In assessing whether the proposed issue of the Performance Rights is fair and reasonable to the Non-Participating Shareholders of Halo, we have considered ASX GN 19, Australian Securities and Investment Commission (“ASIC”) Regulatory Guide 111 – *Content of Expert Reports* (“RG 111”), and ASIC Regulatory Guide 112 – *Independence of experts* (“RG 112”).
- 2.3 GN 19 requires an expert to opine on whether the proposed issue of the performance securities is fair and reasonable to the Non-Participating Shareholders. In expressing this opinion, the ASX expects the independent expert to assume that the relevant performance milestones have been met, assess the impact that would have on the value of the entity, and then determine whether the resulting number of ordinary shares to be issued by the entity to the holder of the performance securities is fair and reasonable in the circumstances.
- 2.4 GN 19 notes that the independent expert can express a broader view on an issue of performance securities in circumstances where they are unable to conclude that the issue is fair or reasonable, but could be regarded as in the best interests of the entity and Non-Participating Shareholders to proceed with the issue.
- 2.5 RG 111 provides specific guidance as to how an expert is to appraise transactions. RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any alternate option. In our assessment of the reasonableness of the proposed issue of the Performance Rights, we have given consideration to commercial advantages and disadvantages to the Non-Participating Shareholders as a consequence of the proposed issue of the Performance Rights.
- 2.6 We have considered whether or not the proposed issue of the Performance Rights is “fair” and “reasonable” to the Non-Participating Shareholders by:
- Assessing and comparing the likely impact on the value of Halo of the incremental EBITDA that will be generated should the Performance Rights EBITDA hurdles be met to the resulting number and value of shares to be issued by the Halo (fairness); and
 - Undertaking an analysis of the other factors relating to the proposed issue of the Performance Rights which are likely to be relevant to the Non-Participating Shareholders in their decision of whether or not to participate in the IPO (reasonableness).
- 2.7 Further information of the approach we have employed in assessing whether the proposed issue of the Performance Rights is “fair” and “reasonable” is set out in Section 4 of this Report.
- 2.8 We have not included the IO Rights or the Employee Offer in our assessment, as:
- the IO Rights will vest upon the Company receiving conditional approval from ASX for its securities to be admitted to the Official List of the ASX and receiving valid applications for \$35 million under the IPO; and
 - the Employee Offers are considered an issue of ordinary course business remuneration securities in accordance with GN 19 and, therefore, are exempt from the requirements for an Independent Expert’s Report.

Fairness

- 2.9 Consistent with the guidance in GN 19, we have considered the fairness of the proposed issue of Performance Rights by comparing:
- our assessment of the likely impact on the value of Halo of the incremental EBITDA that will be generated assuming that the Performance Rights EBITDA hurdles are met;
 - the resulting number and value of shares to be issued by Halo assuming the Performance Rights EBITDA hurdles are met.
- 2.10 As set out in Section 7 of our Report, we consider that an EBITDA multiple range of 19.0 times to 21.0 times, with a preferred multiple of 20.0 times EBITDA would be applied to the incremental EBITDA that will be generated assuming that the Performance Rights EBITDA hurdles are met. This is to say there would be an increase in the value of Halo in the range of 19.0 times to 21.0 times an incremental dollar of EBITDA if the Performance Rights EBITDA targets are met.
- 2.11 As set out in paragraph 3.3, for each of Vesting Date 1 and/or Vesting Date 2, the Executive Directors will be entitled to one ordinary share for each Performance Right held, subject to a one-year disposal restriction period, to the extent that the EBITDA targets of \$2.5 million (Vesting Date 1 EBITDA Target) and between \$11.25 million and \$14.25 million (Vesting Date 2 EBITDA Target) are met, based on the vesting profile set out in paragraph 3.4.
- 2.12 As set out in paragraph 3.3, for Vesting Date 2, the Non-executive Directors will be entitled to one ordinary share for each Performance Right held, to the extent that the EBITDA target between \$11.25 million and \$14.25 million (Vesting Date 2 EBITDA Target) is met, based on the vesting profile set out in paragraph 3.4.
- 2.13 On the assumption that the Performance Rights EBITDA hurdles are fully met in FY22, the incremental increase in value of Halo has been assessed to be in the range of \$4.8 million to \$5.3 million, based on the EBITDA multiples set out in Section 7 of our report. The Executive Directors would, as a result, receive 3,750,000 ordinary shares, with a dilutionary impact of between (2.75%) and (2.83%), resulting in a total incremental increase in the value of Halo for Non-Participating Shareholders as at Vesting Date 1 of between \$0.3 million and \$0.8 million, as set out in the table below.

Table 3: Vesting Date 1 - Incremental impact on value

\$'000	Low	High
EBITDA as at Offer Date	2,249	2,249
EBITDA Target at Vesting Date 1	2,500	2,500
Incremental EBITDA at Vesting Date 1	251	251
EBITDA Multiple	19.0x	21.0x
Value of incremental EBITDA at Vesting Date 1 [A]	4,769	5,271
Implied market capitalisation at IPO	154,275	159,275
Total incremental value assuming vesting of options (pre-dilution)	159,044	164,546
Dilution		
Undiluted share capital at IPO	128,562,458	132,729,124
Maximum shares on fully diluted basis at Vesting Date 1	132,312,458	136,479,124
Additional shares issued	3,750,000	3,750,000
Dilutionary impact of additional shares (as %)	(2.83%)	(2.75%)
Dilutionary impact of additional shares [B]	(4,508)	(4,521)
Total incremental value for Non-Participating Shareholders [A – B]	261	750

Source: Prospectus, RSM analysis

- 2.14 On the assumption that the Performance Rights EBITDA hurdles are fully met in FY23, the incremental increase in value of Halo has been assessed to be in the range of \$228.0 million to \$252.0 million, based on the EBITDA multiples set out in Section 7 of our report. The Executive and Non-executive Directors would, as a result, receive 15,000,000 ordinary shares, with a dilutionary impact of between (10.15%) and (10.45%), resulting in a total incremental increase in the value of Halo for Non-Participating Shareholders as at Vesting Date 2 of between \$188.0 million and \$210.3 million, as set out in the table below.

Table 4: Vesting Date 2 - Incremental impact on value

\$'000	Low	High
EBITDA as at Offer Date	2,249	2,249
EBITDA Target at Vesting Date 2	14,250	14,250
Incremental EBITDA at Vesting Date 2	12,001	12,001
EBITDA Multiple	19.0x	21.0x
Value of incremental EBITDA at Vesting Date 2 [A]	228,019	252,021
Implied market capitalisation at IPO	154,275	159,275
Total incremental value assuming vesting of options (pre-dilution)	382,294	411,296
Dilution		
Undiluted share capital at IPO	128,562,458	132,729,124
Maximum shares on fully diluted basis at Vesting Date 2	143,562,458	147,729,124
Additional shares issued	15,000,000	15,000,000
Dilutionary impact of additional shares (as %)	(10.45%)	(10.15%)
Dilutionary impact of additional shares [B]	(39,944)	(41,762)
Total incremental value for Non-Participating Shareholders [A – B]	188,075	210,259

Source: Prospectus, RSM analysis

- 2.15 In our assessment of fairness, we have not considered the fact that the Performance Rights Shares issued to the Executive Directors under the EPRP will be subject to a one-year disposal restriction on the basis that, whilst the restriction period will likely lower the value of the Performance Rights Shares from the perspective of the Executive Directors, we do not consider that the one-year disposal restriction impacts on the dilution in value of Halo from the perspective of Non-Participating Shareholders. We have considered the one-year disposal restriction period attached to the Performance Rights Shares in our assessment of reasonableness.

Conclusion on fairness

- 2.16 In accordance with the guidance set out in GN 19 and RG 111, and in the absence of any other relevant information, assuming the Performance Rights EBITDA hurdles are met for Vesting Dates 1 and 2, (consistent with the guidance of GN 19), we have assessed:

- the EBITDA multiple that would be applied to the incremental EBITDA in the valuation of Halo of 19.0 to 21.0 times, with a preferred multiple of 20.0 times; and
- the dilutionary impact resulting from the proposed issue of the Performance Rights Shares as at Vesting Date 1 and Vesting Date 2.

Based on the above, we have assessed that, assuming the Performance Rights EBITDA hurdles are met for Vesting Date 1 and Vesting Date 2, the incremental increase in value of Halo is higher than the dilutionary impact of the additional shares to be issued to the Executive and Non-executive Directors and, therefore, we consider that the issuance of the Performance Rights is **fair** to the Non-Participating Shareholders of Halo.

- 2.17 We note that there are scenarios which may occur where the Performance Rights EBITDA hurdles are only partially met for Vesting Date 2, or only met for one of the two Vesting Dates, thereby resulting in a different dilutionary impact. We have considered this fact in our assessment of reasonableness.

- 2.18 It is important that the Non-Participating Shareholders are aware that the EBITDA multiple to be applied to the incremental EBITDA in the valuation of Halo in paragraph 2.10 above has been estimated assuming that the Non-Market Vesting Conditions have been achieved at each of Vesting Date 1 and Vesting Date 2. The ability of Halo to achieve the vesting milestones bears significant risks and uncertainties which are not captured in the incremental value assessment for the relevant Vesting Dates. The Non-Participating Shareholders should refer to the risks section of the Prospectus. If RSM was engaged to undertake a valuation assessment of Halo at the time of the IPO or either of the Vesting Dates, the EBITDA multiple applied may be different from the EBITDA multiples presented in paragraph 2.10 above.
- 2.19 Non-Participating Shareholders should be aware that our assessment of the EBITDA multiple to be applied to the incremental EBITDA in the valuation of Halo in paragraph 2.10 above should not be considered to reflect the price at which Halo Shares will trade in the future. The price at which Halo Shares will ultimately trade depends on a range of factors, including the liquidity of Halo Shares, macro-economic conditions, interest rates and the financial performance of Halo.

Reasonableness

- 2.20 RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the offer closes. As such, we have also considered the commercial advantages and disadvantages to the Non-Participating Shareholders as a consequence of the proposed issue of the Performance Rights.

2.21 The key advantages of the proposed issue of the Performance Rights are:

Advantages	Details
The proposed issue is fair	We have assessed that the proposed issue of the Performance Rights is fair to the Non-Participating Shareholders.
The achievement of the Performance Rights is expected to be value accretive	The vesting of the Performance Rights is subject to, among other things Halo achieving EBITDA of \$2.5m or above in FY22 and between \$7.5m and \$14.25m (or above) in FY23. The achievement of these objectives, which will trigger vesting of the Performance Rights, is expected to create value for the Company and the Non-Participating Shareholders will participate in this value accretion.
Funding flexibility	The Performance Rights Plans provide funding flexibility to Halo given that the Company would likely otherwise have been required to pay equivalent remuneration in cash.
Retention of key management personnel / technical expertise	The Company is in its growth phase and will require the services of experienced personnel to drive Halo's strategic plans. The Performance Rights Plans include requirements to remain in employment with the Company, which will increase the likelihood of retention of key employees.
Scenarios where Performance Rights EBITDA hurdles are only partially met	We note that there are scenarios which may occur where the Performance Rights EBITDA hurdles are only partially met for Vesting Date 2, or only met for one of the two Vesting Dates, thereby resulting in only a proportion of the Performance Rights vesting. These scenarios will result in a different dilutionary impact and effective multiple of incremental EBITDA. Based on the vesting profile applicable to Vesting Date 1, the Performance Rights are essentially subject to an 'all-or-nothing' vesting condition. Based on the vesting profile applicable to Vesting Date 2, applying the same EBITDA multiple to the incremental EBITDA, the value of the incremental EBITDA exceeds the dilutionary impact of the additional shares in the scenarios where the Performance Rights EBITDA hurdles are partially met.
The shares issued on exercise of the Performance Rights by Executive Directors are subject to a disposal restriction for 12 months from the date of issue.	The shares issued on conversion of the Performance Rights are subject to a disposal restriction for 12 months from the date of issue which will incentivise the Executive Directors to continue to generate value for Halo after the vesting and exercise of the Performance Rights.

