



Announcement to ASX  
ASX Code: HTG

October 27, 2021

## ACTIVITIES REPORT – SEPTEMBER QUARTER 2021

### HIGHLIGHTS:

- Relocation of Group to purpose-designed central innovation hub at Technology Park WA
- Appointment of Non-Executive Director Stuart Carmichael to the Company's Board of Directors
- Redelivery of VOS Shine to Singapore at completion of two-year charter
- Group joins forces with Innovation Central Perth to tackle the extension of global connectivity
- Launch of U.S. based Opsivity Inc. and rebranding of SnapSupport products
- Final conditions met to transition Group from Phase 1 to Phase 2 of its Three-Phase Strategic Plan
- End of quarter cash balances of \$4.001M

**October 27, 2021:** Harvest Technology Group Limited (ASX:HTG) (Company) (Group) (HTG), a global leader in network optimised remote operations, is pleased to provide its quarterly activities report and commentary for the September quarter 2021.

The Group reports closing cash balances for the quarter of \$4.001M. The cashflow from operating activities contained in the Appendix 4C highlights continued investment in research and development, people and systems, as well as continued investment in customer development and global relationships.

At the end of the quarter, \$4.908M in revenue was either owing or yet to be invoiced.

### STRATEGIC PLAN – DELIVERING ON PROMISE

In alignment with its Three-Phase Strategic Plan launched to market in October 2020, the Group has spent the year heavily focused on implementation of the steps required for a global roll-out of its leading-edge technology.

Phase 1 of the plan was focused on implementing foundational systems and resources to improve speed to market and was successfully completed with redelivery of the VOS Shine to Singapore on October 4, and the launch of Opsivity™ on October 6, 2021.

The conditions have now been met for the transition from Phase 1 to Phase 2 of the Strategic Plan.



Phase 2 is focused on income diversity by transitioning the business model away from its current majority focus on energy and resources sectors towards a 50/50 balance with Infinity products and services by rapidly expanding commercial opportunities and developing elevated sustained levels of Annual Recurring Revenue (ARR).

Phase 2 conditions involve:

- Expand market penetration to diversify customer base and increase revenue stream
- Maintain production and management systems to facilitate scalability
- Advancement of existing Infinity product suite development and release of the Nodestream downloadable decoder
- Ramping up of resources to support innovation, customer success and further expansion into the US region with Opsivity™
- Continued development and establishment of relationships and alliances with global Industry solutions and services providers and Industrial Wearable manufacturers

Phase 3 of the plan will see the Company continue to transition the business model and have income producing operations in US, whilst establishing a presence in Europe and Asia. The Company will be seen as a trusted and reliable provider of quality services internationally and will seek to move into the consumer-based market, with development of key third-party relationships in this arena.

**The following sections outline the achievements made during the September 2021 quarter.**

### **INNOVATION HUB**

At the commencement of April 2021 lease negotiations were finalised, and an agreement executed for a 7-year lease, with a 5-year option, for Harvest's purpose-designed innovation hub at Technology Park in Bentley, Western Australia.

The premises for the Group's new base of operations is purpose designed and developed to support continued growth in resources whilst validating its commitment to its people by creating a campus-style setting to foster innovation and development. It boasts high security and workspaces for software and hardware development, testing, and collaboration, enabling the Group to bring products to the market more efficiently.

Not only a condition of Phase 1 of the Strategic Plan, this is also an important milestone for the Group to build capacity. It is also a significant commitment to providing the team with an environment where they can freely collaborate and innovate.



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### **APPOINTMENT OF NON-EXECUTIVE DIRECTOR**

In July 2021, Mr. Stuart Carmichael, a trusted advisor to the Group from its inception, was appointed as an independent Non-Executive Director of the Company.

Mr. Carmichael is a Chartered Accountant with more than 20 years' experience in the provision of corporate finance and advisory services across multiple geographies and industries. He is currently a Principal and Director of Ventnor Capital which specialises in the provision of corporate finance advice to ASX-listed companies. Mr. Carmichael currently serves as Non-Executive Chairman of K-TIG Limited (ASX:KTG) and Schrole Group Limited (ASX:SCL), and Non-Executive Director of ClearVue Technologies Limited (ASX:CPV), De.mem Limited (ASX:DEM) and Swick Mining Services Limited (ASX:SWK).

### **REDELIVERY OF VOS SHINE**

On August 16, 2021, by announcement to market, the Company advised the upcoming completion of the long-term charter of offshore support vessel VOS Shine (Shine). The two-year charter, through the Company's wholly owned subsidiary, Harvest Technology Pty Ltd (Harvest), would cease on redelivery and off-hire of the vessel in Singapore. Redelivery was planned for mid-September 2021, however the changing landscape and restrictions around COVID-19 in both Australia and Singapore created a slight delay in handover. The Shine was off hired to its Owners on Monday October 4, 2021.

