



Announcement to ASX
ASX Code: HTG

October 17, 2022

HTG TRADING UPDATE

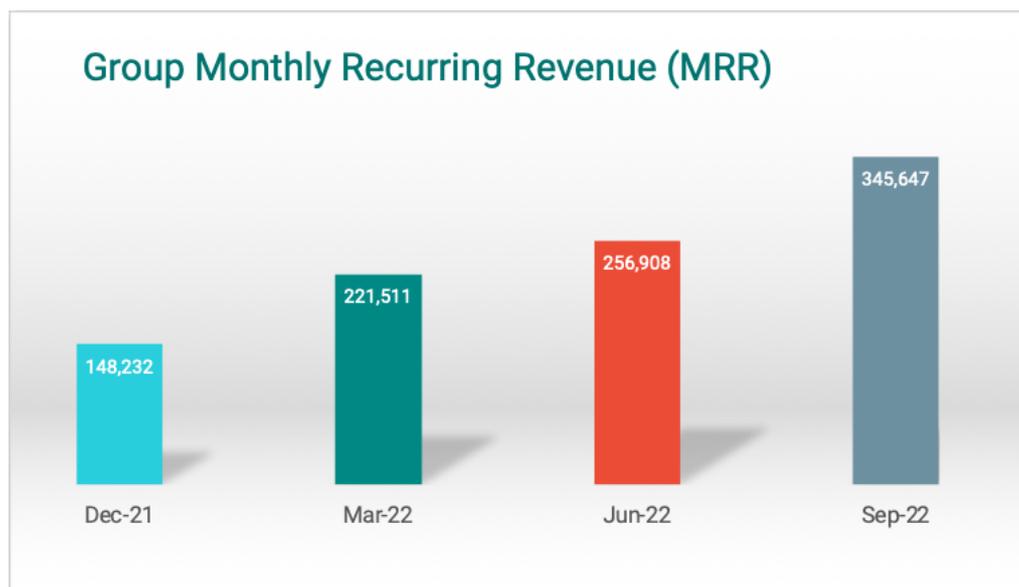
HIGHLIGHTS:

- **34.5% higher Monthly Recurring Revenue (MRR) in September 2022 (\$346K) compared to June 2022, exceeding the forecast minimum MRR target of \$340K. Equivalent to Annual Recurring Revenue (ARR) of \$4.1m.**
- **Record quarterly revenue of \$887K achieved in the September quarter, representing 66.7% growth year-on-year and 53.8% higher than the June 2022 quarter.**
- **Continued momentum in demand for Infinity suite of products with high-volume sales pipeline and new major customers.**

October 17, 2022: Harvest Technology Group Limited (ASX:HTG) (**Company, Harvest, Group**), a global leader in network optimised remote operations, is pleased to provide this trading update to the market.

TRADING PERFORMANCE – SEPTEMBER QUARTER

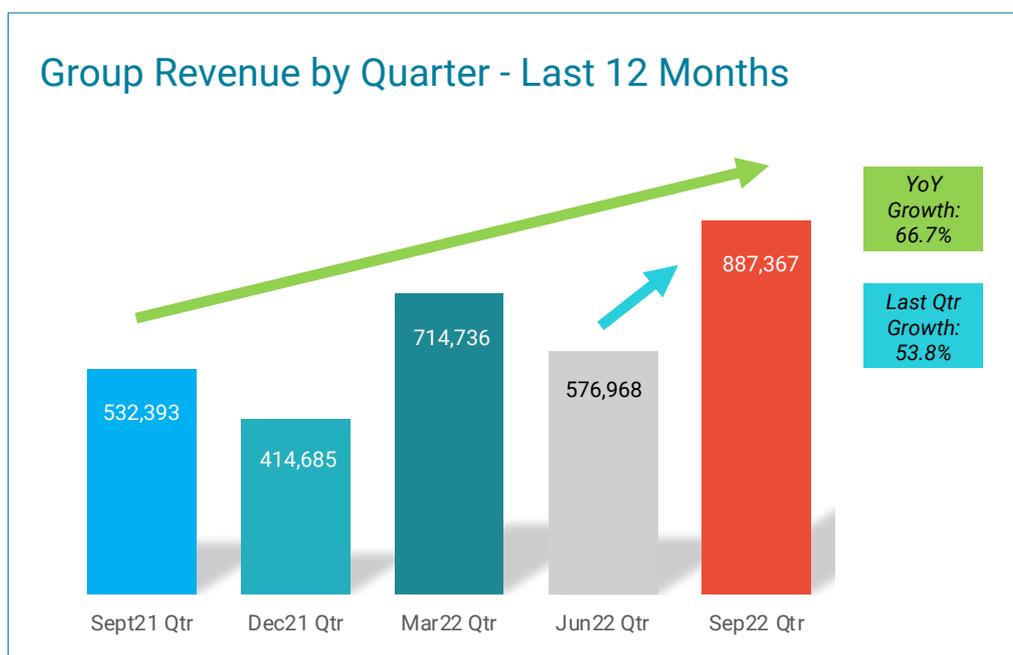
The Company reported a September Group Monthly Recurring Revenue (MRR) of \$346K, which represents an increase of 34.5% when compared to the June 2022 quarter and continues the steady upward trend in revenue growth witnessed over the past 12 months (as shown in the chart below).