2.22 The key disadvantages of the proposed issue of the Performance Rights are:

Disadvantages	Details
Dilution of Non-Participating Shareholders' interests	The Performance Rights will potentially dilute the Non-Participating Shareholders' interests if the Performance Rights hurdles are met.

- 2.23 We are not aware of any alternative proposals which may provide greater benefit to the Non-Participating Shareholders at this time.
- 2.24 In our opinion, the position of the Non-Participating Shareholders of Halo if the Performance Rights are issued is more advantageous than if the Performance Rights are not issued. Therefore, in the absence of any other relevant information, we consider that the issuance of the Performance Rights is **reasonable** for the Non-Participating Shareholders of Halo.

3. Summary of Performance Rights

Overview

3.1 We have set out below the Performance Rights to be issued to Directors at completion of the IPO under the Plans:

3.2 Performance Rights Plan

An initial grant of Performance Rights under the Plans to the Directors. The total number of the Performance Rights to be issued under the initial grant is 18,958,333 Performance Rights and these have been allocated equally amongst the Directors as follows.

Table 5: Performance Rights

Director	EPRP		NPRP		Total
	Executive Tranche 1 (31 Dec 2022)	Executive Tranche 2 (31 Dec 2023)	NED Tranche 1 (31 Dec 2023)	IO Rights (IPO Date)	
Matt Roberts	1,250,000	3,750,000			5,000,000
George Paxton	1,250,000	3,750,000			5,000,000
Nic Bryon	1,250,000	3,750,000			5,000,000
Ivan Oshry			2,500,000	208,333	2,708,333
Louise McElvogue			625,000		625,000
Phillipa Lewis			625,000		625,000
Total	3,750,000	11,250,000	3,750,000	208,333	18,958,333

Source: Halo Prospectus, Offer Letters

3.3 Each Performance Right under the initial grant of the Plans entitles the participant to be issued with the right to acquire one (1) ordinary share ("Performance Rights Share") based on certain vesting conditions (explained below). No consideration will be payable on the issue or the vesting of the Performance Rights granted under the EPRP. Non-Executive Directors are required to pay the fair market value of the Performance Rights on the day they exercise their right to convert the Performance Rights into shares under the NPRP. Fair market value in this context is deemed under the start-up concessions to be the net asset value of Halo as at the date of grant of the Performance Rights.

3.4 The Board has set the following performance vesting conditions for the initial grant of Performance Rights under the Plans:

- The participant has to remain employed or engaged by the Company during the Performance Period (being the period commencing upon the Grant Date and ending on the vesting dates as set out in Table 2 below);
- Performance criteria has been set as EBITDA targets on the basis that achievement of the relevant EBITDA target should result in a corresponding increase to the share price of the Company, and accordingly a corresponding return to shareholders ("Non-market Vesting Conditions"). The Non-market Vesting Conditions are detailed in the table below:

Table 6: Number of Performance Rights to vest based on EBITDA target

Tranche	Vesting Date	Number of Performance Rights	Vesting Condition	Expiry Date
Executive Tranche 1	31-Dec-22 ("Vesting Date 1")	3,750,000	Halo achieving \$2.5 million audited EBITDA for the financial year ending 31 December 2022.	The date that is 60 days after the audited financial statements of Halo for FY22 are released to ASX
Executive Tranche 2	31-Dec-23 ("Vesting Date 2")	11,250,000	The Executive Tranche 2 Performance Rights will vest as follows based on the audited EBITDA of Halo for the financial year ending 31 December 2023: (a) less than \$11,250,000, no Executive Tranche 2 Performance Rights will vest; (b) between \$11,250,000 and \$12,750,000 then 50% of the Executive Tranche 2 Performance Rights will vest; (c) between \$12,750,001 and \$14,250,000, then 75% of the Executive Tranche 2 Performance Rights will vest; or (d) greater than \$14,250,000, then 100% of the Executive Tranche 2 Performance Rights will vest.	The date that is 60 days after the audited financial statements of Halo for FY23 are released to ASX
NED Tranche 1	31-Dec-23 ("Vesting Date 2")	3,750,000	The NED Performance Rights will vest as follows based on the audited EBITDA of Halo for the financial year ending 31 December 2023: (a) less than \$11,250,000, no NED Performance Rights will vest; (b) between \$11,250,000 and \$12,750,000 then 50% of the NED Performance Rights will vest; (c) between \$12,750,001 and \$14,250,000, then 75% of the NED Performance Rights will vest; or (d) greater than \$14,250,000, then 100% of the NED Performance Rights will vest.	The date that is 60 days after the audited financial statements of Halo for FY22 are released to ASX

- Source: EPRP, NPRP, Prospectus

- 3.5 Mr Ivan Oshry will be issued an additional 208,333 Performance Rights ("IO Rights"), which will not be subject to the above vesting conditions, but which will vest upon the Company receiving conditional approval from ASX for its securities to be admitted to the Official List of the ASX and receiving valid applications for \$35 million under the IPO. These rights have been offered as compensation for Mr Oshry's role in co-ordinating and preparing documentation relevant to this Offer.
- 3.6 We have set out below other key conditions of the Performance Rights:
- 3.7.1 Performance Rights that do not vest on or prior to the Vesting Date will automatically lapse.
- 3.7.2 The Company may determine that Performance Rights which have vested are forfeited where the holder commits any fraudulent or dishonest act or omission, which in the opinion of the Company is likely to bring its reputation into disrepute.
- 3.7.3 The Performance Rights under the EPRP are subject to disposal restrictions. Executive Directors may not sell, transfer, mortgage, charge or otherwise dispose of, deal with, grant any interest in or encumber any interest in the:

- Performance Rights during the vesting period; or
- Ordinary shares to be issued to the holder upon vesting and exercise of the Performance rights, for a period of one year after issue.

3.7.4 A Non-executive Director may not dispose of the Performance Rights or shares issued on exercise of the Performance Rights, as the case may be, until the earlier of:

- 3 years after the acquisition of the Performance Right or such earlier time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of ITAA 97; and
- The non-executive Director becoming a good leaver (as defined in Rule 17 of the NPRP).

3.7.5 The Performance Rights do not carry any dividend or voting rights.

Impact of Performance Rights on Halo's Capital Structure

3.7 The table below sets out a summary of the capital structure of Halo immediately after the IPO assuming a capital raising of \$25 million and \$30 million, and assuming all the Non-Market Vesting Conditions are met at the respective Vesting Dates.

Table 7: Share structure of Halo pre and post IPO, and assuming Non-Market Vesting Conditions are met

Securities	Number of Securities (assuming \$25m capital raise)	Number of Securities (assuming \$30m capital raise)
Ordinary shares at date of Prospectus	104,166,667	104,166,667
IPO offer (ordinary shares)	20,833,334	25,000,000
Employee offer	3,354,124	3,354,124
Ordinary shares immediately after IPO (excl. Performance Rights)	128,354,125	132,520,791
Performance Rights of Mr Ivan Oshry – vests prior to Listing Date	208,333	208,333
Ordinary shares immediately after IPO	128,562,458	132,729,124
Performance rights – Vesting Date 1	3,750,000	3,750,000
Maximum shares on fully diluted basis at Vesting Date 1	132,312,458	136,479,124
Performance rights – Vesting Date 2	15,000,000	15,000,000
Maximum shares on fully diluted basis at Vesting Date 2	147,312,458	151,479,124

Source: Prospectus

4. Scope of the Report

ASX Guidance Note 19: Performance Securities

- 4.1 ASX Guidance Note 19: Performance Securities (“GN 19”) was revised on 28 August 2020 and includes a requirement, in certain circumstances, for companies to commission an independent expert when issuing performance securities.
- 4.2 An Independent Expert Report is required in the following two situations:
- For a listed entity that proposes to issue performance securities covered by GN 19, where the number of ordinary shares that will be issued upon achievement of the milestone is greater than 10% of the number of ordinary shares on issue at the date the performance securities will be issued; or
 - For an entity that is applying to be listed, that proposes to issue performance securities covered by GN 19, where the number of ordinary shares that will be issued upon achievement of the milestone is greater than 10% of the number of ordinary shares on issue at the date of admission to quotation.
- 4.3 GN 19 states that an entity must obtain a report from an independent expert that complies with RG 111 and that opines on whether the issue of the performance securities in question is fair and reasonable to non-participating shareholders.
- 4.4 In expressing this opinion, ASX expects the independent expert to assume that the relevant performance milestones have been met, assess the impact that would have on the value of the entity, and then determine whether the resulting number of ordinary shares to be issued by the entity to the holder of the performance securities is fair and reasonable in the circumstances.
- 4.5 GN 19 notes that the independent expert can express a broader view on an issue of performance securities in circumstances where they are unable to conclude that the issue is fair or reasonable, but could be regarded as in the best interests of the entity and non-associated shareholders to proceed with the issue.

Basis of evaluation

- 4.6 In determining whether the Proposed Transaction is “fair” and “reasonable” we have given regard to the views expressed by ASIC in RG 111.
- 4.7 RG 111 provides ASIC’s views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.
- 4.8 RG 111 states that the expert’s report should focus on:
- The issues facing the security holders for whom the report is being prepared; and
 - The substance of the transaction rather than the legal mechanism used to achieve it.
- 4.9 In assessing whether the proposed issue of the 18,750,000 Performance Rights is fair and reasonable to the Non-Participating Shareholders, we have compared:
- our assessment of the likely impact on the value of Halo of the incremental EBITDA that will be generated assuming that the Performance Rights EBITDA hurdles are met;
 - the resulting number and value of shares to be issued by Halo assuming the Performance Rights EBITDA hurdles are met.
- 4.10 In considering whether the proposed issue of the 18,750,000 Performance Rights is reasonable to the Non-Participating Shareholders, we have considered several factors, including:

- Whether the proposed issue is fair.
- Likely advantages and disadvantages associated with the Performance Rights.

4.11 Our assessment of the Proposed Transaction is based on economic, market and other conditions prevailing at the date of this Report.

5. Profile of Halo

Background

- 5.1 Halo was founded in 2017 and is a provider of research and investment software solutions in Australia and internationally. Halo launched its flagship product 'HALO Global' in 2018, an investment research and portfolio management platform with trade execution capabilities for local and international equities. Halo acquired Macrovue in May 2019, resulting in the development of HALO Global v3.0, which integrated Macrovue's thematic share portfolios (known as 'Vues') and international trade execution capability. Halo completed the development of 'HALO Trading' in November 2019 for clients of Halo's initial financier, aaig Limited ("AAIGL"). In March 2020 Halo released the first version of the Halo Mobile app into Google Play and Apple Store.

