

1. Company details

Name of entity:	Halo Technologies Holdings Ltd
ABN:	73 645 531 219
Reporting period:	For the half-year ended 30 June 2023
Previous period:	For the half-year ended 30 June 2022

2. Results for announcement to the market

	30 Jun 2023 \$	30 Jun 2022 \$	Change \$	Change %
Revenues from ordinary activities	6,151,072	4,647,745	1,503,327	32%
Loss from ordinary activities after tax attributable to the owners of Halo Technologies Holdings Ltd	(3,514,967)	(559,624)	(2,955,343)	528%
Loss for the half-year attributable to the owners of Halo Technologies Holdings Ltd	(3,514,967)	(559,624)	(2,955,343)	528%
Underlying earnings before interest, tax, depreciation and amortisation (EBITDA)	(1,510,032)	557,734	(2,067,766)	(371%)

Dividends

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

Comments

The loss for the Group after providing for income tax amounted to \$3,514,967 (30 June 2022: \$559,624).

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

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>13.48</u>	<u>16.33</u>

4. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report with an emphasis of matter paragraph has been issued. Refer to the attached auditors' review report for further details.


5. Attachments

Details of attachments (if any):

The Interim Report of Halo Technologies Holdings Ltd for the half-year ended 30 June 2023 is attached.

6. Signed

As authorised by the Board of Directors

Signed  _____

George Paxton
Executive Director and CEO

Date: 31 August 2023

Halo Technologies Holdings Ltd

ABN 73 645 531 219

Interim Report - 30 June 2023

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Halo Technologies Holdings Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2023.

Directors

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

Ivan Oshry	Non-Executive Chairman
Matthew Roberts	Executive Managing Director
George Paxton	Executive Director and CEO
Nicolas Bryon	Executive Director and CPO
Philippa Lewis	Non-Executive Director
Brent Goldman	Non-Executive Director (appointed on 10 February 2023)

Principal activities

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

Dividends

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

Significant changes in the state of affairs

On 15 February 2023, the Group entered into an agreement to acquire 100% of Resilient Fund Managers Ltd ('Resilient'), a regulated financial services company based in the United Kingdom. Resilient was established in 2006 and is licensed to deal in a range of financial products and services including managed investments and securities.

The Group paid the seller a non-refundable deposit of £100,000 up-front on the execution of a Share Purchase Agreement between the two parties, with the balance of £400,000 to be paid when the last of the deal conditions are satisfied. The acquisition will be completed once approval is obtained from the Financial Conduct Authority (FCA) in the UK. It is anticipated the application for approval will be submitted within the coming days.

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

Review of operations

The loss for the Group after providing for income tax amounted to \$3,514,967 (30 June 2022: \$559,624).

Underlying EBITDA

The table below provides a reconciliation between statutory results and the underlying EBITDA for the period. The underlying EBITDA is a financial measure that is not prescribed by Australian Accounting Standards ('AAS') and represents the statutory result under AAS adjusted for interest, tax, depreciation, IPO transaction costs and non-cash items. The directors consider underlying EBITDA to reflect the core earnings of the Group.

	Consolidated	
	30 Jun 2023	30 Jun 2022
	\$	\$
Statutory net loss after income tax	(3,514,967)	(559,624)
Interest revenue	(308,591)	(8,429)
Finance cost	1,135	151,405
Depreciation and amortisation	622,378	352,028
IPO transaction costs and other one-off and non-recurring items	-	962,944
Decrease in fair value of financial assets	1,943,851	-
Income tax benefit	(253,838)	(340,590)
Underlying EBITDA	<u>(1,510,032)</u>	<u>557,734</u>

The Group's operating revenue (net revenue from contracts with customers) of \$5.8 million increased by 26% over the prior comparative period ('pcp') mainly attributable to organic brokerage revenue growth since February 2023. Furthermore, in line with the ASX announcement dated 1 August 2023, HALO is experiencing significant growth in funds under management (FUM) with broking client accounts transferring to the HALO platform within our B2B channel, resulting in Funds under management (FUM) having increased 16.1% from \$192.4 million as at 31 December 2022 to \$223.4 million as at 30 June 2023.

