



Announcement to ASX

ASX Code: HTG

April 30, 2020

ACTIVITIES REPORT – MARCH QUARTER 2020

HIGHLIGHTS:

- Company name change to Harvest Technology Group Ltd (ASX:HTG). Subsidiary Advanced Offshore Streaming Pty Ltd renamed to Harvest Infinity Pty Ltd as part of Group rebranding strategy to target global customer base
- Harvest Technology Pty Ltd achieved more than \$10 million in annual revenue by end of March 2020
- Highest ever quarterly cash receipts of \$5.9m and positive operating cashflow of \$752,000 with cash balance of \$1.4m at end of quarter
- Continued utilisation of the “VOS Shine” across multiple contracts in the Bass Strait
- Infinity suite of products underwent rebranding and release to market with strong interest from many sectors
- Harvest Infinity entered into an initial agreement with Applied Satellite Technology Australia (AST) in April 2020 to jointly market and distribute its proprietary remote communication technology

April 30, 2020: Harvest Technology Group Limited (ASX:HTG) (**Company**) is pleased to report a record underlying operating performance for the March 2020 quarter.

Total cash receipts during the quarter were \$5.9m with operating cash inflow of \$752,000 being reported. The result comes on the back of the successful deployment and contract execution utilising the “VOS Shine” (**Shine**) and increased take-up of the Infinity range of products.

COMPANY NAME CHANGE

As part of a group-wide rebranding strategy, shareholders gave approval at the general meeting held on March 31, 2020, for the change of company name to Harvest Technology Group Limited. The ASX code changed to HTG. This represented a significant milestone in the Company’s evolution, enabling alignment of group branding and effective targeting of a more diverse global client base.

HARVEST TECHNOLOGY

\$10M ANNUAL REVENUE THRESHOLD ACHIEVED

Harvest Technology Pty Ltd achieved its first threshold target of \$10 million in annual revenue by end of the March 2020 quarter. In accordance with the terms of the Sale and Purchase Agreement, the 25 million



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performance rights which were issued in April 2019 to the vendors of Harvest Technology, the Company's wholly owned subsidiary, were converted into 25 million fully paid ordinary shares.

OPERATIONS

The March 2020 quarter ended with the Shine fully utilised across a number of projects in the Bass Strait. These projects included the completion of a Geophysical and Geotechnical campaign for Beach Energy and a multi-field ROV campaign for Cooper Energy through our collaboration with Fugro, followed by a debris survey directly with Sapura Energy Australia on behalf of Esso Australia.

The Shine has proven itself to be an exceptional platform for us to not only continue the real-time utilisation and demonstration of the Harvest Infinity (**Infinity**) technology suite but to also provide the flexibility to assist with research and development into other products and software. During the debris removal campaign, we had the opportunity to successfully showcase Infinity remote communications technology by providing 24-hour project engineering support from onshore in Perth, reducing the need for the services to be physically located on the vessel.

HARVEST INFINITY

CHANGE OF NAME

On February 27, 2020, Advanced Offshore Streaming Pty Ltd was renamed Harvest Infinity Pty Ltd. This name change also formed part of the group-wide rebranding strategy to ensure that the Company delivers a unified brand to market to reflect its strategic direction.

OPERATIONS

Also on February 27, 2020, the new Infinity range of products was launched to market, namely the AVR2, Nodestream suite, and Wearwolf™.

- Nodestream suite allows for secure, low bandwidth, multiple or single channel video/audio/data feeds to be distributed point-to-point from anywhere in the world via satellite.
- AVR2 enables clients to have access to live video and data streams on virtually any connected smart device via our AVRLive web-based interface.
- Wearwolf™ is a wearable device for delivering real-time live content from personnel working in any location, to enable simultaneous review and decision-making worldwide from the office or at home.

The technology is agnostic and can be applied to any industry in any location. The products have the ability to interface with each other to provide fully encrypted connective and customised solutions for any environment.

March 2020 brought with it a period of uncertainty due to the global health crisis and companies across the globe were required to redistribute their workforces in keeping with worldwide restrictions on travel. During this time and continuing into April 2020, the number of enquiries for the Infinity range increased four-fold, as well



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as the number of demonstrations and trials, in particular with the wearable products. Infinity technology has the advantage of ensuring work can continue in any location, eliminating the need for physical interaction with others, by delivering data directly back to decision-makers and support services located in an office, at home or elsewhere globally.

A product roadshow was undertaken across the UK in the first half of March 2020, with more than five specific demonstrations to Tier 1 Oil & Gas contractors and service providers. Additionally, Fugro has continued to expand its use of the technology with deployment at its operational centres in Aberdeen, Scotland and The Netherlands.

Between March 11-13, 2020, the Company successfully demonstrated their products jointly with AST at the 2020 AOG Exhibition & Conference held in Perth, Western Australia, and attracted strong interest from other satellite companies and businesses delivering oil and gas services.