History

- 5.2 A brief history of Halo is set out in the table below:

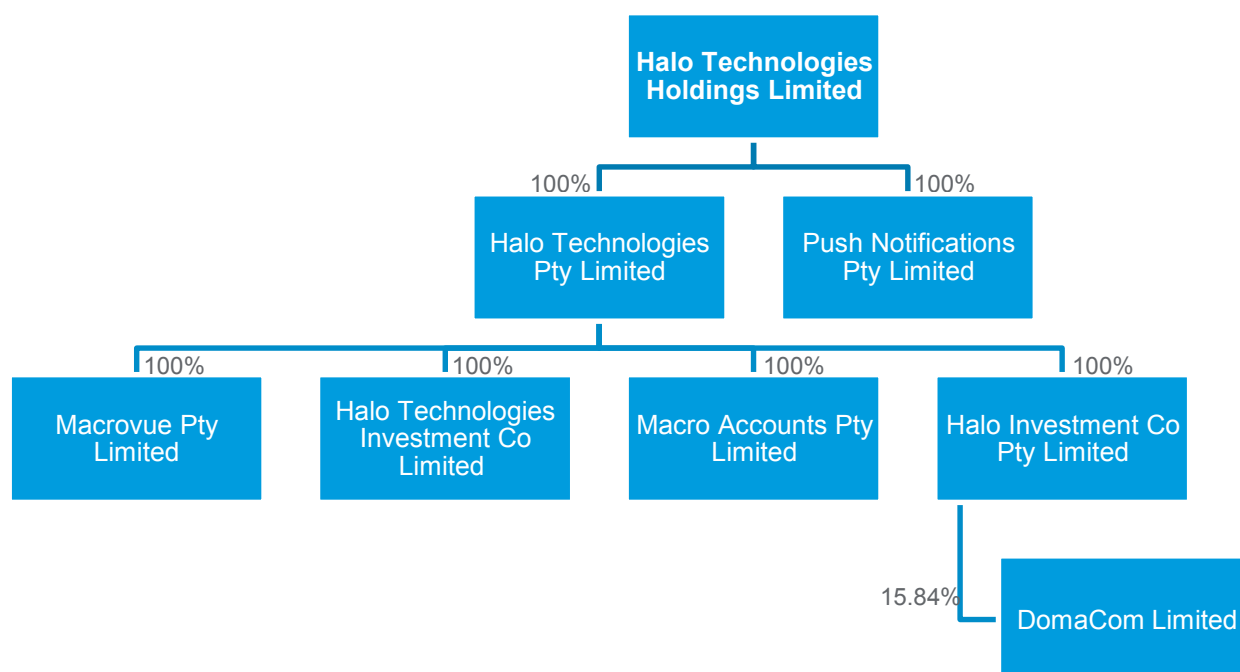
Table 8: Brief history of Halo

Date	Event
November 2017	The first version of the Halo platform is developed by fund manager, Nicolas Bryon.
January 2018	Halo Technologies Pty Ltd is incorporated.
February 2019	Halo launches its VIP service for clients looking for extra guidance, support and training.
May 2019	Halo completes the acquisition of the Australian-owned and operated Macrovue Investment Platform and its team.
September 2019	Halo becomes a substantial shareholder of fractional investment platform DomaCom Australia Limited (ASX:DCL).
October 2019	HALO Americas is released, starting the process towards global coverage for HALO v2.0 users.
November 2019	In November of 2019, HALO Technologies completes development of HALO Lite for clients of AAIGL Group previously using IRESS Investor.
March 2020	Halo releases the first version of the HALO mobile app, a companion to the HALO platform.
April 2020	The platform relaunches as the HALO Global Research & Investment Platform (GRIP) following the addition of Asian and European data.
November 2020	Halo releases its latest version of the HALO Global Research & Investment Platform including complete global trading functionality, improved user interface and the integration of B2B research.
February 2021	Halo launches the latest version of its mobile application which includes miniaturisation of the desktop app, mobile trading for users with Macrovue accounts, and the introduction of the new 'HALO Quote Tool' for free users.
March 2021	Halo launches a new equities research product called the HALO Global Trading Report ("GTR"), which provides clients with weekly trade ideas from the equity research team at Macrovue.

Corporate Structure

5.3 The figure below sets out the corporate structure of Halo:

Figure 1: Corporate structure of Halo



Products and services

5.4 Halo provides a multi-functional research and investment software solution comprised of Halo company analysis and portfolio management tools, Macrovue's thematic investment portfolios and individual company and exchange traded funds ("ETF") investments internationally.

5.5 Halo Global investment research and portfolio management

The Halo Global platform provides self-directed investors with a suite of products from market intelligence to execution. Halo utilises data provided by FactSet, including its global consensus database, which is converted into relevant information sets. Features include:

- Integrated access to company analysis, portfolio management tools, themed investment and domestic and international trading execution;
- Integration of a third-party advisor-led CHESS-sponsored platform;
- Institutional-grade pricing database with splits, adjustments and dividends;
- High-level company fundamental information married with FactSet consensus;
- Delayed pricing and exchange news for the ASX, NYSE and NASDAQ;
- Real-time pricing for the ASX for those clients already on the Macrovue Platform;
- Third-party research feeds (subscriber based);
- HALO Pro Tools including global market scanner, list blending and alerts;
- Signal processing via HALO monitors and factor scoring;
- Comprehensive portfolio analysis tools including expected dividend schedule; and

- Desktop and mobile implementations.

5.6 Macrovue investment trading platform

The Macrovue investment trading platform provides a global online brokerage and thematic portfolio interface for investors. Equity market execution is currently achieved via an omnibus agreement and execution interface with Interactive Brokers Australia Pty Ltd (“IB”). Investors can choose to actively trade over 30,000 international shares and ETFs across more than 40 exchanges internationally.

The underlying omnibus account management system (“Omnibus”) is a core piece of technology developed by, and proprietary to, Macrovue. Omnibus is a generic asset management and reconciliation system that delivers the following built-in reconciliation mechanisms:

- Cash flow management system – Features to manage cash across accounts in the system, with tools to allow management and auditing of funds;
- Automated currency conversion system – Ensures defined minimum and maximum thresholds are maintained by automating currency conversions;
- Pricing rule system – A system for defining automated debits and credits with multiple beneficiaries and recipients with unlimited flexibility;
- SMA management system – A system to manage and track model portfolios and investments for clients, advisers, and companies; and
- Custodian trading system – Automated execution of securities through a broker/custodian.

5.7 Macrovue Themed Investment Vues

Macrovue’s analyst team creates thematic portfolios, known as ‘Vues’, which consist of ten individual equities with exposure to a particular theme, whether driven by a trend or market insight. Macrovue currently offers 26 unique Vues.

Key Personnel

- 5.8 The Board of Directors of Halo comprises:

Table 9: Board of Directors

Name and title	Experience
Ivan Oshry Independent Non-executive Chairman	Ivan has more than 30 years’ experience of legal practice in Australia and internationally, specialising in commercial and corporate law. Ivan sits on numerous company boards including EZZ Life Science Holdings Limited (ASX:EZZ), Jamieson Health Products Australia Pty Ltd, a subsidiary of Jamieson Wellness Inc, a Canada based listed company (TSE:JWEL), PMFresh Pty Ltd, and OpusXenta Pty Ltd. Ivan holds a Bachelor of Arts and LLB degree from the University of Natal, higher diplomas in Company Law and Tax from the University of Witwatersrand and a Graduate Certificate in Applied Finance and Investment from the Securities Institute of Australia. Ivan sits on the boards of AAIG (and certain of their subsidiary companies).

Name and title	Experience
Matthew Roberts Executive Managing Director	Matthew is the co-founder and managing director of Halo. He is also a director of AAIGL, and a non-executive director of Domacom Limited. 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. Matthew is a Responsible Manager to the Australian Stock Exchange and is a former member of the Australian Digital Commerce Association's ("ADCA") Advisory Board.
George Paxton Executive Director and CEO	George is an experienced finance executive and has spent more than 15 years working in financial services. George is an executive director of Halo. He also sits on the boards of AAIGL and Domacom Limited (ASX: DCL). He holds a BA (Hons) in Law & Economics from Queen Mary University of London, is a CFA Charter holder and is RG146 compliant.
Nicolas George Ashley Bryon Executive Director and CPO	Nicolas is the creator of the Halo Global research and investment platform. 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, HNWs and advisers alike require to manage their day-to-day investing activities.
Louise McElvogue Non-executive Director	Louise is an experienced executive and director with more than 20 years' experience with boards, corporates and start-ups. She has been involved in more than 30+ consumer technology projects across the UK, USA, Europe and Asia She currently serves on several boards including Cluey Learning (ASX:CLU), a digital education platform and Healthdirect, the Federal & State Government consumer digital health platform. Louise also sits on the NSW Council of the Australian Institute of Company Directors and previously served on cybersecurity company WhiteHawk (ASX.WHK).
Philippa Lewis Non-executive Director	Philippa is a professional company director with over 30 years of global, commercial experience. She has been a director and CEO in the digital, medtech, healthcare and life sciences sectors. As a strategic futurist she has founded multiple companies, led local and North American IPOs, reverse mergers, complex M&A transactions, raised and managed strategic capital for private and listed entities and has been engaged in multilateral joint ventures within North America, Europe and China. She currently serves on several boards as Non-Executive Chair of EZZ Life Science (ASX:EZZ), a company that develops and manufactures healthcare products; Immunexus Therapeutics Ltd; a public unlisted company in the oncology therapeutics sector and Aquitas Pty Ltd, a privately owned residential aged care M&A consolidation.

5.9 The senior management of Halo comprises:

Table 10: Senior management

Name and title	Experience
Reuben Goodsell Chief Financial Officer	Reuben has numerous years of audit, tax, advisory, financial planning and financial and board reporting experience within the financial services industry. Reuben has spent the last 15 years in several high-profile financial roles, including with Commonwealth Bank, Suncorp Group and Wesfarmers.
Naimul Khaled Chief Technology Officer	Naimul is an experienced technology executive with a track record of driving digital transformation across a range of industries. He has spent the last 15 years providing solutions for all stages of the software development life cycle for high profile local and international clients, including Adobe, The World Bank, Samsung, NGS Super, HCF and 1300 Home Loan. Naimul holds a Bachelor of Engineering (Software) and a Bachelor of Commerce from the University of Sydney.
James Mayberry Chief Marketing Officer	James is a proven marketing professional with a wealth of experience in the strategic planning, creation and delivery of digital traffic, lead generation and customer acquisition campaigns in a variety of different industries. James has a Bachelor's Degree in Media (PR and Advertising) from the University of New South Wales, and holds certifications in SEM, SEO, Display, Retargeting and Social Media and Content Marketing from industry experts and thought leaders.
Clay Carter Head of Global Research	Clay has over 35 years of global investment experience within senior portfolio management roles across AMP, Legal and General Life of Australia, PM Capital, QBE Insurance and Perennial Investment Partners.

Financial information of Halo

- 5.10 The information in the following section provides a summary of the financial performance of Halo for the years ended 31 December 2019, 31 December 2020 and 31 December 2021 extracted from the audited financial statements of the Company.
- 5.11 The auditor of Halo, BDO Australia, has issued an unqualified audit opinion on the financial statements for the year ended 31 December 2021.

Financial performance

- 5.12 The audited statements of financial performance for the periods ended 31 December 2019, 31 December 2020 and 31 December 2021 are set out in the table below:

Table 11: Historical financial performance

\$'000	FY19 Audited	FY20 Audited	FY21 Audited
Revenue			
Total revenue	1,331	4,696	10,540
Brokerage revenue	-	-	-
Subscription revenue	-	-	-
Total revenue	1,331	4,696	10,540
Direct costs	(55)	(2,219)	(6,375)
Gross margin	1,276	2,477	4,165
Gross margin %	96%	53%	40%
Expenses			
Employee expenses	(668)	(463)	(654)
Administrative expenses	(120)	(179)	(933)
Professional expenses	(92)	(313)	(799)
Marketing and brand expenses	(13)	(52)	(324)
Other expenses	(62)	(283)	(444)
Total expenses	(955)	(1,290)	(3,154)
Other income	252	240	1,238
EBITDA	573	1,427	2,249
EBITDA margin %	43%	30%	21%
Depreciation and amortisation	(295)	(208)	(514)
EBIT	278	1,219	1,735
EBIT margin %	20.9%	26.0%	16.5%
Interest expense, net	(79)	(459)	(508)
Bargain on business combination	500	-	-
Change in FV of financial asset	(332)	488	(315)
NPBT	367	1,248	912
Income tax benefit / expense	(182)	(75)	131
NPAT	185	1,173	1,043

Source: Audited financial statements

Financial position

5.13 The audited statement of financial position for the period ended 31 December 2021 is set out in the table below:

Table 12: Financial position

As at 31 December 2021 \$'000	Halo Group Audited
Current assets	
Cash and cash equivalents	2,537
Client trust accounts	246,364
Trade and other receivables	2,237
Contract asset, current	1,089
Tax receivables	1,256
Investments	4,006
Other current assets	26
Total current assets	257,515
Non current assets	
Contract asset, non current	3,345
Plant and equipment	4
Security deposit	54
Development costs	2,621
Total non current assets	6,024
Total assets	263,539
Current liabilities	
Amount owed to clients	246,355
Trade and payables	207
Unearned subscription revenue, current	1,942
Employee benefits	142
Related party payables	4,917
Provision for income tax	1,383
Other current liabilities	28
Total current liabilities	254,974
Non current liabilities	
Unearned subscription revenue, non current	5,963
Total non current liabilities	5,963
Total liabilities	260,937
Net assets	2,602
Equity	
Issued capital	-
Reserves	2,133
Retained earnings	469
Total equity	2,602

Source: Audited financial statements

Capital structure

- 5.14 Halo has 104,166,667 ordinary shares on issue. The shareholders of Halo as at 31 December 2021 are set out below:

Table 13: Halo shareholders

	Shares
Matthew Roberts	53,125,000
George Paxton	10,416,667
Nicolas Bryon	10,416,667
aaig	30,208,333
Total Shares on issue before the Offer	104,166,667

Source: Halo

6. Valuation approach

Basis of evaluation

- 6.1 In determining the approach to assess whether the proposed issue of Performance Rights is fair and reasonable to the Non-Participating Shareholders, we have considered the guidance contained in GN 19 and RG 111.
- 6.2 GN 19 states that the independent expert is expected to assume that the relevant performance milestones have been met, assess the impact that would have on the value of the entity, and then determine whether the resulting number of ordinary shares to be issued by the entity to the holder of the performance securities is fair and reasonable in the circumstances.
- 6.3 The Performance Rights vest in two tranches, being Vesting Date 1 and Vesting Date 2. Given the requirement of GN 19 in paragraph 4.2 above, we have assessed both tranches in their entirety in our assessment of fairness.
- 6.4 Consistent with the guidance in GN 19, we have considered the fairness of the proposed issue of Performance Rights by comparing:
 - our assessment of the likely impact on the value of Halo of the incremental EBITDA that will be generated assuming that the Performance Rights EBITDA hurdles are met;
 - the resulting number and value of shares to be issued by Halo assuming the Performance Rights EBITDA hurdles are met.