*Monthly recurring revenue (MRR) represents a blended revenue figure across all products and services sold to customers. Any revenue received in advance is apportioned over the service period.



MRR is a commonly used reporting metric among software subscription and SaaS companies whose predominant source of revenue is monthly/annual licence subscriptions. The Company operates a more diverse business model than pure software or SaaS businesses, offering a wider range of products and solutions that can impact the comparability of MRR metrics over time as the sales mix changes. As Harvest's business scales and the revenue mix develops between licensing, hire, sales, and revenue derived from sales of third-party products or bespoke developments, MRR is becoming a less relevant revenue reporting metric for the Company. Consequently, moving forward Harvest will report Group revenue for each quarter in accordance with Australian Accounting Standards, consistent with its annual consolidated financial statements.



For the September 2022 quarter, the Company achieved record quarterly revenue of \$887K, as Infinity sales momentum continues to build, boosted by recently announced new customer wins and a recurring flow of work for existing customers including:

- A 2-year contract for supply of Harvest's ultra-low-bandwidth, high-quality secure Nodestream™ technology to play a key role in supporting remote operations for an EU defence force. Initial contract value is approximately USD\$60K (refer ASX announcement of September 7, 2022).
- A 2-year contract with Vallianz Holdings Limited, a provider of specialised vessels to Tier 1 customers in the offshore energy sector. Vallianz operates a fleet of over 70 purpose-built offshore support and heavy lift vessels around the world. The initial contract is for installation of Nodestream™ technology on their new-build DP2 vessel, "Vallianz Prestige" with a contract value of approximately USD\$30K (refer ASX announcement of September 15, 2022).



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- A second contract with Beach Energy Limited (Beach Energy), a key supplier to Australia's East Coast gas market, to embed Harvest's unique, proprietary technology into a smart buoy to enable Beach Energy to capture and process data from subsea assets in near real time at a fraction of the cost of traditional monitoring methods. The initial contract value is approximately \$200K (refer ASX announcement of September 20, 2022).

TRADING OUTLOOK

In terms of immediate outlook, sales momentum has continued to build since the end of September, evidenced by a growing opportunity pipeline and further customer wins, including an initial order (value of approximately \$234K) secured with International Rescue, a global aid organisation focused on rapid deployment of first response to emergency and disaster events across the globe. Harvest will support International Rescue with an initial order for a bespoke solution utilising our Nodestream™ Ruggedised technology to support situational awareness and critical decision-making in first response to disasters and emergencies (refer ASX announcement of October 4, 2022).

Whilst economic conditions are expected to remain challenging, the Company remains cautiously optimistic of continuing to grow its sales funnel and increase revenue in the coming quarter with new customers and generating growth in existing customer spend, bolstered by investment in regional lead generation activities and targeted marketing initiatives.

Further details on key activities and operational highlights will be provided in our Quarterly Activity report later this month.

- End -

This announcement was authorised for release by the Board of Directors.

NB: Unless otherwise specified, references to values and/or revenue are in Australian Dollars (AUD)

Corporate & media enquiries, please contact:

Mr. Paul Guilfoyle
Group Chief Executive Officer, Harvest Technology Group Limited
Tel: +61 8 6370 6370
Email: investor@harvest-tech.com.au



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Investor enquiries, please contact:

Mr. Jack Rosagro
Company Secretary
Tel: + 61 8 9482 0511
Email: investor@harvest-tech.com.au

About Harvest Technology Group

Harvest Technology Group Limited (ASX: HTG) is a global leader in network optimised remote operations that deliver real-time remote control, communication, automation, and monitoring capabilities. Headquartered in Perth, Australia, the group of companies is revolutionising remote field services with ultra-low bandwidth Network Optimised Livestreaming solutions that enable customers to stay connected to operations and personnel anywhere in the world while utilising just a fraction of existing bandwidth resources.

To learn more please visit: www.harvest.technology

If you would like to receive the HTG Insights Newsletter for future updates, please visit our website and subscribe at the bottom of the page.

Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices, or potential growth of Harvest Technology Group Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.
