



Announcement to ASX
ASX Code: HTG

October 24, 2023

ACTIVITY REPORT – SEPTEMBER QUARTER 2023

KEY FINANCIAL HIGHLIGHTS DURING THE QUARTER

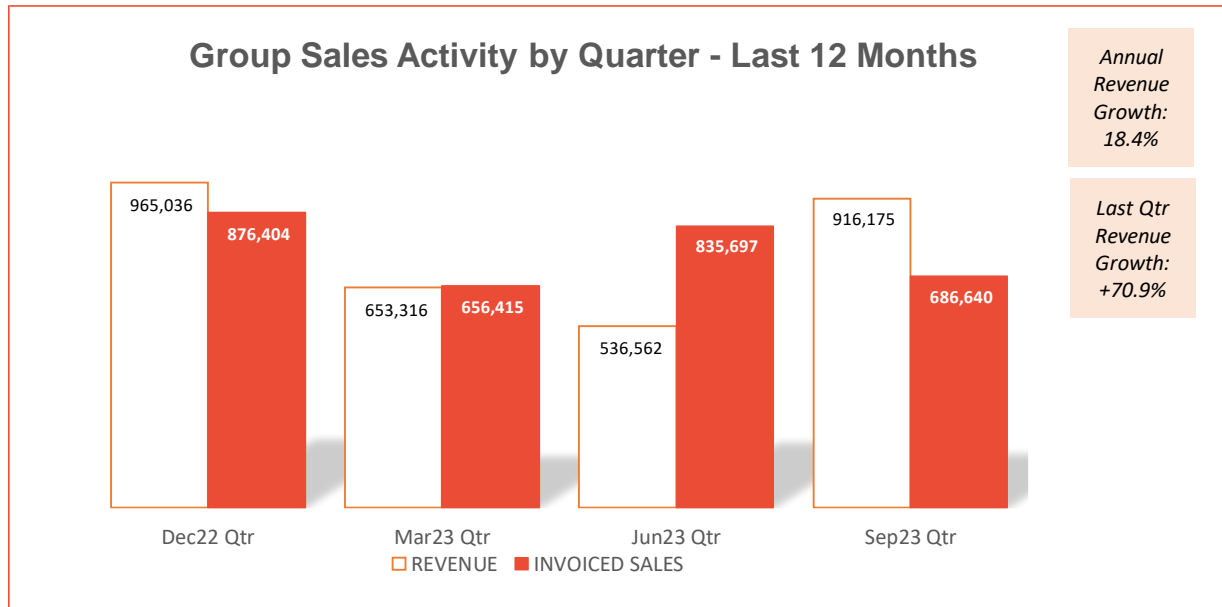
- The Group recorded revenue of \$916k in the September quarter – an increase of 70.9% over the prior quarter and representing 18.4% revenue growth on an annual basis at the end of September 2023.
- Sales momentum continues to build ahead of the planned pilot release of “NS2” which will open new revenue streams for the Company and provide customers with a rapidly scalable platform.
- At September 30, 2023 the Company held \$2.3m cash at bank following receipt of a \$960k advance from Radium Capital at the end of September 2023. The advance provides early-access to funds expected to be received in relation to the Company’s Research and Development Tax Incentive (RDTI) rebate for the year ended 30 June 2023.
- The Company announced in July/August 2023 it had raised a combined \$2.25m (before costs) via a placement to sophisticated investors and a share purchase plan. This additional capital, together with the Research and Development advance will ensure the Group is well-funded to continue its growth strategy.

October 24, 2023: Harvest Technology Group Limited (ASX:HTG) (**Company, Harvest, Group**) a global leader in network optimised remote operations, is pleased to provide its quarterly Activity Report and Appendix 4C for the September 2023 quarter.

Please refer to our September Operations Update (dated October 24, 2023), which summarises the key customer, operational and technology developments across the business for the month of September 2023 and during the quarter.



SALES ACTIVITY



NOTE:

Revenue is recognised in the month control over the products or services being sold transfers to the customer (i.e. when delivered) in accordance with AASB 15 (*Revenue from Contracts with Customers*).

Invoiced Sales represents the value of purchase orders received from customers and invoiced in the quarter.

CASH RESOURCES

The Company reported a cash balance of \$2.3m on June 30, 2023. The overall net cash inflow for the quarter was \$1.3m. Please refer to the Appendix 4C Filing for further details on the results for the quarter.

ITEM 6.1

The following table provides a breakdown of the amount disclosed in Item 6.1 of the Appendix 4C for the September 2023 quarter.

Category	Amount
Directors' fees	\$20,830
Managing Director – salary and other benefits	\$104,596

Note: Unless otherwise specified, references to \$ amounts within this report are in Australian Dollars (AUD).

- End -

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



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Investor Hub

Join the Company's investor hub to access the latest information:

<https://investorhub.harvest.technology/auth/signup>

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 the Company's 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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Harvest Technology Group Limited

ABN

77 149 970 445

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	942	942
1.2 Payments for		
(a) research and development	(1,007)	(1,007)
(b) product manufacturing and operating costs	(257)	(257)
(c) sales, advertising and marketing	(135)	(135)
(d) leased assets	-	-
(e) staff costs (all non-R&D staff)	(843)	(843)
(f) administration and corporate costs	(327)	(327)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	15
1.5 Interest and other costs of finance paid	(183)	(183)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,795)	(1,795)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(17)	(17)
(j) investments	-	-
(k) intellectual property	-	-
(l) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Repayment from a director)	100	100
2.6	Net cash from / (used in) investing activities	83	83

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,356	2,356
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(152)	(152)
3.5	Proceeds from borrowings	959	959
3.6	Repayment of borrowings	(138)	(138)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	3,025	3,025

4.	Net decrease in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	994	994
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,795)	(1,795)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	83	83

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,025	3,025
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	Cash and cash equivalents at end of period	2,305	2,305

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,305	2,305
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,305	2,305

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	125
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Research & Development Funding, Insurance Premium Funding)	1,037	1,037
7.4 Total financing facilities	1,037	1,037
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<ul style="list-style-type: none"> - Radium Capital, 16.00% Interest Rate, Secured, Maturity Date is timed to coincide with receipt of the Company's R&D refund from Australian Tax Office expected by 31 December 2023. - Hunter Premium Funding, 3.15% Interest Rate, Unsecured, 12 January 2024 Maturity Date 		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash used in operating activities (item 1.9)	(1,795)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,305
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,305
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.28
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: Net operating cash flows are expected to improve in the coming quarter as receipts from customers increase as a result of higher sales activity.</p> <p>The Company's next R&D claim (with an estimated value of c.\$1.6m) has been submitted. Subject to the timing of processing and review by the Australian Tax Office, the Company expects to receive a cash refund before 31 December 2023.</p>	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company continues to closely monitor its cash position and the range of funding options available should additional capital be required. On the basis of its latest sales forecast and expected receipt of R&D claim proceeds in the next quarter, the Company remains confident it has adequate cash reserves.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: YES – the Company is confident based on its latest cash flow forecasts, current strategy (including new product launches planned), recent sales results and growing sales pipeline that it will continue to meet its business objectives and continue its operations.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 October 2023.....

Authorised by: By the Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.