Total revenue and other income (gross revenue) of \$6.8 million, increased by 22.5% accordingly over the pcp due to the abovementioned brokerage revenue spike, as well as increased interest revenue due to higher interest rates since July 2022.

The Group reported an underlying EBITDA of (\$1.5) million compared to \$0.6 million in the pcp, primarily due to the 'annualised' additional growth headcount across the business during the current period (\$407,000), increased legal and professional fees (\$422,000), management fees (\$561,000) and increased IT expenses of (\$192,000).

Matters subsequent to the end of the financial half-year

On 24 August 2023, the Group agreed to provide a loan to a third party for \$200,000, for a term of 3 months. The loan has been made on commercial terms, including an interest rate of 15% and an establishment fee of \$40,000. The loan is expected to be repaid in full on maturity.

Subsequent to the reporting period, the fair value of the Group's investment in Domacom Limited (ASX: DCL) has declined from \$2,061,857 to \$1,145,476 based on its quoted closing market price on the Australian Securities Exchange at 30 August 2023 of \$0.02. As the asset is carried at fair value through profit and loss in the Group's financial statements, this represents a post balance date loss of \$916,381 relating to this investment. This decline in value has not impacted management's intention to continue to hold this investment as a growth stock.

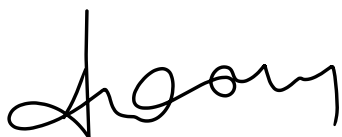
No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

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

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Ivan Oshry
Non-Executive Chairman



George Paxton
Executive Director and CEO

31 August 2023
Sydney

DECLARATION OF INDEPENDENCE BY GEOFF ROONEY TO THE DIRECTORS OF HALO TECHNOLOGIES HOLDINGS LTD (THE CONSOLIDATED ENTITY OR GROUP)

As lead auditor of Halo Technologies Holdings Ltd (the consolidated entity or Group) for the half-year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

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

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



Geoff Rooney
Director

BDO Audit Pty Ltd

Sydney

31 August 2023

Halo Technologies Holdings Ltd
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2023



		Consolidated	
	Note	30 Jun 2023 \$	30 Jun 2022 \$
Revenue from contracts with customers	4	5,842,481	4,639,316
Other income		621,177	881,343
Interest revenue		308,591	8,429
Total revenue and other income		<u>6,772,249</u>	<u>5,529,088</u>
Expenses			
Trading costs		(3,007,714)	(2,331,896)
Decrease in fair value of financial asset	6	(1,943,851)	-
Employee benefits expense		(1,306,599)	(899,574)
Legal and professional expenses		(1,514,750)	(1,092,451)
Other expenses		(776,792)	(216,194)
Marketing and brand expenses		(684,316)	(713,220)
Information technology and system expenses		(655,672)	(464,048)
Depreciation and amortisation expense		(622,378)	(352,028)
ASX listing fees		(27,847)	(208,486)
Finance costs		(1,135)	(151,405)
Total expenses		<u>(10,541,054)</u>	<u>(6,429,302)</u>
Loss before income tax benefit		(3,768,805)	(900,214)
Income tax benefit		<u>253,838</u>	<u>340,590</u>
Loss after income tax benefit for the half-year attributable to the owners of Halo Technologies Holdings Ltd		(3,514,967)	(559,624)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Halo Technologies Holdings Ltd		<u>(3,514,967)</u>	<u>(559,624)</u>
		Cents	Cents
Basic earnings per share	13	(2.71)	(0.48)
Diluted earnings per share	13	(2.71)	(0.48)

