

7 June 2022

Strategic investment to expand marketing reach to an aligned and premium audience

- Indicative term sheet signed outlining plans for strategic investment in Success Publishing Pty Ltd to directly market HALO to the Success Publishing assets under a marketing agreement
- Deal provides HALO and Amalgamated Australian Investment Group Limited (AAIG) with access to Success Publishing's high-value clientele database through events, digital and print collaboration
- Deal significantly expands marketing reach in support of the Company's aggressive growth strategy, supporting the promotion of HALO into new markets via well-established customer bases

HALO Technologies Holdings Ltd ('HALO', 'HAL' or 'the Company'), an online global equities research and trade execution software solution that brings sophisticated institutional-grade analytical frameworks and market insights to everyday investors, is pleased to announce it has signed an indicative term sheet for a strategic investment in Success Publishing Pty Ltd ('Success Publishing').

Success Publishing, an innovative media business based in Sydney, Australia, who holds the exclusive Australian licence for an internationally recognised media brand for the next 10 years.

The investment, via a redeemable convertible note made jointly with its related party, Amalgamated Australian Investment Group Limited ('AAIG') will establish HALO and AAIG as a preferred partner of Success Publishing and allow access to marketing opportunities that promote HALO's software and services directly to the Success Publishing audience. The deal significantly expands the Company's marketing reach to a sophisticated and aspirational audience interested in financial and investment products and services.

Under the agreement, HALO will enter into referral and collaboration agreements (on its standard commercial terms) with Success Publishing, providing clear incentive for both parties to drive strong adoption of Halo's suite of products and services by the Success Publishing audience and promote growth of HALO's recurring and transactional revenues.

Term sheet

HALO and AAIG will each subscribe for \$375,000 redeemable convertible notes to be issued by Success Publishing. The notes are redeemable and/or convertible in whole or in part at the election of HALO and AAIG, respectively. The conversion rate is:

- $80\% \times (\text{EBIT} \times 5)$ [EBIT calculated over LTM preceding conversion date]
OR if no EBIT,
- $80\% \times (\text{Revenues} \times 1)$ [Revenues calculated over LTM preceding conversion date],

subject to maximum valuation of Success Publishing of \$7.5 million.

The notes will attract interest of 10% p.a. and may be converted at any time before the termination date (being 36 months from the date of issue) or must be repaid to the extent they are not converted by this date.

Under the terms of the transaction:

- HALO will be appointed the exclusive provider of its suite of products and services to Success Publishing audiences.
- HALO will have the right to talk and present at Success Publishing events that relate to finance or investment and to promote its products and services in its publications, or programs, whether online or in print.

The agreement includes an option to subscribe for a further \$750,000 worth of convertible notes on the same terms as the initial investment, upon request by Success Publishing Pty Ltd.

Success Publishing will release the first magazine (in print and digital) and launch the first of its series of events in Q3 of 2022.

Ivan Oshry, chairperson of Halo, is also a director of AAIG and Success Global Media Limited, the ultimate parent company of Success Publishing. As a result, he has abstained from voting on this opportunity.

Strong operational traction since ASX listing on 26 April 2022

The Company continues to make substantial ground in the development of new products which will expand the capability of the HALO software solution for its B2B and B2C clients. A regionally focused investment product to be managed by the existing HALO research team is expected to launch imminently, and continued investment supports the ongoing expansion of HALO's product offering.

A series of technology updates are also in progress which will improve usability across web and mobile offerings and integrate HALO with Xplan – a widely used software platform used by financial advisor groups – is expected to further drive adoption of HALO with established financial advisors and their customers.

HALO continues to work on certification with its auditors BDO to review its GS007 capabilities over the coming year. The Company is progressing towards achieving GS007 Type 2 compliance for its customer data management during the early part of Fiscal year 2024 – a move expected to increase the scope and size of its potential B2B client reach by assuring best practice processes and controls customer data.

New clients continue to onboard to HALO Trading and HALO Global. Negotiations are underway with new subscription resellers, and management continues to pursue growth to the subscriber base via multiple B2B channels.

Investment has also been made in staff and technology, with the recent appointment of marketing resources in support of the Company's investment into marketing activities to expand the Company's marketing reach as it progresses towards expansion into new markets. Additional staff (will be added a sand when required to support the expected scale up of the businesses' operations.

HALO Chairman Ivan Oshry comments:

"The Board and management team are excited by the potential of this strategic investment and the ability to market to a targeted, sophisticated audience whilst providing Halo with the opportunity to position itself alongside an established and globally reputable and widely respected media brand." he said.

"This deal is expected to expand HALO's access to a network of high net-worth clients and grow awareness for HALO's services through co-branding opportunities.

This agreement points to an exciting growth period for the Company post-listing and caps a busy period in an overall challenging investment climate. It also highlights the possibility of strong alliances for HALO users, B2B customers and shareholders alike."

Ends.

This announcement has been approved by the Board of Halo.

For further information please contact:

Mario Falchoni
Head of Investor Relations
P: 0418 401 415
M.Falchoni@halo-technologies.com.au

Melissa Hamilton
Media and Capital Partners
P: 0417 750 274
E: melissa.hamilton@mcpartners.com.au

About HALO Technologies

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 includes two distinct and integrated offerings in HALO Global, designed for hands on investors who want professional grade tools without the cost, and HALO Trading which offers global trade execution capability and ready-made themed investment portfolios that are ideal for 'low-touch' and 'values based' investors and SMSFs.

For further information, please visit: www.halo-technologies.com/