Throughout March 2020, the intention of AST and Infinity to enter into a global partner arrangement continued to gather momentum with time spent forming the general principles governing the joint marketing and distribution of the Infinity proprietary remote communication technology through AST's global satellite connectivity network. An Initial Agreement to this end was executed in April 2020. AST is a global provider of end-to-end satellite communications solutions offering a comprehensive range of terminals and devices, high quality voice and data services, and world-class value-added services.

The first installation of a Wearwolf™ with a Nodestream Decoder for a major Operator on the North West Shelf was undertaken in April 2020 as the first project jointly undertaken by Infinity and AST.

GROUP STRATEGY

Investment into the Infinity business continued during the March 2020 quarter with the setup of a new workshop, office and demonstration facility in Malaga, Western Australia, and a recruitment drive to double the workforce. This will significantly augment the business' capacity to focus on research and development opportunities.

These early investments will set the course for the Company to become a software enabler for communication and remote control from anywhere in the world. With the advent of the Infinity product suite being used in any location and providing communication for secure encrypted high-quality video, audio and data transmission at ultra-low bandwidth over satellite, there are compelling opportunities to expand into new markets. A key element will be the evolution of the product suite from a hardware solution to a software platform. Further development of remote control software brings the opportunity to add the remote control of robotic devices and vehicles through the Internet of Things (IoT) aided by expansion of Infinity's existing Augmented Reality platform and a move towards machine learning.



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APPENDIX 4C

Please refer to the attached 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 March 2020 quarter.

Name	Position	Amount	Description
Paul Guilfoyle	Managing Director	\$115,543	Salary plus Super
Marcus Machin	Non-Executive Director	\$21,035	Directors Fees <i>(includes payment for December quarter)</i>
Rod Evans	Non-Executive Director	\$9,166	Directors Fees

FROM THE MANAGING DIRECTOR

“We are pleased to report our strongest quarter to date, reflected by record revenue and cash generation across the group. Our team has been focussed on executing the group strategy and it is fantastic to be able to recognise achievement of the milestones we have set for ourselves within the last twelve months,” said Paul Guilfoyle, Group Managing Director. “We have seen enviable progress in relation to product development within the Infinity range this quarter, and with future development of the technology towards software based platforms the team is looking forward to seeing our capabilities grow to enable access to new market spaces.”

This announcement was authorised for release by Paul Guilfoyle, Managing Director.

For further information please contact:

Mr. Paul Guilfoyle

Managing Director – Harvest Technology Group Limited

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About Harvest Technology Group

Harvest Technology Group Limited (ASX:HTG) is an Australian operated group of companies whose portfolio includes Harvest Technology Pty Ltd and Harvest Infinity Pty Ltd. Harvest Technology is a bespoke subsea technology solutions provider for the energy, resources, and renewables sectors. Harvest Infinity is an innovation company developing remote control, communication, automation and monitoring solutions.

To learn more please visit:

www.harvesttechnology.com

www.harvestinfinity.com

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")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,902	7,433
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,195)	(4,531)
(c) advertising and marketing	(23)	(26)
(d) leased assets	(565)	(1,414)
(e) staff costs	(1,114)	(2,160)
(f) administration and corporate costs	(1,055)	(1,755)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	(199)	(316)
1.6 Income taxes paid	-	(1)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	752	(2,768)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	(3,500)
(c) property, plant and equipment	(21)	(55)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	11	12
	(d) investments	-	300
	(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 (provide details if material)	-	257
2.6	Net cash from / (used in) investing activities	(10)	(2,986)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,201
3.2	Proceeds from issue of convertible debt securities	-	4,000
3.3	Proceeds from exercise of options	28	116
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(62)	(114)
3.5	Proceeds from borrowings	-	1,000
3.6	Repayment of borrowings	(11)	(1,227)
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	(45)	(4,976)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	697	2,172
4.2	Net cash from / (used in) operating activities (item 1.9 above)	752	(2,768)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(2,768)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(45)	4,976
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,394	1,394

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	1,394	697
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)	1,394	697

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
146
-

All amounts included in 6.1 relate to the payment of director's fees and managing director employment obligations.

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

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	4,000	4,000
7.4 Total financing facilities	4,000	4,000

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.

7.3 - Convertible note funds received in November 2019 as approved by shareholders at the AGM. Interest accrues at 9% pa and is paid quarterly.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	752
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,394
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	1,394
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.85

Quarters of funding available exceeds 2 on the basis that the Company was cash flow positive for the previous quarter. For this reason, section 8.6 below has not been contemplated.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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?

Answer:

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:

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:

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: April 30, 2020

Authorised by: Paul Guilfoyle - Director

(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 – e.g. 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.