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

	Note	Consolidated 30 Jun 2023 \$	31 Dec 2022 \$
Assets			
Current assets			
Cash and cash equivalents		13,511,071	15,414,236
Client trust accounts	11	223,381,104	192,368,032
Trade and other receivables	5	3,140,741	3,543,376
Financial assets at fair value through profit or loss	6	-	4,005,708
Other	7	4,659,375	1,814,501
Total current assets		<u>244,692,291</u>	<u>217,145,853</u>
Non-current assets			
Financial assets at fair value through profit or loss	6	2,061,857	-
Other investments in financial assets		1,234,023	1,177,959
Property, plant and equipment		1,160	1,954
Development costs	8	4,064,038	3,888,856
Deferred tax		210,194	-
Other	7	2,670,530	4,900,366
Total non-current assets		<u>10,241,802</u>	<u>9,969,135</u>
Total assets		<u>254,934,093</u>	<u>227,114,988</u>
Liabilities			
Current liabilities			
Client trust accounts	11	223,381,092	192,358,945
Trade and other payables		1,921,737	1,387,465
Contract liabilities		4,392,790	1,824,539
Borrowings		-	57,416
Employee benefits		196,041	198,685
Total current liabilities		<u>229,891,660</u>	<u>195,827,050</u>
Non-current liabilities			
Contract liabilities		3,464,607	5,933,523
Deferred tax		-	301,696
Employee benefits		54,994	14,920
Total non-current liabilities		<u>3,519,601</u>	<u>6,250,139</u>
Total liabilities		<u>233,411,261</u>	<u>202,077,189</u>
Net assets		<u>21,522,832</u>	<u>25,037,799</u>
Equity			
Issued capital	9	24,168,643	24,168,643
Reserves		118,623	118,623
Retained profits/(accumulated losses)		(2,764,434)	750,533
Total equity		<u>21,522,832</u>	<u>25,037,799</u>

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

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 January 2022	1,000	-	2,776,754	2,777,754
Loss after income tax benefit for the half-year	-	-	(559,624)	(559,624)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(559,624)	(559,624)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	24,167,643	-	-	24,167,643
Balance at 30 June 2022	<u>24,168,643</u>	<u>-</u>	<u>2,217,130</u>	<u>26,385,773</u>
	Issued capital \$	Reserves \$	Retained profits/ (accumulated losses) \$	Total equity \$
Balance at 1 January 2023	24,168,643	118,623	750,533	25,037,799
Loss after income tax benefit for the half-year	-	-	(3,514,967)	(3,514,967)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(3,514,967)	(3,514,967)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	-	-	-
Balance at 30 June 2023	<u>24,168,643</u>	<u>118,623</u>	<u>(2,764,434)</u>	<u>21,522,832</u>

Note	Consolidated	
	30 Jun 2023	30 Jun 2022
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	6,268,988	4,221,048
Payments to suppliers and employees (inclusive of GST)	(8,671,717)	(6,008,817)
Other income - receipts from research and development tax incentive	1,225,296	843,843
Interest received	308,591	6,066
Interest and other finance costs paid	(1,135)	(151,405)
Net cash used in operating activities	(869,977)	(1,089,265)
Cash flows from investing activities		
Payments for investments	(179,006)	(525,000)
Payments for property, plant and equipment	(4,727)	(5,317)
Payments for development costs	8 (792,039)	(701,267)
Net cash used in investing activities	(975,772)	(1,231,584)
Cash flows from financing activities		
Proceeds from issue of shares	-	26,229,324
Share issue transaction costs	-	(2,061,681)
Repayment of convertible notes payable	-	(4,917,460)
Prepayment to related party	-	(465,454)
Proceeds from borrowings	(57,416)	-
Net cash from/(used in) financing activities	(57,416)	18,784,729
Net increase/(decrease) in cash and cash equivalents	(1,903,165)	16,463,880
Cash and cash equivalents at the beginning of the financial half-year	15,414,236	2,537,355
Cash and cash equivalents at the end of the financial half-year	<u>13,511,071</u>	<u>19,001,235</u>

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

Note 1. General information

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

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

Registered office

Boardroom Pty Ltd
Level 12
225 George Street
Sydney NSW 2000

Principal place of business

Level 4
10 Barrack Street
Sydney NSW 2000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2023.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 June 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 30 June 2023 and are not expected to have any significant impact for the full financial year ending 31 December 2023. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Identification of reportable operating segments

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

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

The operating segment information is the same information as provided throughout these financial statements and is therefore not duplicated. The Group operates predominantly in Australia. Information relating to revenue from products and services is included in note 4.