Valuation methodologies

- 6.5 There are a number of methodologies which RG 111 proposes to be appropriate for an expert to consider in valuing a business or shares in a company. These methodologies are outlined in Appendix E.
- 6.6 In order to assess the likely impact on the value of Halo of the incremental EBITDA that will be generated, assuming that the Performance Rights EBITDA hurdles are met, on the basis that the milestones are related to the generation of incremental EBITDA, we have utilised the capitalisation of future maintainable earnings methodology.

7. Assessment of EBITDA Capitalisation Multiple to apply to incremental EBITDA

- 7.1 The assessment of the appropriate EBITDA multiple that would apply to assess the likely impact on the value of Halo of the incremental EBITDA that will be generated, assuming that the Performance Rights EBITDA hurdles are met, requires consideration of a number of factors including:
- stability and continuity of earnings;
 - size and lifecycle of the business;
 - capital structure and leverage of the company;
 - expected growth prospects of the company;
 - level of competition and expected growth prospects of the industry;
 - trading multiples attributed by the market to other industry participants; and
 - multiples paid by the market in recent acquisitions of industry participants.

Trading multiples

- 7.2 Given the operations of Halo, in selecting the appropriate multiple to be applied, we have considered the listed trading multiples of companies operating in:
- The financial exchanges and data industry; and
 - Online trading systems and brokerage industries,

in Australia, the United Kingdom and United States of America.

We have also considered the listed trading multiples of companies providing other financial & administrative application software platforms in Australia.

- 7.3 Details of the comparable companies are set out in Appendix F and the comparable company multiple analysis is set out in Appendix G.
- 7.4 We note that the comparable companies operating in the online brokerage platform industry do not have any reported Enterprise Value ("EV")/EBITDA multiples as these entities provide brokerage services. As a result, a portion of these companies' revenue consists of interest earned on client monies held in trading cash accounts. Accordingly, cash balances of these companies are considered 'inventory' necessary to conduct normal business activities, whilst interest income is recognised above the EBITDA line as part of revenue.
- 7.5 Consequently, we have manually calculated the EV/EBITDA multiples of these entities by calculating each entity's:
- EBITDA exclusive of interest revenue; and
 - EV based on the company's market capitalisation and adding back its cash and debt balances.
- 7.6 Analysts' forecasts, where available for the comparable companies, do not provide the necessary detail to allow us to perform the manual EV/EBITDA calculation using forecast earnings. Our analysis of these companies is therefore limited to current EV/EBITDA multiples based on historical (last twelve months) results only.
- 7.7 The table below summarises the historical and forecast EBITDA multiples of publicly listed comparable companies. A brief description of each of the companies is set out in Appendix F.

Table 14: Comparable trading multiples

Company	Country	Market Cap \$m	Enterprise Value \$m	EBITDA LTM \$m	EBITDA NTM \$m	EV/EBITDA Multiple LTM	EV/EBITDA Multiple NTM
Financial exchanges and data							
FactSet Research Systems Inc.	USA	21,142	21,350	847	880	25.7x	24.2x
Morningstar, Inc.	USA	16,113	16,169	640	-	25.2x	-
Average (excluding outliers)		18,628	18,759	743	880	25.4x	24.2x
Median (excluding outliers)		18,628	18,759	743	880	25.4x	24.2x
Online trading systems and brokers							
SelfWealth Limited	AUS	52	38	(7)	-	(5.3x)	-
CMC Markets plc	UK	1,202	986	244	-	4.0x	-
IG Group Holdings plc	UK	6,259	5,617	910	-	6.2x	-
Futu Holdings Limited	KY	8,225	10,179	239	-	42.7x	-
HUB24 Limited	AUS	1,972	1,931	31	-	62.9x	-
Raiz Invest Limited	AUS	118	98	(4)	3	NM	37.5x
Robinhood Markets, Inc.	USA	13,523	4,630	(5,421)	-	(0.9x)	-
Average (excluding outliers)		4,415	4,678	356	n/a	28.9x	n/a
Median (excluding outliers)		4,116	3,774	242	n/a	24.4x	n/a
Other application software							
Envestnet, Inc.	USA	5,370	6,166	175	-	35.1x	-
Link Administration Holdings Limited	AUS	2,694	3,368	162	257	20.8x	13.1x
Average (excluding outliers)		4,032	4,767	169	257	28.0x	13.1x
Median (excluding outliers)		4,032	4,767	169	257	28.0x	13.1x
Total							
Average (excluding outliers)		7,872	8,221	406	569	27.8x	18.7x
Median (excluding outliers)		5,815	5,892	242	569	25.4x	18.7x

Source: S&P CapitalIQ, data as at 22 February 2022

Note: Excluded nonmeaningful multiples highlighted in green

7.8 We make the following comments in relation to the comparable companies and trading multiples considered above:

- The share prices of listed companies represent the market value of a non-controlling interest in those companies. As such, any earnings multiple derived from those share prices are consequently non-controlling multiples and do not reflect a premium for control.
- SelfWealth Limited, Raiz Invest Limited and Robinhood Markets, Inc., are loss making at an EBITDA level, resulting in non-meaningful current EBITDA multiples. These companies have been excluded from our analysis accordingly.
- The median market capitalisation of the comparable companies for which current EBITDA multiples were available, excluding outliers, is \$5.8b.
- The mean and median current EBITDA multiple was:
 - 27.8x and 25.4x, respectively, across all industries and jurisdictions;
 - 25.4x and 25.4x, respectively, across the companies in the financial exchanges and data industry;
 - 28.9x and 24.4x, respectively, across the companies in the online trading systems brokerage industries, excluding outliers;

- The share price of FactSet Research Systems Inc. (“FactSet”) increased by 52% over the past two years, despite a 3.1% decline in earnings at an EBITDA level over the same period. This has resulted in an increase of 39% in the current EBITDA multiple. FactSet is significantly larger than Halo with a market capitalisation of \$21b.
- Morningstar Inc.’s (“Morningstar”) share price has increased 84% since Feb ’20 on the back of strong earnings growth of 54% at an EBITDA level over the same period. This has translated into a 34% increase in the EBITDA multiple of Morningstar since Feb ’20.
- The increase in EBITDA of 79% and 94% of CMC Markets plc (“CMC”) and IG Group Holdings plc (“IGG”) over the past two years respectively has not been reflected to the same extent in these companies’ share prices, which showed growth of 46% and 15% respectively over this period. The share prices of CMC and IGG appear to be largely dependent on expected future earnings rather than historical performance.
- The EBITDA multiples of Futu Holdings Limited (“Futu”) have been highly volatile over the past two years, largely because Futu only turned profitable at an EBITDA level in Jun ’20. Futu’s EBITDA multiple reached a high of 252.7 times in Feb ’21, and has since then reduced to its current level of 42.7x.
- The EBITDA multiple of HUB24 Limited (“HUB24”) increased 76% over the past two years, largely as a result of the 146% increase in its share price over this period. The increase is partly attributable to HUB24’s increased EBITDA earnings, from \$17.2m in Feb ’20 to \$30.7m in Feb ’22, representing an increase of 78%. It appears a substantial portion of the growth in the share price, and therefore EBITDA multiple, is attributable to the future earnings potential of HUB24. The share price and EBITDA multiple of HUB24 did not show any significant movements following the announcement of its scheme implementation to acquire Class Limited.
- Envestnet, Inc.’s (“Envestnet”) EBITDA multiple has decrease from 125.4x in Feb ’20 to 35.1x in Feb ’22, largely due to an increase in EBITDA of 215% over the two-year period. Envestnet’s EBITDA multiple has been stable over the past twelve months, trading at an average of 39.7x, with a high of 44.9x and a low of 35.1x.
- Link Administration Holdings Limited’s EBITDA multiple has been stable over the past twelve months, trading at an average of 20.8x with a high of 22.4x and a low of 18.1x.

7.9 Based on our analysis, we have selected a comparable listed company EBITDA multiple in the range of 25.4 to 27.8 times, which we have adjusted for discounts for size and other business specific risks of Halo as set out below.

Control premium

- 7.10 Earnings multiples of listed companies do not reflect the market value of a controlling interest in the company as they are derived from market prices which usually represent the buying and selling of non-controlling portfolio holdings (small parcels of shares).
- 7.11 GN 19 requires an expert to opine on whether the proposed issue of the performance securities is fair and reasonable to the Non-Participating Shareholders. As Non-Participating Shareholders will typically hold a non-controlling share in the Company, we have performed our analysis of the incremental EBITDA and dilutionary impact of the Performance Rights vesting on a non-controlling stake (small parcels of shares).
- 7.12 On the above basis, we do not consider the application of a control premium to be necessary for Halo at the Enterprise Value level for the purpose of our analysis.

Discount for size and business specific risk

- 7.13 In assessing the appropriate EBITDA multiple for Halo that would apply to assess the likely impact on the value of Halo of the incremental EBITDA that will be generated, assuming the Performance Rights EBITDA hurdles are met, we considered the following:
- Halo is smaller than the majority of publicly listed comparable companies with respect to market capitalisation, revenue and EBITDA; and
 - as a smaller business, Halo inherently carries greater risk as it has less diversified revenue streams, less geographic diversifications, lack economies of scale, relatively less efficient processes and systems.
- 7.14 On the above basis, we have assessed Halo's discount for size and other risk factors to be in the range of 25%.
- 7.15 On the above basis, we have determined the appropriate EBITDA multiple that would apply to assess the likely impact on the value of Halo of the incremental EBITDA that will be generated, assuming that the Performance Rights EBITDA hurdles are met (on a non-controlling basis) to be in the range of 19.0 to 21.0 times, with a preferred multiple of 20.0 times EBITDA as set out in the table below.

Table 15: Assessed EBITDA Multiple

		Low	High	Preferred
Selected EBITDA Multiple		25.4x	27.8x	26.6x
Control premium	0%	0.0x	0.0x	0.0x
Discount for size & specific business risks	25%	(6.4x)	(7.0x)	(6.7x)
Assessed EBITDA Multiple		19.1x	20.9x	20.0x
Assessed EBITDA Multiple (rounded)		19.0x	21.0x	20.0x

Source: RSM Analysis

Transaction multiples

- 7.16 As a crosscheck of our selected EBITDA multiple, we have also undertaken a search of the EBITDA multiples implied by transactions involving companies operating in:
- The financial exchanges and data industry; and
 - Online trading systems and brokerage industries,
- in Australia, the United Kingdom, Europe and United States of America.
- We have also considered the listed trading multiples of companies providing other financial & administrative application software platforms in Australia, the United Kingdom and United States of America.
- 7.17 Details of the comparable targets are set out in Appendix I and the comparable transaction multiple analysis is set out in Appendix H.