During her time in Australia, the Shine safely and effectively performed a pipeline of successful projects for major operators such as Beach Energy, Cooper Energy, Inpex, Esso Australia, Santos, and Shearwater GeoServices, and is prior to departing Darwin for redelivery to her Owners, completed her last Harvest project, an offshore survey campaign for Carnarvon Petroleum Timor at Buffalo-10 field in Timor-Leste.

Despite a challenging environment borne of COVID restraints, the Shine was hugely successful and a testament to the excellence of the team supporting its operations in Australia. The Shine became a go-to platform for enabled optimisation of projects that were previously offshore personnel intensive. As a result, some of the Company's customers will never revert to traditional means of working, adopting the Infinity video and audio streaming technology as an ongoing requirement for their future projects.

In line with the Group's Strategic Plan, a key component of Phase 1 was the movement away from vessel operations. The return of the Shine was a pivotal transition point for the Group in its transition into Phase 2 of the Strategic Plan, directing focus entirely on improving the speed to market for new applications, U.S. expansion, continuing the implementation of production and management systems to support global scalability, and growth of income streams beyond the energy and resources sectors.

### **HTG & INNOVATION CENTRAL PERTH TO TACKLE GLOBAL CONNECTIVITY**

HTG has partnered with Innovation Central Perth (ICP) to conduct a Proof of Concept (PoC) study to integrate HTG's unique bandwidth optimisation technology with WebEx by Cisco through leveraging its existing open



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Application Programming Interface (API). The joint project aims to tackle one of the world's biggest challenges; to extend global connectivity.

Led by Cisco and Curtin University, ICP develops technology to solve real business problems through a collaborative community of student talent and professional expertise in electronic, communications, network and software engineering, computer, and data science.

This initial engagement has commenced and involves ICP connecting a team of Cisco Engineers and Curtin University engineering talent to work together with the HTG's Infinity technology team for approximately three months. The project is a prime example of how collaboration with ICP can advance digital transformation through an open innovation ecosystem.

Partnering with ICP ties in with one of the objectives of Phase 1 of the Group Strategic Plan which involves ramping up resources to support innovation and scalability. The strategic location of the Group's innovation hub in Technology Park near Curtin and the ICP will enable the capture of emerging world-class technology talent and demonstrates the Group's commitment to providing Australia's next generation of technologists with exposure to solving global problems from Western Australia.

#### **LAUNCH OF OPSIVITY™**

The Group executed a formal Stock Purchase Agreement (SPA) to acquire Silicon Valley-based software-as-a-service (SaaS) company SnapSupport Inc. on June 15, 2021 (SnapSupport) (Acquisition). Following the completion of the Acquisition, the Group's U.S. entity initiated the integration of SnapSupport, Inc. which will provide the basis for the U.S. product team and regional revenue.

The acquisition of SnapSupport Inc. (SnapSupport) was a critical element of Phase 1 of the Group's Three-Phase Strategic Plan announced in October 2020, as it delivered a proven and fit-for-purpose SaaS-based mobile platform. Significant enhancements have since been made to the original platform, including User Interface (UI) upgrades and a new integration with leading job and project management software, simPRO.



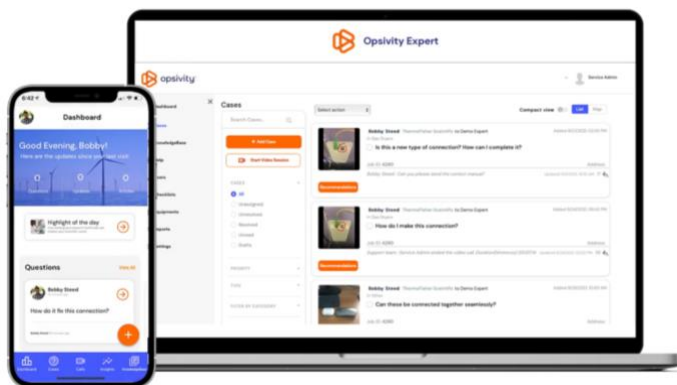
During the quarter, the U.S. team commenced a rebranding process with the goal to launch Harvest Technology Group Inc., the Company's wholly owned U.S. based subsidiary, as Opsivity Inc. along with the new SnapSupport SaaS product identity, Opsivity™.