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

Note 4. Revenue from contracts with customers

	Consolidated	
	30 Jun 2023	30 Jun 2022
	\$	\$
Brokerage revenue	3,391,522	2,054,744
Subscription revenue	2,450,959	2,584,572
Revenue from contracts with customers	<u>5,842,481</u>	<u>4,639,316</u>

Disaggregation of revenue

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

	Consolidated	
	30 Jun 2023	30 Jun 2022
	\$	\$
<i>Geographical regions</i>		
Australia	<u>5,842,481</u>	<u>4,639,316</u>
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	3,391,522	2,054,744
Services transferred over time	2,450,959	2,584,572
	<u>5,842,481</u>	<u>4,639,316</u>

Note 5. Trade and other receivables

	Consolidated	
	30 Jun 2023	31 Dec 2022
	\$	\$
<i>Current assets</i>		
Trade receivables	543,244	417,593
Other receivables	621,177	1,225,296
Related party receivables	1,976,320	1,900,487
	<u>3,140,741</u>	<u>3,543,376</u>

Note 6. Financial assets at fair value through profit or loss

	Consolidated	
	30 Jun 2023	31 Dec 2022
	\$	\$
<i>Current assets</i>		
Ordinary shares - designated at fair value through profit or loss	-	4,005,708
<i>Non-current assets</i>		
Ordinary shares - designated at fair value through profit or loss	2,061,857	-
	<u>2,061,857</u>	<u>4,005,708</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the half-year and the prior full financial year are set out below:		
Opening fair value	4,005,708	4,005,708
Revaluation decrements	(1,943,851)	-
Closing fair value	<u>2,061,857</u>	<u>4,005,708</u>

Refer to note 12 for further information on fair value measurement.

The mark-to-market fair value movement for the half year ended 30 June 2023 was a loss of \$1,943,851 (30 Jun 2022: nil).

The above investment represents the Group's holding of listed shares in Domacom Ltd (ASX: DCL). The Group continues to hold this investment for realisation of capital gains. The investment has been reclassified as a non-current asset as at 30 June 2023 having regard to the significant decline in the share price of Domacom Ltd over the last 6 months. On this basis, having regard to the Group's objectives with respect to the investment, management can no longer reasonably expect this investment to be realised within the next 12 months.

Significant accounting judgements, estimates and assumptions

In preparing the Group's consolidated financial statements management has made judgements and assumptions in relation to investment in Domacom Limited ('Domacom').

The Group holds approximately 13% of all shares in Domacom. There is also one common director between the company and Domacom Limited as at 30 June 2023. The Group does not consider the investment in Domacom Limited to be an 'investment in associate', as the Group does not have significant influence over Domacom. This judgement is based on a number of considerations including but not limited to the following:

- The company only has one common director with Domacom;
- The Group has a passive investment and not participating in the policy-making process;
- There are no material transactions between the Group and Domacom during the current financial period;
- There has been no interchange of personnel between the Group and Domacom; and
- The Group does not provide essential technical information to Domacom.

On this basis, Domacom has not been considered to be an associate under AASB 128 'Investments in Associates and Joint Ventures'. As at 30 June 2023, the Group has no investment in associates.

Note 7. Other

	Consolidated	
	30 Jun 2023	31 Dec 2022
	\$	\$
<i>Current assets</i>		
Prepayments	14,912	236,620
Deferred expenses	4,455,457	1,567,881
Investment in Resilient Fund Managers Ltd	179,006	-
Other current assets	10,000	10,000
	<u>4,659,375</u>	<u>1,814,501</u>
<i>Non-current assets</i>		
Deferred expenses	2,616,230	4,846,066
Security deposits	54,300	54,300
	<u>2,670,530</u>	<u>4,900,366</u>
	<u><u>7,329,905</u></u>	<u><u>6,714,867</u></u>

Resilient Fund Managers Ltd ('Resilient')

On 15 February 2023, the Group entered into an agreement to acquire 100% of Resilient Fund Managers Ltd ('Resilient'), a regulated financial services company based in the United Kingdom. Resilient was established in 2006 and is licensed to deal in a range of financial products and services including managed investments and securities.

The Group paid the seller a non-refundable deposit of £100,000 up-front on the execution of a Share Purchase Agreement between the two parties, with the balance of £400,000 to be paid when the last of the deal conditions are satisfied. The acquisition will be completed once approval is obtained from the Financial Conduct Authority (FCA) in the UK. It is anticipated the application for approval will be submitted within the coming days.