The table below summarises the historical and forecast EBITDA multiples of the observed comparable transactions:

Table 16: Transaction multiples

Date	Target Company	Buyer	Implied EV \$M	EBITDA LTM \$'M	EBITDA NTM \$'M	Implied EV/EBITDA Multiple LTM	Implied EV/EBITDA Multiple NTM
Financial exchanges and data							
29/03/2019	Defaqto Limited	The SimplyBiz Group plc (nka:Fintel Plc)	130.9	9.7	-	13.5x	NA
1/10/2018	Refinitiv US Holdings Inc.	Various buyers ¹	43,548.8	2,373.0	-	18.4x	NA
10/08/2017	Bureau van Dyke	Moody's Analytics, Inc.	4,468.1	201.7	-	22.1x	NA
Online trading systems and brokers							
16/02/2022	Class Limited	HUB24 Limited	308.8	13.8	25.0	22.4x	12.3x
19/02/2021	Xplore Wealth Limited	HUB24 Limited	63.7	2.6	4.8	24.5x	13.4x
Other application software							
5/11/2019	GBST Holdings Limited	FNZ (UK) Ltd	225.9	16.1	19.6	14.1x	11.5x
29/10/2019	StatPro Group Limited	Confluence Technologies, Inc.	359.9	12.6	22.0	28.6x	16.3x
1/05/2019	MoneyGuide, Inc.	Envestnet, Inc.	713.2	25.6	-	27.8x	NA
	Min		63.7	2.60	0.0x	13.5x	11.5x
	Max		43,548.8	2,372.97	19.6x	28.6x	13.4x
	Average		6,227.4	331.9	8.9x	21.4x	13.4x
	Median		334.3	14.9	2.4x	22.3x	12.9x

Source: S&P CapitalIQ, company announcements and RSM analysis

Note 1: Acquired by The Blackstone Group L.P. (nka:Blackstone Inc.); GIC Pte. Ltd.; Canada Pension Plan Investment Board; Blackstone Capital Partners VII LP; Canson Capital Partners (York) Co-Investment, SCSp; Canson Capital Partners, Investment Arm

Note 2: Except for Xplore Wealth Limited and Class Limited, all transaction multiples are calculated on a pre-AASB16 basis. Pre-implementation of AASB16, EBITDA would have been lower as lease costs were included as an operating expense as such pre-AASB16 multiples would be higher than post-AASB16 multiples all other things being equal.

- 7.18 The observed transaction multiples all relate to acquisitions of controlling stakes in the targets, and accordingly include a premium for control. An adjustment for control is therefore required in order to ensure comparability with the trading multiples, which have been considered on a non-controlling basis.
- 7.19 RSM has conducted a study on 605 takeovers and schemes of arrangements involving companies listed on the ASX over the 15.5 years ended 31 December 2020. Our study concluded that, on average, control premium in takeovers and schemes of arrangements involving Australian companies in the telecommunications & IT software sectors was in the range of 25% to 35%, whilst the control premium involving companies in the banks & diversified financials sector ranged between 20% and 25%.
- 7.20 Accordingly, we consider it reasonable to assume a control premium of 20% to 25% after analysing the above transaction multiples.
- 7.21 Considering the observed average and median transaction multiples, as well as the control premium, an EBITDA multiple range of 16.1 to 17.8 times is implied for a minority shareholding.
- 7.22 Excluding the transactions observed in the financial exchanges and data sector, the average and median historical EBITDA multiples increase to 17.6 to 19.6 times, taking into account the control premium.
- 7.23 Based on the observed transaction multiples, we consider the trading multiple of 19.0 to 21.0 times to be reasonable.

8. Is the proposed issue of the Performance Rights Fair to Halo Shareholders?

- 8.1 Consistent with the guidance in GN 19, we have considered the fairness of the proposed issue of Performance Rights by comparing:
- our assessment of the likely impact on the value of Halo of the incremental EBITDA that will be generated assuming that the Performance Rights EBITDA hurdles are met;
 - the resulting number and value of shares to be issued by Halo assuming the Performance Rights EBITDA hurdles are met.
- 8.2 As set out in Section 7 of our Report, we consider that an EBITDA multiple range of 19.0 times to 21.0 times, with a preferred multiple of 20.0 times EBITDA would be applied to the incremental EBITDA that will be generated assuming that the Performance Rights EBITDA hurdles are met. This is to say there would be an increase in the value of Halo in the range of 19.0 times to 21.0 times an incremental dollar of EBITDA if the Performance Rights EBITDA targets are met.
- 8.3 As set out in paragraph 3.3, for each of Vesting Date 1 and/or Vesting Date 2, the Executive Directors will be entitled to one ordinary share for each Performance Right held, subject to a one-year disposal restriction period, to the extent that the EBITDA targets of \$2.5 million (Vesting Date 1 EBITDA Target) and between \$11.25 million and \$14.25 million (Vesting Date 2 EBITDA Target) are met, based on the vesting profile set out in paragraph 3.4.
- 8.4 As set out in paragraph 3.3, for Vesting Date 2, the Non-executive Directors will be entitled to one ordinary share for each Performance Right held, subject to a one-year disposal restriction period, to the extent that the EBITDA target of between \$11.25 million and \$14.25 million (Vesting Date 2 EBITDA Target) is met, based on the vesting profile set out in paragraph 3.4.
- 8.5 On the assumption that the Performance Rights EBITDA hurdles are fully met in FY22, the incremental increase in value of Halo has been assessed to be in the range of \$4.8 million to \$5.3 million, based on the EBITDA multiples set out in Section 7 of our report. The Executive Directors would, as a result, receive 3,750,000 ordinary shares, with a dilutionary impact of between (2.75%) and (2.83%), resulting in a total incremental increase in the value of Halo for Non-Participating Shareholders as at Vesting Date 1 of between \$0.3 million and \$0.8 million, as set out in the table below.

Table 17: Vesting Date 1 - Incremental impact on value

\$'000	Low	High
EBITDA as at Offer Date	2,249	2,249
EBITDA Target at Vesting Date 1	2,500	2,500
Incremental EBITDA at Vesting Date 1	251	251
EBITDA Multiple	19.0x	21.0x
Value of incremental EBITDA at Vesting Date 1 [A]	4,769	5,271
Implied market capitalisation at IPO	154,275	159,275
Total incremental value assuming vesting of options (pre-dilution)	159,044	164,546
Dilution		
Undiluted share capital at IPO	128,562,458	132,729,124
Maximum shares on fully diluted basis at Vesting Date 1	132,312,458	136,479,124
Additional shares issued	3,750,000	3,750,000
Dilutionary impact of additional shares (as %)	(2.83%)	(2.75%)
Dilutionary impact of additional shares [B]	(4,508)	(4,521)
Total incremental value for Non-Participating Shareholders [A – B]	261	750

Source: Prospectus, RSM analysis

- 8.6 On the assumption that the Performance Rights EBITDA hurdles are fully met in FY23, the incremental increase in value of Halo has been assessed to be in the range of \$228.0 million to \$252.0 million, based on the EBITDA multiples set out in Section 7 of our report. The Executive and Non-Executive Directors would, as a result, receive 15,000,000 ordinary shares, with a dilutionary impact of between (10.15%) and (10.45%), resulting in a total incremental increase in the value of Halo for Non-Participating Shareholders as at Vesting Date 2 of between \$188.0 million and \$210.3 million, as set out in the table below.

Table 18: Vesting Date 2 - Incremental impact on value

\$'000	Low	High
EBITDA as at Offer Date	2,249	2,249
EBITDA Target at Vesting Date 2	14,250	14,250
Incremental EBITDA at Vesting Date 2	12,001	12,001
EBITDA Multiple	19.0x	21.0x
Value of incremental EBITDA at Vesting Date 2 [A]	228,019	252,021
Implied market capitalisation at IPO	154,275	159,275
Total incremental value assuming vesting of options (pre-dilution)	382,294	411,296
Dilution		
Undiluted share capital at IPO	128,562,458	132,729,124
Maximum shares on fully diluted basis at Vesting Date 2	143,562,458	147,729,124
Additional shares issued	15,000,000	15,000,000
Dilutionary impact of additional shares (as %)	(10.45%)	(10.15%)
Dilutionary impact of additional shares [B]	(39,944)	(41,762)
Total incremental value for Non-Participating Shareholders [A – B]	188,075	210,259

Source: Prospectus, RSM analysis

- 8.7 In our assessment of fairness, we have not considered the fact that the Performance Rights Shares issued to the Executive Directors under the EPRP will be subject to a one-year disposal restriction on the basis that, whilst the disposal restriction period will likely lower the value of the Performance Rights Shares from the perspective of the Executive Directors, we do not consider that the one-year voluntary disposal restriction impacts on the dilution in value of Halo from the perspective of Non-Participating Shareholders. We have considered the one-year voluntary disposal restriction period attached to the Performance Rights Shares in our assessment of reasonableness.

Conclusion on fairness

- 8.8 In accordance with the guidance set out in GN 19 and RG 111, and in the absence of any other relevant information, assuming the Performance Rights EBITDA hurdles are met for Vesting Dates 1 and 2, (consistent with the guidance of GN 19), we have assessed:

- the EBITDA multiple that would be applied to the incremental EBITDA in the valuation of Halo of 19.0 to 21.0 times, with a preferred multiple of 20.0 times; and
- the dilutionary impact resulting from the proposed issue of the Performance Rights Shares as at Vesting Date 1 and Vesting Date 2.

Based on the above, we have assessed that, assuming the Performance Rights EBITDA hurdles are met for Vesting Date 1 and Vesting Date 2, the incremental increase in value of Halo is higher than the dilutionary impact of the additional shares to be issued to the Executive and Non-executive Directors and, therefore, we consider that the issuance of the Performance Rights is **fair** to the Non-Participating Shareholders of Halo.

- 8.9 We note that there are scenarios which may occur where the Performance Rights EBITDA hurdles are only partially met for one or both Vesting Dates, or only met for one of the two Vesting Dates, thereby resulting in a different dilutionary impact. We have considered this fact in our assessment of reasonableness.
- 8.10 It is important that the Non-Participating Shareholders are aware that the EBITDA multiple to be applied to the incremental EBITDA in the valuation of Halo in paragraph 8.5 and 8.6 above has been estimated assuming that the Non-Market Vesting Conditions have been achieved at each of Vesting Date 1 and Vesting

Date 2. The ability of Halo to achieve the vesting milestones bears significant risks and uncertainties which are not captured in the incremental value assessment for the relevant Vesting Dates. The Non-Participating Shareholders should refer to the risks section of the Prospectus. If RSM was engaged to undertake a valuation assessment of Halo at the time of the IPO or either of the Vesting Dates, the EBITDA multiple applied may be different from the EBITDA multiples presented in paragraph 8.5 and 8.6 above.

- 8.11 Non-Participating Shareholders should be aware that our assessment of the EBITDA multiple to be applied to the incremental EBITDA in the valuation of Halo in paragraph 8.5 and 8.6 above should not be considered to reflect the price at which Halo Shares will trade in the future. The price at which Halo Shares will ultimately trade depends on a range of factors, including the liquidity of Halo Shares, macro-economic conditions, interest rates and the financial performance of Halo.

9. Is the Proposed Transaction Reasonable to Shareholders?

9.1 RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the offer closes. As such, we have also considered the commercial advantages and disadvantages to the Non-Participating Shareholders as a consequence of the proposed issue of the Performance Rights.