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Opsivity™ is designed to run on the full range of devices that field technicians already use, such as smartphones, tablets, laptops, and wearables, and provides significant operational support to field teams in three ways:

1. Artificial Intelligence (A.I.) enabled Smart Recommendation helps solve field issues in real-time and avoids costly downtime. Field Technicians can easily access checklists, procedures, articles, and previous solutions to aid problem resolution.
2. Augmented Reality (A.R.) Field Collaboration features ensure Technicians are never alone in their effort to solve issues. Technicians are automatically connected to Subject Matter Experts via live chat or video, where annotated photos of the situation are shared, and solutions are achieved.
3. Proactive operational Knowledgebase gives organisations the ability to retain, grow and share field expertise of their most seasoned technicians while enhancing ramp-up of new hires. Every support interaction is stored, searchable, and utilises A.I. algorithms to propagate time saving expertise on demand with the entire field team.



Opsivity™ has identified specific market segments in the field service management space where the company sees multiple opportunities for growth. Opsivity™ will target the heavy industry field support sector which has approximately 100 million workers worldwide and the light-industrial category with approximately 500 million workers worldwide. Opsivity™ will commence an immediate and aggressive marketing campaign primarily in the US to be followed by the broader global market. Target industries include oil and gas, utilities, offshore marine, transport and logistics, telecommunications, and repair services.

## CUSTOMER EXPERIENCE

Key to realising the transition to diverse income streams in Phase 2 of the Strategic Plan, the Customer Experience team has spent the quarter developing actionable integrated strategic efforts to expand its ecosystem with global industry partners.

On October 14, 2021, the Group announced the signing of a formal worldwide reseller agreement with Speedcast. Speedcast is a world leading communications and IT services provider delivering critical communications services to the maritime, energy, mining, media, telecommunication, cruise, NGO, government, and enterprise sectors, and leveraging its Unified Global Network Platform (UGP) to provide fully connected systems that harness technology and applications to transform remote operations. With the world's most comprehensive network, Speedcast enables faster, seamless pole-to-pole coverage from a global hybrid satellite, fibre, cellular, microwave, MPLS, and IP transport network with direct access to public cloud platforms, backed by 24/7 multilingual technical support centres on six continents.



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Under the agreement, the Group's ultra-low bandwidth Network Optimised Livestreaming solutions will be resold by Speedcast to provide remote communications services for customers across sectors such as maritime, mining and telecommunications. Speedcast's technology and applications portfolio currently has over 3,200 customers in 140 countries, serving over 10,000 maritime vessels and over 7,000 active terrestrial sites.

The binding and non-exclusive worldwide agreement is for an initial term of twelve months, renewable annually, and is predicated on discount by cumulative sales volume with all sales based on minimum 12-monthly plans for hire and licensing.

This agreement significantly extends the Group's sales capabilities and supports the roll out of its Network Optimised Livestreaming solutions across the globe as well as providing the opportunity to develop elevated sustained levels of Annual Recurring Revenue (ARR). Harvest's ground-breaking technology securely transfers high-fidelity, real-time voice, video, and data over ultra-low bandwidths from anywhere in the world where establishing reliable connectivity is a challenge

A complete re-design of the Group website was undertaken in August and September and later went live to market on October 4, 2021. The new site takes on a clear solution orientation from layout, navigation, and content. The site is also optimised for demand generation and is embedded with lead-flow paths to allow interested customers to engage with our content while enabling our sales team to follow-up on interest established.

In early October, the Group was a featured participant represented by Inmarsat at its Partner stand, the DroneX Trade Show and Conference, in London. Dedicated to demonstration of Unmanned Aerial Vehicle (UAV) products, parts, accessories, and services from global providers, the trade show is the UK's largest UAV event. The event was very successful and generated a great deal of interest in the Company's technology solutions.

## **INFINITY TECHNOLOGY**

### **NODESTREAM HARDWARE**

Design and prototyping of the next-gen Nodestream hardware continued through Q3 CY2021. Slight delays were encountered due to supply issues of required chipsets, however the delivery schedule remains mostly unchanged. It is anticipated that compliance of the new range will now take place in Q1 CY2022 with launch occurring shortly thereafter. Results from prototype testing have been solid, with performance in line with expectations.

### **NODESTREAM EMBEDDED SOFTWARE**

Nodestream software to support embedded systems underwent a full reconciliation in the September 2021 quarter. The aim of this process was to consolidate and simplify the stack for ease of testing, future integrations, and scalability. The process is progressing as planned and is scheduled to be finalised in Q4



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CY2021. Upon completion, a full UI/UX review will be undertaken to further simplify and streamline end user onboarding and function of the systems.