Note 8. Development costs

	Consolidated	
	30 Jun 2023	31 Dec 2022
	\$	\$
<i>Non-current assets</i>		
Platform development - at cost	6,573,772	5,781,733
Less: Accumulated amortisation	<u>(2,509,734)</u>	<u>(1,892,877)</u>
	<u>4,064,038</u>	<u>3,888,856</u>

Reconciliations

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

Consolidated	Platform build \$
Balance at 1 January 2023	3,888,856
Additions	792,039
Amortisation expense	<u>(616,857)</u>
Balance at 30 June 2023	<u><u>4,064,038</u></u>

Note 9. Issued capital

	Consolidated			
	30 Jun 2023 Shares	31 Dec 2022 Shares	30 Jun 2023 \$	31 Dec 2022 \$
Ordinary shares - fully paid	<u>129,495,213</u>	<u>129,505,629</u>	<u>24,168,643</u>	<u>24,168,643</u>

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 January 2023	129,505,629	24,168,643
Share buy-back and cancellation pursuant to employee share scheme (forfeited shares)	13 March 2023	<u>(10,416)</u>	<u>-</u>
Balance	30 June 2023	<u>129,495,213</u>	<u>24,168,643</u>

Share buy-back

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

Note 10. Dividends

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

Note 11. Client trust accounts

The Group recognises as an asset the amounts held in Client Trust Accounts, the balance of which was \$223,381,104 at 30 June 2023 (31 December 2022: \$192,368,032). A related liability amounting to \$223,381,092 (31 December 2022: \$192,358,945) representing the amounts owing to clients from such accounts is also recognised. Such amounts, held on behalf of clients, are part of the broker business process to facilitate customer trade execution on the Group's platform.

Note 12. Fair value measurement

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 30 Jun 2023				
<i>Assets</i>				
Investments in listed ordinary securities	<u>2,061,857</u>	<u>-</u>	<u>-</u>	<u>2,061,857</u>
Total assets	<u>2,061,857</u>	<u>-</u>	<u>-</u>	<u>2,061,857</u>

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 31 Dec 2022				
<i>Assets</i>				
Investments in listed ordinary securities	<u>4,005,708</u>	<u>-</u>	<u>-</u>	<u>4,005,708</u>
Total assets	<u>4,005,708</u>	<u>-</u>	<u>-</u>	<u>4,005,708</u>

There were no transfers between levels during the financial half-year.

Note 12. Fair value measurement (continued)

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

Note 13. Earnings per share

	Consolidated	
	30 Jun 2023	30 Jun 2022
	\$	\$
Loss after income tax attributable to the owners of Halo Technologies Holdings Ltd	<u>(3,514,967)</u>	<u>(559,624)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>129,499,299</u>	<u>115,403,648</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>129,499,299</u>	<u>115,403,648</u>
	Cents	Cents
Basic earnings per share	(2.71)	(0.48)
Diluted earnings per share	(2.71)	(0.48)

Performance rights over ordinary shares are not included in the calculation of diluted earnings per share because they are anti-dilutive for the half-year ended 30 June 2023 and 30 June 2022.

Note 14. Events after the reporting period

On 24 August 2023, the Group agreed to provide a loan to a third party for \$200,000, for a term of 3 months. The loan has been made on commercial terms, including an interest rate of 15% and an establishment fee of \$40,000. The loan is expected to be repaid in full on maturity.

Subsequent to the reporting period, the fair value of the Group's investment in Domacom Limited (ASX: DCL) has declined from \$2,061,857 to \$1,145,476 based on its quoted closing market price on the Australian Securities Exchange at 30 August 2023 of \$0.02. As the asset is carried at fair value through profit and loss in the Group's financial statements, this represents a post balance date loss of \$916,381 relating to this investment. This decline in value has not impacted management's intention to continue to hold this investment as a growth stock.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Ivan Oshry
Non-Executive Chairman



George Paxton
Executive Director and CEO

31 August 2023
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Halo Technologies Holdings Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Halo Technologies Holdings Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

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

Emphasis of Matter

We draw attention to Note 6 of the financial report, which describes Group's accounting policy for key judgements. Our opinion is not modified in respect of this matter.

We draw attention to Note 14 of the financial report, which describes a loan agreement entered into as a significant subsequent event. Our opinion is not modified in respect of this matter.



Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit Pty Ltd

A handwritten signature in black ink that reads 'G Rooney'.

Geoff Rooney
Director

Sydney, 31 August 2023