9.2 The key advantages of the proposed issue of the Performance Rights are:

Advantages	Details
The proposed issue is fair	We have assessed that the proposed issue of the Performance Rights is fair to the Non-Participating Shareholders.
The achievement of the Performance Rights plan is expected to be value accretive	The vesting of the Performance Rights is subject to, among other things Halo achieving EBITDA of \$2.5m or above in FY22 and between \$11.25m and \$14.25m (or above) in FY23. The achievement of these objectives, which will trigger vesting of the Performance Rights, is expected to create value for the Company and the Non-Participating Shareholders will participate in this value accretion.
Funding flexibility	The Performance Rights Plans provides funding flexibility to Halo given that the Company would likely otherwise have been required to pay equivalent remuneration in cash.
Retention of key management personnel / technical expertise	The Company is in its growth phase and will require the services of experienced personnel to drive Halo's strategic plans. The Performance Rights Plans include requirements to remain in employment with the Company, which will increase the likelihood of retention of key employees.
Scenarios where Performance Rights EBITDA hurdles are only partially met	We note that there are scenarios which may occur where the Performance Rights EBITDA hurdles are only partially met for Vesting Date 2, or only met for one of the two Vesting Dates, thereby resulting in only a proportion of the Performance Rights vesting. These scenarios will result in a different dilutionary impact and effective multiple of incremental EBITDA. Based on the vesting profile applicable to Vesting Date 1, the Performance Rights are essentially subject to an 'all-or-nothing' vesting condition. Based on the vesting profile applicable to Vesting Date 2, applying the same EBITDA multiple to the incremental EBITDA, the value of the incremental EBITDA exceeds the dilutionary impact of the additional shares in the scenarios where the Performance Rights EBITDA hurdles are partially met.
The shares issued on exercise of the Performance Rights by Executive Directors are subject to a disposal restriction for 12 months from the date of issue.	The shares issued on exercise of the Performance Rights are subject to a disposal restriction for 12 months from the date of issue which will incentivise the Executive Directors to continue to generate value for Halo after the vesting and exercise of the Performance Rights.

9.3 The key disadvantages of the proposed issue of the Performance Rights are:

Disadvantages	Details
Dilution of Non-Participating Shareholders' interests	The Performance Rights will potentially dilute the Non-Participating Shareholders' interests if the Performance Rights hurdles are met.

Alternative proposal

9.4 We are not aware of any alternative proposals which may provide greater benefit to the Non-Participating Shareholders at this time.

Conclusion on Reasonableness

9.5 In our opinion, the position of the Non-Participating Shareholders of Halo if the Performance Rights are issued is more advantageous than if the Performance Rights are not issued. Therefore, in the absence of any other

relevant information, we consider that the issuance of the Performance Rights is **reasonable** for the Non-Participating Shareholders of Halo.

Yours faithfully

RSM CORPORATE AUSTRALIA PTY LTD

A CLIFFORD

A handwritten signature in blue ink, appearing to read "A. Clifford".

Director

T GOODMAN

A handwritten signature in black ink, appearing to read "T Goodman".

Director



APPENDICES

A. DECLARATIONS AND DISCLAIMERS

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM) a large national firm of chartered accountants and business advisors.

Glyn Yates and Andrew Clifford are directors of RSM Corporate Australia Pty Ltd. Both Glyn Yates and Andrew Clifford are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of the Company in considering the issue of the Performance Rights. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the Directors and management of Halo Technologies Holdings Limited and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this report, none of RSM Corporate Australia Pty Ltd, RSM, Andrew Clifford, Glyn Yates, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the issue of the Performance Rights, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of approximately \$25,000 based on time occupied at normal professional rates for the preparation of this report.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this report in the form and context in which it is included as an annexure to the Prospectus, to be issued in relation to the Offer. Other than this report, and the Independent Accountant's Report included in Annexure A of the Prospectus, none of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd or has been involved in the preparation of the Prospectus. Accordingly, we take no responsibility for the content of the Prospectus.

B. SOURCES OF INFORMATION

In preparing this Report we have relied upon the following principal sources of information:

- Audited financial statements of Halo for the years ended 31 December 2019, 31 December 2020 and 31 December 2021;
- Halo Prospectus;
- Halo EPRP and NPRP;
- Draft offer letters to Executive and Non-executive Directors;
- S&P Capital IQ database;
- IBISWorld reports; and
- Discussions with Directors and Management of Halo Technologies Holdings Limited.

C. GLOSSARY OF TERMS

Term or Abbreviation	Definition
\$	Australian dollar
AAIGL	aaig Limited
Act	Corporations Act 2001 (Cth)
ADCA	Australian Digital Commerce Association
APES	Accounting Professional & Ethical Standards
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of ASX as amended from time to time
CHESS	Clearing House Electronic Subregister System
CMC	CMC Markets plc
CommSec	Commonwealth Bank's Commonwealth Securities
Company	Halo Technologies Holdings Limited
Control basis	As assessment of the Fair Market Value on an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
Directors	Directors of the Company
EBITDA	Earnings before Interest, Tax, Depreciation & Amortisation
Envestnet	Envestnet Inc
EPRP	Executive Performance Rights Plan
ESG	Environmental, Social & Governance
ETF	Exchanged Traded Fund(s)
EV	Enterprise Value
Existing Shares	Existing shares in Halo to be offered by existing shareholders as part of the IPO
FactSet	FactSet Research Systems Inc.
Fair Market Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
Futu	Futu Holdings Limited
GN 19	ASX Guidance Note 19 Performance Securities
GRIP	Global Research & Investment Platform (HALO)
GTR	Global Trading Report (HALO)
HUB24	HUB24 Limited
IB	Interactive Brokers Australia Pty Ltd

IDPS	Investor Directed Portfolio Services
IER	This Independent Expert Report
IGG	IG Group Holdings plc
IPO	Initial Public Offering of Halo Technologies
ITAA 97	Income Tax Assessment Act 1997
Morningstar	Morningstar Inc
NED	Non-Executive Directors
New Shares	New shares in Halo to be issued as part of the IPO
Non-Participating Shareholders	Shareholders who are not participating in the issue of the Performance Securities
NPRP	Non-Executive Performance Rights Plan
NYSE	New York Stock Exchange
Omnibus	An asset management and reconciliation system developed and owned by Macrovue
Online Trading Systems	Online direct equities investment software
Option or Options	Unlisted options to acquire Shares with varying vesting conditions
Performance Rights	18,958,333 performance rights in Halo to be issued to the Directors
Plans	The EPRP and NPRP
Report	This Independent Expert's Report prepared by RSM dated 28 February 2022
RG 111	ASIC Regulatory Guide 111 Content of Expert Reports
RG 112	ASIC Regulatory Guide 112 Independence of Experts
RSM	RSM Corporate Australia Pty Ltd
S&P Capital IQ	An entity of Standard and Poor's which is a third-party provider of company and other financial information
Share or Halo Share	Ordinary fully paid share in the capital of the Company
Shareholder	A holder of Share
The Offer	IPO of Halo at 29,166,667 ordinary shares at \$1.20, raising \$35 million, with allowable oversubscriptions of \$5 million, amounting up to \$40 million
Vesting Date 1	31 December 2022
Vesting Date 2	31 December 2023
Vues	Macrovue's thematic share portfolios
VWAP	Volume weighted average share price

D. INDUSTRY ANALYSIS

1. Industry Analysis

Introduction

- 1.1 Halo's software offerings, as discussed in Section 5, can broadly be grouped into two sub-industries: the online direct equities investment software ("Online Trading Systems") industry and the equities research industry.
- 1.2 The Online Trading Systems industry in Australia includes market participants ranging from large local stock trading platforms such as CommSec to emerging players such as SelfWealth and eToro. Halo distinguishes itself from Investor Directed Portfolio Services ("IDPS"), which offer custodial, transactional and consolidated reporting services, which are often referred to as master funds, master trusts or wrap services, and include industry players such as HUB24, Raiz and Praemium.
- 1.3 We note that, based on our research conducted in the Australian market, the Online Trading Systems industry is included in the broader securities brokerage industry for industry research and analysis purposes. Accordingly, our industry analysis is based on the broader Australian brokerage industry.

The Australian and global securities brokerage industry

- 1.4 In the US, the Online Stock Brokerages industry saw significant growth over the five years to 2021 with annual industry revenue and profit growth of 9.9% and 16.2% respectively. The increased adoption of online platforms for trading stocks and other securities underpinned this trend. The US Online Stock Brokerage industry is expected to increase at an annualised rate of 4.0% to US\$17 billion over the five years to 2026⁴.
- 1.5 Demand for trading platforms is driven by the performance of the market. Over the five years to 2021, the S&P 500 increased at an annualized rate of 12.9%³. To make the most of this increase in performance of the market, industry players offered customers lower brokerage fees compared to traditional security brokerages and the convenience of trading online, giving retail investors incentives to open up accounts and trade online.
- 1.6 The increase in personal savings rates also influenced the industry. Over the five years to 2021, the personal savings rate is expected to increase at an annualized rate of 15.4%. The Covid-19 pandemic was a major contributor to this increase, as lock downs, travel restrictions and stimulus payments increased personal savings³.
- 1.7 Many firms innovated their trading platforms to gain new customers and speed up the trading process. Robinhood Markets Inc. gained the most popularity as it was one of the first trading platform to offer zero-commission fees on trades. This led companies such as Interactive Brokers LLC, Charles Schwab Corporation and E-Trade Financial Corporation to lower their per-trade fees to attract and retain customers.
- 1.8 In Australia, the broader stock broking industry did not post significant growth over the past five years. Compliance costs and increasing competition from online trading platforms have weighed on the performance of traditional stockbrokers, despite higher trading volumes. Share market trade numbers are forecast to increase over the next five years. This trend will likely offset anticipated declines in commission fees over the period. Competition in the brokerage market is forecast to intensify, with online brokers likely to improve their market knowledge through partnerships with larger investment banks. New technologies are projected to continue altering brokerage firm operations, with more retail clients placing trades through online channels.

⁴ IBISWorld INDUSTRY REPORT OD4755 - Online Stock Brokerages

Industry trends

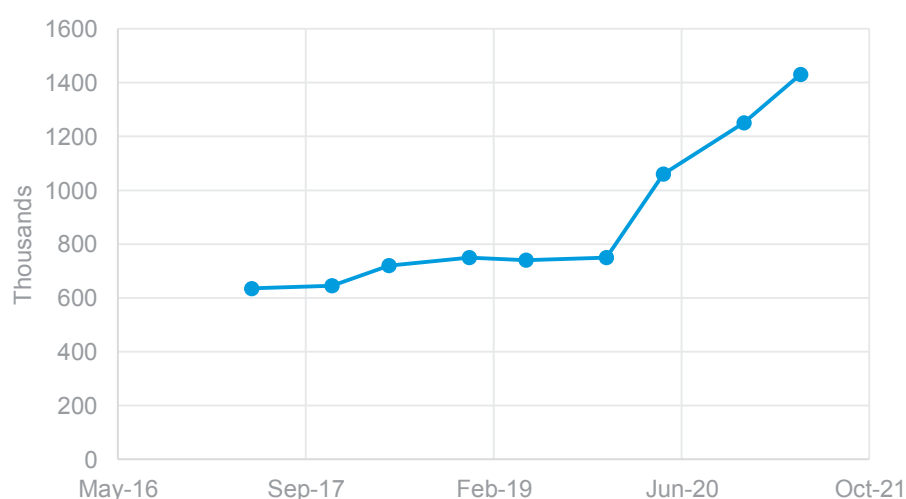
Rise of young investors

- 1.9 Increasing unaffordability of housing in capital cities and the increasingly mobile younger demographic have seen many young investors focussing their sights on the share market. More than 70% of new first-time investors were under the age of 40, which increased from 51% the year before (2020 vs 2019)⁵.

Evolution of technology and mobile

- 1.10 Many wealth management customers today demand mobile and omni-channel digital services. They want to transact anywhere, in real-time with real-time feedback, demanding an enhanced digital experience across devices which provides consistent and regular updates. As technology has gotten faster and cheaper, cost of servicing and previously high entry barriers have decreased. In turn this has resulted in the number of active online trading users almost doubling over the last two years.

