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ASX Announcement

27 May 2024

HALO Technologies AGM 2024 – CEO presentation

Hello, my name is George Paxton, I am the Chief Executive Officer and Director of HALO Technologies. I would like to add my welcome to you to the 2024 Annual general meeting of HALO Technologies.

After I have finished the management presentation, I will hand back to Ivan to continue with the procedural part of the meeting.

Over the past year, HALO has pursued its growth strategy in a disciplined and proactive manner by continuing to invest in areas that aim to accelerate client acquisition, generate growth in FUM and foster innovation.

Principal amongst HALO's achievements has been the delivery of strong growth in funds under management (FUM), which was up by 126.2% over the reporting period to \$435.2 million. This momentum has continued into 2024.

We have acquired a foothold in the United Kingdom through our wholly owned subsidiary HALO Invest and appointed an experienced financial services executive Douglas Boyce as CEO to lead the business' expansion into the UK market.

The team over there are busy developing the necessary resources and infrastructure to launch the business in the UK, and we expect that they will be operational this calendar year.

We have successfully grown our third-party distribution network by signing on several dealer groups, advisors, and other professional users, who are currently in the process of on-boarding themselves and their clients to HALO Technologies' suite of products; and are in productive ongoing discussions with several more.

A key part of making this happen is the development of new and better features for our platform. Our internal research and development team constantly reviews HALO Global to create for new features for our clients.

The exceptional performance of our themed investment Vues remains a key selling point for HALO. Our top performing Vues are delivering annual returns of between 40% and 90%. These ready-made themed investment portfolios continue to be a compelling feature for HALO Technologies and a rare offering in the market.

So, we have a strong growth story. However, we are also taking a rigorous approach to cost management as we look to the horizon.

We have made significant investments in our talent, our technology and our establishment in the UK. As we move forward, we will seek to continue to grow revenues, diversify our distribution channels and improve our margins, at the same time.

As I mentioned earlier, HALO has achieved very strong growth in funds under management in 2023 which has continued into this year.

This is largely attributable to our ongoing focus on growing direct and third-party distribution channels and the delivery of technological enhancement such as the successful launch of a new Automated Order Management System and various other User Experience upgrades.

This approach has delivered strong growth in funds under management (FUM), which grew by 126.2% over the reporting period to \$435.2 million. As you can see from the chart on the screen, HALO's FUM more than doubled over the course of 2023.

We have also had a strong start to 2024, giving us confidence that FUM growth will continue over calendar 2024 as we progress our planned marketing initiatives in Australia and through HALO Invest in the United Kingdom.

Now I would like to spend some time explaining our value proposition as context for the successful growth initiatives we are currently implementing.

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.

We were a research platform before we acquired the trading capabilities, and that still shines through in our research first approach. It's an approach that the clients appreciate, and it enables us to acquire a type of client that is more sophisticated and discerning than those attracted to other trading solutions out there.

We offer our products under re-selling agreements with financial intermediaries including financial advisers, brokers and other commercial partnerships. HALO has designed a 'HALO Adviser' interface which enables each adviser to manage their client portfolios more efficiently.

HALO also provides a thematic investment platform to Australian retail investors. Our thematic investment portfolios tap into the trend of 'values based' investing and offer 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.

HALO Global is our flagship product. It is a feature rich retail offering laden with advanced functionality that provides investors with a higher degree of control than they can obtain elsewhere.

HALO Global targets customers in the following broad categories:

Firstly, financial advisors who may be seeking easy to explain products that can be co-branded and customized to be distributed to their client bases.

Sophisticated and self-directed investors also make up a key client segment. They generally possess market experience and are data hungry. They typically want to identify, research and action their own investment decisions.

Also, High Net Worth investors, who are generally highly experienced and possess substantial capital to invest across a wide array of asset classes; and,

And finally, self-managed superannuation funds based in Australia. These form a significant proportion of HALO's client base in Australia. They are typically mature investors that require sophisticated investment frameworks, have accumulated significant wealth and are typically long-term holders of equity investments.

Our entry into the UK market means that we will now also cater to certain specific investment vehicles which are particular to the UK, through our recent acquisition, Resilient Fund Managers. We intend to target Self-Invested Pension Plans (SIPPs) and Individual Savings Accounts (ISAs) in the UK.

HALO Professional takes HALO Global and adds an additional suite of features specifically designed for the B2B market.

The development of third-party distribution channels is a key element of HALO's growth strategy. This involves partnering with external financial advisers, brokers and asset allocation consultants, with whom HALO enters distribution, reselling or co-branding arrangements to distribute HALO products to their own clients.

By recruiting advisor networks, we can leverage their existing client networks. This is a highly effective way to increase market penetration quickly and efficiently.

As our end users tend to be older and wealthier than most, they are also more likely to be in an advised relationship of some kind. Reaching them through the advisor, as a partner, makes sense to us.