### **CISCO INTEGRATION PROOF OF CONCEPT**

The proof-of-concept study to determine feasibility of integration between Nodestream and WebEx by CISCO (WebEx) system commenced in earnest during September. The first phase of the project will run for approximately two months with the end goal of leveraging the power of the Nodestream protocol to enhance WebEx's connectivity options. Successful achievement of integration will allow the study to progress to the second phase which will include creation of dedicated API.

### **PEOPLE AND SYSTEMS**

Since September quarter 2020, and in accordance with the Strategic Plan, the number of full-time personnel across the Group has increased by 178%, with a 317% increase in software and hardware development personnel to support research and development activities for Opsivity™ and Infinity product lines.

During the September quarter, the Group continued its recruitment drive for world class product and software developers and engineers to optimise and achieve the milestones of the Product Development Roadmap, as well as corporate support roles in commercial/legal, marketing, and finance for the Australian and U.S. regions.

The Group is currently working with Curtin University as a partner to the Curtin Innovation Centre to provide opportunities for PhD and STEM students to be involved in various technology-based projects associated with the Product Development Roadmap.

The Group will continue to invest in its people and systems both domestically and within the US operations to support the execution of Phase 2 and 3 of its Strategic Plan. Investment will include ongoing development of governance frameworks and evaluation of security measures within the organisation to align to the requirements of ISO27001 compliance framework.

### **CORPORATE AND FINANCIAL SUMMARY**

As at September 30, 2021, the Company had a cash balance of \$4.001M. In accordance with Listing Rule 4.7C.1., Net operating cashflows during the quarter were \$1.5M comprising cash receipts from customers of \$4.1M and cash outflows from operating activities including research and development (\$1.1M), product manufacturing and operating costs (\$2.9M) and other corporate costs (\$1.6M).

The September 2021 quarterly cash outflow shows an increased spend over previous quarters particularly in research and development from \$457K to \$1,084K. This reflects an acceleration of development activities to fully exploit the numerous opportunities available to the Company. Marketing activities also increased to \$374K during the September quarter with a redesign of the company website, development of new marketing collateral and the launch of the Opsivity™ brand.





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For the September quarter, personnel costs of \$731K and administration and corporate costs of \$423K reflect the organisational capacity to prepare and cope with growth in global operations consistent with moving from Phase 1 to Phase 2 of the Group's Three-Phase Strategic Plan. Product manufacturing and operating costs of \$2,980K included substantial vessel operating costs paid during the quarter.

Investing activities includes payments under property, plant and equipment for the refurbishment and fitout of Harvest's new facility at Technology Park, Bentley.

#### APPENDIX 4C

Please refer to the following 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 2021 quarter.

Category	Amount AUD
Directors' fees	\$50,114
Managing Director – salary and other benefits	\$92,500

<End>

*This announcement was authorised for release by Paul Guilfoyle, Group Chief Executive Officer.*

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### **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 for the energy, resources, and renewables sectors. Based 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](http://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 our home page.

## 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 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4,074	4,074
1.2 Payments for		
(a) research and development	(1,084)	(1,084)
(b) product manufacturing and operating costs	(2,980)	(2,980)
(c) advertising and marketing	(374)	(374)
(d) leased assets	(9)	(9)
(e) staff costs	(731)	(731)
(f) administration and corporate costs	(423)	(423)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash used in operating activities</b>	<b>(1,525)</b>	<b>(1,525)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(815)	(815)
(d) investments	-	-
(e) intellectual property	-	-
(f) 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	33	33
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash used in investing activities</b>	<b>(782)</b>	<b>(782)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	(22)	(22)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(428)	(428)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash used in financing activities</b>	<b>(450)</b>	<b>(450)</b>

<b>4.</b>	<b>Net decrease in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	6,758	6,758
4.2	Net cash used in operating activities (item 1.9 above)	(1,525)	(1,525)
4.3	Net cash used in investing activities (item 2.6 above)	(782)	(782)
4.4	Net cash used in financing activities (item 3.10 above)	(450)	(450)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>4,001</b>	<b>4,001</b>

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	4,001	4,001
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,001</b>	<b>4,001</b>

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	50
6.2	Aggregate amount of payments to related parties and their associates included in item 2	93
<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>		

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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.		
	n/a		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash used in operating activities (item 1.9)	(1,525)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,001
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,001
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	2.6
	<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?	
	Answer: n/a	
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: n/a	
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: n/a	
	<i>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.</i>	

## 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: October 27, 2021

Authorised by: Jeff Sengelman, Chairman of the Board  
(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.