Figure 2: Number of active online investors



Source: Investment Trends 2020 1H Online Investing Report

Education of the consumer

- 1.11 As the internet increasingly becomes a library of data, access (both paid and unpaid) to education and content in relation to financial and wealth management decisions have increased. The rise of social media has also played a part as consumers increasingly use and follow trends of “influencers”.

Digital currencies

- 1.12 The popularity and uptake of digital currencies – mainly cryptocurrencies are evident. Governments, companies, and individuals alike have realised the importance of cryptocurrency and the role it will play in today's and future society. This is evidenced by the increasing scrutiny that governments are taking to put controls surrounding its usage and role, as well as crypto based ETFs and funds emerging in the public market and to retail investors. Because of this, both new and existing brokers have emerged by offering crypto products and brokerage to the market. The latest being Commonwealth Bank which announced a strategic partnership with two crypto exchanges to enable trade execution in various cryptocurrencies through its app. There continues to be opportunity in this space as client demand and uptake continues to grow and cryptocurrency proves itself as a potential future investment.

⁵ Navigating uncertainty – Australian young adult investors and digital finance cultures – August 2021

ESG and impact investing

- 1.13 Responsible investing which considers any or all three of the ESG (Environmental, Social and Governance) factors, now makes up more than 40% of the total managed funds in the market, up from just 31% in 2019⁶. Individual investors have long been voicing their concerns about how their investments indirectly affect these factors, as well as a more general shift in mentality, especially from millennial investors who want to see investments make positive changes. This has been further fuelled by events such as the Australian Bushfires in late 2019 and the COVID-19 pandemic which put ESG factors at the forefront of investors.

Competition

- 1.14 Halo's competitors can broadly be grouped into two categories:

- equity/asset research capabilities and;
- online trading platforms/trade execution capabilities.

The big four banks continue to dominate the online trading sector with each big four bank having a version of online trading and some part of research capabilities as part of their operations: Commonwealth Bank's Commonwealth Securities (CommSec), National Australia Bank's nabtrade, Westpac Bank's Westpac Online Investing, and Australia and New Zealand Banking Group's ANZ Share Investing. However, the banks have started to lose this market share due to both medium and smaller disrupters (including Halo) entering the market with niche technologies and other offerings, decreasing their market share from 84% at the beginning of 2019 to 74% in mid-2020⁷.

Several low-cost digital trading platforms have also emerged as a result, including SelfWealth, Superhero, Raiz, Etoro and Stake. Each of these platforms has grown substantially since the beginning of the 2020 and the COVID-19 pandemic, due to the factors discussed above.

⁶ *Responsible Investment Benchmark Report – 2021 Australia*

⁷ *Investment Trends 2020 1H Online Investing Report*

E. VALUATION METHODOLOGIES

In assessing the Fair Value of a Share, we have considered a range of valuation methodologies. RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:

- the discounted cash flow (“DCF”) method and the estimated realisable value of any surplus assets;
- the application of earnings multiples to the estimated future maintainable earnings or cash flows added to the estimated realisable value of any surplus assets;
- the amount which would be available for distribution on an orderly realisation of assets;
- the quoted price for listed securities; and
- any recent genuine offers received.

We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market based methods

Market based methods estimate the Fair Value by considering the market value of a company’s securities or the market value of comparable companies. Market based methods include;

- the quoted price for listed securities; and
- industry specific methods.

The recent quoted price for listed securities method provides evidence of the fair market value of a company’s securities where they are publicly traded in an informed and liquid market.

Industry specific methods usually involve the use of industry rules of thumb to estimate the fair market value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the fair market value of a company than other market based valuation methods because they may not account for company specific risks and factors.

Income based methods

Income based methods estimate value by calculating the present value of a company’s estimated future stream of earnings or cash flows. Income based methods include:

- discounted cash flow;
- capitalisation of future maintainable earnings.

The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company’s cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

The capitalisation of future maintainable earnings is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings (“FME”) of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable companies.

Asset based methods

Asset based methodologies estimate the Fair Value of a company's securities based on the realisable value of its identifiable net assets. This approach is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows

Asset based methods include:

- orderly realisation of assets method;
- liquidation of assets method; and
- net assets on a going concern basis.

The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where a company is not valued on a going concern basis.

The net assets on a going concern method estimates the market values of the net assets of a company but, unlike the orderly realisation of assets method, it does not take into account realisation costs. This method is appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

F. COMPARABLE COMPANIES

Table 19: Comparable companies descriptions

Company	Business Description
Financial exchanges and data	
FactSet Research Systems Inc.	FactSet Research Systems Inc., a financial data and analytics company, provides integrated financial information and analytical applications to the investment community in the Americas, Europe, the Middle East, Africa, and the Asia Pacific. The company delivers insight and information through the workflow solutions of research, analytics and trading, content and technology solutions, and wealth. It serves portfolio managers, investment banks, asset managers, wealth advisors, corporate clients, and other financial services entities. FactSet Research Systems Inc. was founded in 1978 and is headquartered in Norwalk, Connecticut.
Morningstar, Inc.	Morningstar, Inc. provides independent investment research services in North America, Europe, Australia, and Asia. The company offers web-based tools; investment data, fundamental equity and manager research, private capital markets research, credit and fund rating, and index, as well as environmental, social, and governance (ESG) rating services; and investment offerings, including managed investment products, publicly listed and private companies, fixed income securities, and real-time global market data for financial advisors, asset managers, retirement plan providers and sponsors, and individual and institutional investors. It also provides Morningstar Data, an investment data spanning various databases, including equity fundamentals, managed investments, ESG factors, and market data; Morningstar Direct, an investment-analysis platform; Morningstar Managed Portfolios, an advisor service consisting of model portfolio that offers services for independent financial advisors, as well as offers asset allocation services for asset managers, broker/dealers, and insurance providers; Morningstar Advisor Workstation, a web-based research, financial planning, and proposal generation platform; and Morningstar.com, a website for individual investors. In addition, the company offers Morningstar Enterprise Components; Morningstar Credit Ratings that provides issuance and surveillance services for structured finance products and instruments; corporate credit estimates and operational risk assessment rankings; Morningstar Indexes for creating investment products; Morningstar workplace solutions, such as retirement accounts, fiduciary services, allocation funds, and custom models; and PitchBook Platform, research and analysis workstation for investment and research professionals. Further, its PitchBook provides a mobile application, excel plug-in, data feeds, and data solutions. The company was incorporated in 1984 and is headquartered in Chicago, Illinois.
Online trading systems and brokers	
SelfWealth Limited	SelfWealth Limited provides online share trading services in Australia and the United States. It also provides online investor community portal services. The company was incorporated in 2011 and is based in Surrey Hills, Australia.
CMC Markets plc	CMC Markets plc, together with its subsidiaries, provides financial services to retail, professional, stockbroking, and institutional clients in the United Kingdom, Ireland, Australia, New Zealand, Germany, Singapore, and internationally. The company offers its clients with the ability to trade contracts for difference and financial spread betting on a range of underlying shares, including indices, foreign pairs, commodities, cryptocurrencies, shares and ETFs, and treasuries through its trading platform. It also provides a range of education opportunities through tools and resources, trading webinars and events, platform guides, advanced trading strategies, articles from market analysts, and others, as well as Trader Development program, which offers a range of in-platform, on-demand education, and tailored market commentary. The company was founded in 1989 and is headquartered in London, the United Kingdom.
IG Group Holdings plc	IG Group Holdings plc engages in the online trading business worldwide. The company offers Over-the-counter (OTC) leveraged derivatives, which include CFD (contracts for difference) that enable clients to take advantage of changes in an asset's price without owning the asset itself, as well as access to a range of risk-mitigation measures, including stops and limits and a limited risk account; and spread bets and options. It also provides exchange-traded derivatives under the tastytrade, an online brokerage and investor education platform; Nadex, a US derivatives exchange; and Spectrum, a multilateral trading facility. In addition, the company offers stock trading services and investment services that include commodities, equities, and fixed-income assets. Further, it provides spread betting, CFD trading, foreign exchange trading, market risk management, data distribution, software development and support, financial, publication, nominee, domains registry, and translation services, as well as issues turbo warrants. The company was founded in 1974 and is headquartered in London, the United Kingdom.

Futu Holdings Limited	Futu Holdings Limited operates an online brokerage and wealth management platform in Hong Kong and internationally. The company provides trading, clearing, and settlement services; margin financing and securities lending services; and stock yield enhancement program. It also offers online wealth management services under the Futu Money Plus brand, which gives access to mutual funds, private funds, and bonds; market data and information services; and NiuNiu Community, which serves as an open forum for users and clients to share insights, ask questions, and exchange ideas. In addition, the company provides initial public offering subscription and employee share option plan solution services to corporate clients under the Futu I&E brand; and services, including trade execution, as well as margin financing and securities lending, which allow its clients to trade securities, such as stocks, ETFs, warrants, options and futures, across different markets. Futu Holdings Limited was founded in 2007 and is headquartered in Hong Kong, Hong Kong.
HUB24 Limited	HUB24 Limited, a financial services company, provides wealth management superannuation investment platforms, technology, and data solutions in Australia. It operates through Platform and Tech Solutions segments. The company develops and operates HUB24, an investment and superannuation platform, which is a portfolio administration services for financial advisers, stockbrokers, accountants and their clients, and direct consumers. It also provides application and technology products for the financial services sector, as well as license and consulting services for data management, software, and infrastructure. In addition, the company offers business, managed portfolio, and retirement solutions. The company was formerly known as Investorfirst Ltd. and changed its name to HUB24 Limited in August 2013. HUB24 Limited was incorporated in 2007 and is headquartered in Sydney, Australia.
Raiz Invest Limited	Raiz Invest Limited provides financial services and products through its mobile micro-investing platform in Australia, Indonesia, and Malaysia. The company operates through two segments, Raiz Invest Micro-Investing Platform and Other Financial segments. Its platform offers customers a way to invest money using the Raiz mobile application or through the Raiz Website. Raiz Invest Limited was incorporated in 2016 and is based in Sydney, Australia.
Robinhood Markets, Inc.	Robinhood Markets, Inc. operates financial services platform in the United States. Its platform allows users to invest in stocks, exchange-traded funds (ETFs), options, gold, and cryptocurrencies. The company also offers various learning and education solutions comprise Snacks, a digest of business news stories; Learn, which is a collection of approximately 650 articles, including guides, feature tutorials, and financial dictionary; Newsfeeds that offer access to free premium news from various sites, such as Barron's, Reuters, and The Wall Street Journal; and lists, which allow users to create custom watchlists to monitor securities, ETFs, and cryptocurrencies, as well as cash management services. Robinhood Markets, Inc. was incorporated in 2013 and is headquartered in Menlo Park, California.

Other application software

Investnet, Inc.	Investnet, Inc., together with its subsidiaries, provides wealth management software and services in the United States and internationally. It operates through Investnet Wealth Solutions and Investnet Data & Analytics segments. The company's product and services include Investnet Enterprise, which provides an end-to-end open architecture wealth management platform, as well as offers data aggregation and reporting, data analytics, and digital advice capabilities; Investnet Tamarac that provides trading, rebalancing, portfolio accounting, performance reporting, and client relationship management software; and Investnet MoneyGuide that provides goals-based financial planning solutions to the financial services industry. It also provides Investnet Retirement Solutions, which offer a suite of services for advisor-sold retirement plans; and Investnet Portfolio Management Consultants that provide research and consulting services to assist advisors in creating investment solutions for their clients, and portfolio overlay and tax optimization services, as well as data aggregation and data intelligence platform, which offers cloud-based innovation for digital financial services. The company primarily serves banks, wealth management and brokerage firms, internet services companies, and registered investment advisers. Investnet, Inc. was founded in 1999 and is headquartered in Chicago, Illinois.
Link Administration Holdings Limited	Link Administration Holdings Limited provides technology-enabled administration solutions for companies, large asset owners, and trustees worldwide. The company operates through Retirement & Superannuation Solutions (RSS); Corporate Markets (CM); Banking & Credit Management (BCM); and Fund Solutions (FS) segments. The RSS segment provides core member and employer administration services; and a range of value-added services, including integrated clearing house, financial planning and advice, direct investment options, and trustee services. The CM segment offers shareholder management and analytics, stakeholder engagement, share and unit registry, employee share plans, and company secretarial support services, as well as insolvency solutions. The BCM segment provides loan origination and servicing, debt work-out, compliance, and regulatory oversight services to retail banks, investment banks, private equity funds, and other investors. The FS segment offers fund management, third-party administration, and transfer agency services to asset managers and a variety of investment funds. The company was founded in 2005 and is headquartered in Sydney, Australia.