HALO generates revenues through three distinct streams. Subscriptions of HALO Global and other products, brokerage from clients transacting on the platform, and management fees on themed investment portfolios.

As you can see from the chart on displayed chart, brokerage revenue currently makes up over 60% of the total.

In the 12 months to 31 December 2023, brokerage revenue increased by 80.7% to \$8.05 million, accompanied by a small drop in subscription revenue of 6.5% to \$4.83 million. Total revenue increased by 25.4% to \$14.2 million over the prior corresponding period.

We are delighted with this growth in brokerage revenues. In 2024, we will continue to target further growth in subscription revenue and management fees, which provide lower our cost of sales and improve earnings margins. Continued diversification of our distribution channels will also support this objective.

In December we unveiled the brand HALO Invest in the United Kingdom, it's a wholly owned subsidiary of HALO Technologies. We also announced the appointment of experienced financial services executive Douglas Boyce as CEO to lead the business' expansion into the UK market.

With over 30 years of experience in UK financial services, Douglas is well placed to lead the development and growth of HALO Invest in the United Kingdom. He has served in a variety of senior executive roles, most recently as Managing Director at SS&C Hubwise, with prior stints at FNZ and Interactive Investor.

Douglas is an accomplished financial executive with a proven track record of growing successful finance sector platform businesses in the UK.

HALO Invest is in the process of putting into place the necessary business infrastructure, management team, and business systems to commence distributing its products in the UK, and we expect to be able to onboard our first clients there this year.

HALO' marketing initiatives to recruit new clients fall into three categories.

Firstly, we target third party partnerships by offering its products and services under re-selling and introducing agreements with intermediaries including financial advisors, brokers and other commercial partnerships.

Secondly, customers are acquired directly online and by phone through ongoing investment in brand and marketing. This is where Programmatic Search Engine Optimisation, known as 'SEO', and promotion of HALO's themed investment portfolios plays a large role.

In addition, HALO also engages with its existing customers to expand their subscription suite with additional HALO products. Promotional initiatives directed at existing customers have regard to each customer's financial situation and preferences.

An important innovation in HALO's product suite is Share Sales Direct. This new service has been designed for consumers that want to complete a one-off sale of their shares without creating a trading account. It's early days but we are seeing really promising signs here that this could scale well, delivering strong client numbers, revenues and margin to the business.

HALO's Vues are a key selling point for the business, due to their ease of use and the very high returns that many of them continue to deliver.

Many of HALO's Vues have delivered exceptional performance over the past year, with the leading Vues of Artificial Intelligence up 80.80%, Tech Stars up 64.38%, Video Games & E-sports up 43.68% and India up 42.12% at the end of April 2024.

Vues provide fast and easy access to some of the world's biggest investment trends and most innovative companies. The portfolios are selected by highly experienced equity analysts with an Investment Committee that possesses combined experience of more than 50 years.

Vues are monitored daily and reviewed periodically with clients updated regularly of portfolio changes and new recommendations. Vues also provide beneficial ownership of underlying stocks and ready-made reporting tools.

Each portfolio consists of ten individual equities with exposure to a particular theme, whether driven by an innovative trend or market insight. HALO currently offers 29 unique 'ready to-invest' share portfolios and conducts ongoing market reviews with the aim of creating new ones over time.

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Our growth strategy is bearing fruit with strong growth in funds under management and brokerage revenue, supported partly by the exceptional performance from our themed investment portfolios.

Our revenues have had a strong start to 2024, Brokerage revenues in particular are at a consistently higher level than prior years due to the additional FUM on the platform.

We have invested heavily in establishing HALO Invest in the UK, recruiting skilled staff across the business and amending our software and client interfaces to be suitable for the

UK market. These are all critical areas for HALO's expansion into the UK market through HALO Invest, and elsewhere.

As the year progresses, we will continue to focus on developing third-party distribution channels and enhancing the user experience of our platform.

We will continue to make appropriate investments in staff and technology to support in key parts of the business such as Operations, M&A, Marketing, Product, Client Services and Compliance with a core focus upon staffing and software development projects that are likely to drive near term revenue growth.

The quality, functionality and distinctiveness of our technical solutions has always been central to our value proposition. Ongoing investment in this area is critical to retaining existing clients and attracting new ones.

These are all critical areas as HALO looks to scale up and expand into new markets. We continue to see strong positive signs for the business as we press on into the second half of 2024, having positioned HALO to expand its market reach and grow funds under management.

We will continue to execute against our established strategy and strive to put runs on the scoreboard going forward.

We will also continue to investigate potential opportunities to expand our footprint and grow distribution channels by acquisition, to complement our organic growth. In doing so, we will apply the same rigour and diligence that we applied to the establishment of HALO Invest.

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About HALO

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

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