Source: S&P CapitalIQ

G. COMPARABLE COMPANY MULTIPLES

Table 20: Trading multiples of comparable companies

Company	Country	Market Cap \$m	Enterprise Value \$m	EBITDA LTM \$m	EBITDA NTM \$m	EV/EBITDA Multiple LTM	EV/EBITDA Multiple NTM
Financial exchanges and data							
FactSet Research Systems Inc.	USA	21,142	21,350	847	880	25.7x	24.2x
Morningstar, Inc.	USA	16,113	16,169	640	-	25.2x	-
Average (excluding outliers)		18,628	18,759	743	880	25.4x	24.2x
Median (excluding outliers)		18,628	18,759	743	880	25.4x	24.2x
Online trading systems and brokers							
SelfWealth Limited	AUS	52	38	(7)	-	(5.3x)	-
CMC Markets plc	UK	1,202	986	244	-	4.0x	-
IG Group Holdings plc	UK	6,259	5,617	910	-	6.2x	-
Futu Holdings Limited	KY	8,225	10,179	239	-	42.7x	-
HUB24 Limited	AUS	1,972	1,931	31	-	62.9x	-
Raiz Invest Limited	AUS	118	98	(4)	3	NM	37.5x
Robinhood Markets, Inc.	USA	13,523	4,630	(5,421)	-	(0.9x)	-
Average (excluding outliers)		4,415	4,678	356	n/a	28.9x	n/a
Median (excluding outliers)		4,116	3,774	242	n/a	24.4x	n/a
Other application software							
Envestnet, Inc.	USA	5,370	6,166	175	-	35.1x	-
Link Administration Holdings Limited	AUS	2,694	3,368	162	257	20.8x	13.1x
Average (excluding outliers)		4,032	4,767	169	257	28.0x	13.1x
Median (excluding outliers)		4,032	4,767	169	257	28.0x	13.1x
Total							
Average (excluding outliers)		7,872	8,221	406	569	27.8x	18.7x
Median (excluding outliers)		5,815	5,892	242	569	25.4x	18.7x

Source: S&P CapitalIQ, data as at 22 February 2022

Note: Excluded nonmeaningful multiples highlighted in green

H. COMPARABLE TRANSACTIONS

Table 21: Transaction multiples

Date	Target Company	Buyer	Implied EV \$M	EBITDA LTM \$M	EBITDA NTM \$M	Implied EV/EBITDA Multiple LTM	Implied EV/EBITDA Multiple NTM
Financial exchanges and data							
29/03/2019	Defaqto Limited	The SimplyBiz Group plc (nka:Fintel Plc)	130.9	9.7	-	13.5x	NA
1/10/2018	Refinitiv US Holdings Inc.	Various buyers ¹	43,548.8	2,373.0	-	18.4x	NA
10/08/2017	Bureau van Dyke	Moody's Analytics, Inc.	4,468.1	201.7	-	22.1x	NA
Online trading systems and brokers							
16/02/2022	Class Limited	HUB24 Limited	308.8	13.8	25.0	22.4x	12.3x
19/02/2021	Xplore Wealth Limited	HUB24 Limited	63.7	2.6	4.8	24.5x	13.4x
Other application software							
5/11/2019	GBST Holdings Limited	FNZ (UK) Ltd	225.9	16.1	19.6	14.1x	11.5x
29/10/2019	StatPro Group Limited	Confluence Technologies, Inc.	359.9	12.6	22.0	28.6x	16.3x
1/05/2019	MoneyGuide, Inc.	Envestnet, Inc.	713.2	25.6	-	27.8x	NA
	Min		63.7	2.60	0.0x	13.5x	11.5x
	Max		43,548.8	2,372.97	19.6x	28.6x	13.4x
	Average		6,227.4	331.9	8.9x	21.4x	13.4x
	Median		334.3	14.9	2.4x	22.3x	12.9x

Source: S&P CapitalIQ, company announcements and RSM analysis

Note 1: Acquired by The Blackstone Group L.P. (nka:Blackstone Inc.); GIC Pte. Ltd.; Canada Pension Plan Investment Board; Blackstone Capital Partners VII LP; Canson Capital Partners (York) Co-Investment, SCSp; Canson Capital Partners, Investment Arm

Note 2: Except for Class Limited and Xplore Wealth Limited, all transaction multiples are calculated on a pre-AASB16 basis. Pre-implementation of AASB16, EBITDA would have been lower as lease costs were included as an operating expense as such pre-AASB16 multiples would be higher than post-AASB16 multiples all other things being equal.

I. COMPARABLE TARGET DESCRIPTIONS

Table 22: Comparable transactions - target companies' descriptions

Company	Business Description
Financial exchanges and data	
Defaqto Limited	Defaqto Limited provides financial information that helps financial institutions, financial advisers, and consumers to business decisions. It offers Engage Core financial planning software that provides accumulation workflow, natural income workflow, research workflow, suitability reports, and CIC compare solutions; Defaqto Matrix software that provides market and competitor intelligence; Defaqto Compare for sales conversions and customer retention solutions; and Broker Compare web-based software for to review recommended product features versus alternative or competitor offerings. The company also provides ratings; and events, publications, and market insights that help informing industry trends; consultancy services; sponsorship opportunities; risk ratings; information research; and data services. Defaqto Limited was formerly known as The Research Department Ltd. and changed its name to Defaqto Limited in November 2002. The company was incorporated in 1993 and is based in Haddenham, United Kingdom. As of March 29, 2019, Defaqto Limited operates as a subsidiary of The SimplyBiz Group plc.
Refinitiv US Holdings Inc.	Refinitiv US Holdings Inc. develops data, analytics, trading, and risk assessment tools to provide information, insights, and technology for the global financial markets. The company provides financial markets data and infrastructure for financial and trading institutions. It also offers open technology platforms that support and connect global financial market communities in areas, such as trading, investment, wealth management, regulatory and market data management, and enterprise risk and tackling financial crime. Refinitiv US Holdings Inc. develops financial data analysis products, such as Eikon Messenger community data feeds; Omnesys Nest; Work-Check risk Intelligence; DataScope; Fxall; Redi; Elektron Data Platform; and FXT. It also develops and provides data management tools, such as DataScope Select, Intelligent Tagging, and Velocity Analytics. The company also develops and provides governance, risk, and compliance tools; research and analytics tools; and trading and investing tools. Refinitiv Holdings Ltd. provides market data, including corporate actions; reference data; economic data; and consumer sentiment data. Additionally, it also offers information and data on financial benchmarks; indices; and pricing data. Additionally, it also develops and provides order routing networks handling order flow; derivatives contracts traded daily via buy-side trading platform; and foreign exchange trading platform. The company was formerly known as Financial & Risk US Holdings, Inc. and changed its name to Refinitiv US Holdings Inc. in October 2018. The company was founded in 2018 and is based in New York, New York with offices worldwide. Refinitiv US Holdings Inc. operates as a subsidiary of Refinitiv Parent Limited.
Bureau van Dyke	Bureau van Dyke provides private company information online for decision making. The company offers private company data; corporate ownership that include beneficial owners; M and A data, and financial strength metrics. It also provides a range of purpose-built platforms to help users to use its information for specific business functions, as well as to help them blend it with their information; and fact framework, a solution that integrates into users' existing workflow, incorporating spreading and financial analysis, risk rating, loan origination, and approval workflow processes. The company was founded in 1991 and is based in Amsterdam-Zuidoost, the Netherlands with additional offices worldwide. As August 10, 2017, Bureau van Dyke operates as a subsidiary of Yellow Maple Holding B.V.
Online trading systems and brokers	
Class Limited	Class Limited develops and distributes cloud-based accounting, investment reporting, document and corporate compliance, and administration software for accountants, administrators, and advisers in Australia. The company offers Class Super, a cloud based self-managed super fund administration solution; Class Trust, a cloud solution to simplify and automate trust accounting and administration; Class Portfolio, a cloud software solution for streamlining investment portfolio accounting, administration, and reporting for companies, trusts, and individuals; and NowInfinity, a cloud-based legal documents and entity management solution. Class Limited was incorporated in 2005 and is based in Sydney, Australia.

Xplore Wealth Limited

Xplore Wealth Limited, through its subsidiaries, operates as an independent specialist platform provider and investment administrator with a specialization in managed accounts in Australia. It offers wealth management options for stockbrokers, wealth managers, and financial advisory firms. The company provides portfolio administration services, such as administration and reporting for client portfolios where the assets are held in the name of the client; and Xplore wealth investment wrap and superannuation and pension service that provides retail investors the ability to access a range of listed securities, managed funds, and model portfolios through an investor directed portfolio service. It also offers managed discretionary account services, separately managed accounts, superannuation, and RSE and superannuation administration services. The company was formerly known as Managed Accounts Holdings Limited and changed its name to Xplore Wealth Limited in April 2019. Xplore Wealth Limited was founded in 2004 and is based in Sydney, Australia. As of February 19, 2021, Xplore Wealth Limited operates as a subsidiary of HUB24 Limited.

Other application software

GBST Holdings Limited

GBST Holdings Limited provides client accounting and securities transaction technology solutions for the finance, banking, and capital market industries worldwide. The company offers GBST Syn~ shares and derivatives platforms to process equities, derivatives, fixed income, and managed funds transactions for capital markets. It also provides GBST Composer platform, which offers end to end funds administration and management software to the wealth management industry; and an integrated system for the administration of wrap platforms, including individual savings accounts, pensions, self-invested personal pension, and superannuation, as well as master trusts, unit trusts, risk and debt, and other investment assets. In addition, the company provides technology hub solutions; data analytics and quantitative services for the measurement of portfolio performance; and Website and mobile platform design and digital agency services. Further, it offers software licenses; maintenance and upgrade services for licensed software; hosting services; chargeable support services; proof of concept services; and development and implementation services, as well as sells third party products. GBST Holdings Limited was founded in 1984 and is based in Brisbane, Australia.

StatPro Group Limited

StatPro Group Limited engages in the development, marketing, and licensing of software systems to StatPro subsidiaries. It resells its software systems to the asset management industry. The company was incorporated in 1994 and is based in London, the United Kingdom. As of October 29, 2019, StatPro Group Limited operates as a subsidiary of Confluence Technologies, Inc.

MoneyGuide, Inc.

MoneyGuide, Inc. develops and operates financial planning software for financial advisors in financial services industry. The company offers solutions, such as MoneyGuideOne, a solution that enables advisors for planning and introducing planning to their practice; MoneyGuidePro, an Internet-based financial planning software that helps advisors to create, implement, and maintain investment strategies to meet financial goals; MyBlocks, a solution that transforms advisor client dynamic through interactive modules that allows clients to explore their lives and discover answers to complex questions; Client Portal and Aggregation, a solution that provides information and ability to control client's financial activity; and MoneyGuideElite, a solution that enables advisors to illustrate income distribution, analyze the benefits, and tradeoffs of annuities in a plan, and uncover a way of protecting clients by providing lifetime insurance modeling. MoneyGuide, Inc. was formerly known as PIETech, Inc. The company was founded in 1985 and is based in Powhatan, Virginia with additional location in Midlothian, Virginia. MoneyGuide, Inc. operates as a subsidiary of Envestnet, Inc.

Source: S&P CapitalIQ

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM.
RSM is the trading name used by the members of the RSM network.

Each member of the RSM network is an independent accounting and consulting firm each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 11 Old Jewry, London EC2R 8DU.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

© RSM International Association

rsm.com.au

Liability limited by a scheme approved under professional standards legislation