

26 April 2021

Harris Technology Quarterly Activity Report

Highlights:

- Record breaking Q3 sales of \$10.4M (unaudited) compared to same quarter last year of \$3.4M – 206% year-on-year growth.
- Total revenue to March 2021 at \$30M (unaudited) compared to the same period last year of \$7.48M – 300% year-on-year growth.
- Positive cash flow from operations during the quarter.
- 3rd warehouse lease secured to assist the growing demand.
- On 23 April 2021, the Company successfully raised \$5M via a Placement.

Pure-Play IT and Consumer Electronics online retailer Harris Technology Group Limited (ASX: HT8) is pleased to provide its activity report for the March FY21 quarter.

Financial Update

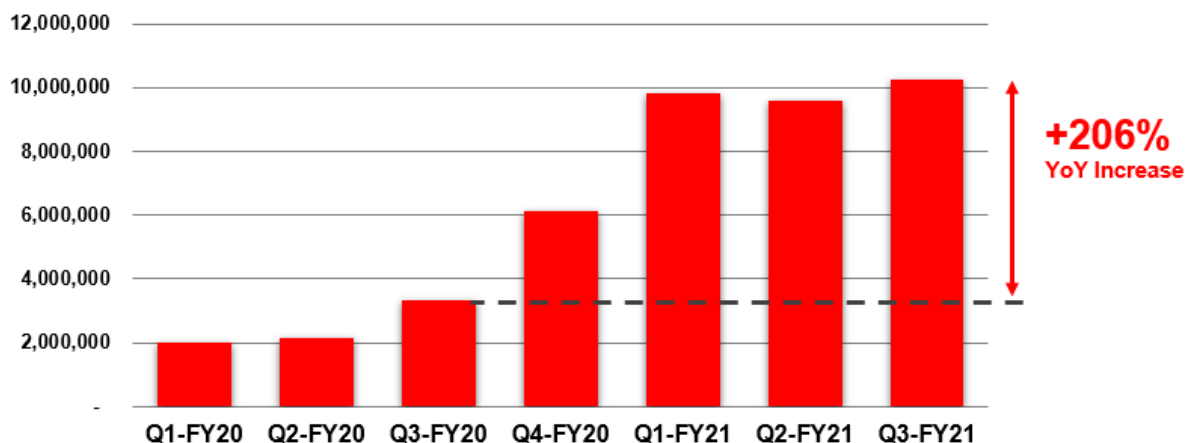
Sales revenue for the quarter of \$10.4M (unaudited) represented a 206% increase on the previous corresponding quarter.

The Company also returned an operational cash flow positive quarter with net \$381,000 positive cash inflow.

As of 31 March 2021, the cash balance is \$2.3M.

These strong quarterly sales will extend Harris Technology's YTD revenue (31 March 2021) to approximately \$30M (unaudited) which represents approximately a 300% on the previous YTD revenue (\$7.48M in Q3 FY20).

Harris Technology Group Quarterly Revenue (\$)



Operational Updates

Harris Technology has maintained its ranking as the number one technology seller on the Amazon Australia Marketplace.

Increased sales have also been recorded on eBay as well as other popular eCommerce platforms.

During the quarter, Harris Technology commenced a partnership with MYSALE Group PLC on their network of Australian eCommerce sites. Some sites owned by MYSALE Group include ozsale.com.au, oo.com.au, buyinvite.com.au, DealsDirect.com.au and Topbuy.com.au which have commenced listing a wide range of Harris Technology products. The partnership provides MYSALE lifestyle-oriented customers with opportunities to access tech and home office products and Harris Technology with access to a large sum of new customers.

Harris Technology was also appointed as an authorised reseller of the LIFX Smart Lighting, from Buddy Technologies (ASX: BUD) marking expansion into a fast-growing smart home/lighting product category. The LIFX brand is a line of energy-efficient, LED lights that can be connected to Wi-Fi and controlled through an app on a smartphone or smart home system like Amazon Alexa or Google HomeKit.

The Company was appointed as authorised reseller to sell internationally renowned gaming brands RIG, Thrustmaster and Hercules in Australia.

Gaming emerged during the pandemic is one of the most popular and growing forms of entertainment worldwide. This trend has continued into 2021 as gamers have evolved and increased their demand for high-end gaming products such as custom-built PCs, gaming mice, keyboards and headsets.

Sales of high-end graphics cards due to its computing power in Crypto mining were higher than previous quarters because of increased demand globally in response to the all-time high Bitcoin price.

Corporate

Mr Alan Sparks was appointed as non-executive Chairman following the retirement of Mr Andrew Plympton from the role on 23 February 2021.

Mr Sparks is an accomplished senior executive with over 40 years' experience in distribution, retail and technology with a proven track record of growing businesses and improving their efficiency. Mr. Sparks is a member of the South African Institute of Chartered Accountants and Graduate of the Australia Institute of Company Directors with 20 years of leadership experience in APAC and ANZ, leading growth of businesses across these markets.

Mr Sparks serves on the Board of Buddy Technologies Ltd (ASX: BUD) and Renewable Power Australia Ltd, his career includes CEO - Cellnet Group Ltd (ASX: CLT), Vice President - Belkin Asia Pacific based in Hong Kong, President APAC - Carrier and Senior Vice President – Philips Consumer Electronics – APAC, based in Singapore.

Mr Guy Polak was appointed a non-executive Director commencing from 1 April 2021. Mr Polak is a skilled retail professional with over 25 years of experience within the industry, specialising in sales, wholesale, distribution, buying, sourcing, merchandising and ownership. In 2014, Guy was promoted to Head of Buying at Catch Group where he reported directly to the CEO. Guy transformed and grew the buying department introducing structure and buying

principles that made Catch.com.au the premium destination for all branded products across major consumer categories. The growth and success of the buying department ensured Catch.com.au had a unique advantage over its competitors which was a strong attraction for the Wesfarmers acquisition of Catch.com.au in 2019.

Capital Raising (a post-reporting period event) and Outlook

On 23 April 2021, Harris Technology announced it had raised \$5M via a Placement of 40 million shares at an issue price of 12.5c per share.

The Board of Directors wishes to thank existing and incoming shareholders for their continued support and look forward to reporting more good news in the coming months.

The additional capital will help accelerate Harris Technology's already exceptional growth. Funds will be applied towards:

- Securing more general inventory
- Adding a new warehouse and logistic capacity
- Increasing gaming product purchasing power, especially on the high-power graphic cards to capitalise on market demand
- Expansion into new product categories such as homeware, kitchenware and refurbished IT products
- Gradual headcount increase to drive the expansion

With a third warehouse now in operation, having just added a second warehouse in December 2020, Harris Technology has increased its inventory capacity by more than 200% in the past six months. The increased warehouse facility has enabled further opportunities for the Company to onboard new market-leading brands and increase its purchasing power.

Refurbished electronics is a new product category that Harris Technology is exploring through discussions with various platform partners. This includes the new Amazon store dedicated to refurbished products where Harris Technology is accredited as a refurbished products seller.

This market for refurbished products is gathering momentum in both Australia and internationally where new generations of products are being rolled out faster than the product lifespan of older generations. Through this channel, customers can purchase refurbished products at significantly lower prices (up to 70% off the retail price tag) for a fully functioning smartphone, tablet, or laptop.

“Our strategy of capitalising on major eCommerce platforms is proven and achieving continued success with minimal advertising expenses. The capital raise will provide the funding for our next growth phase. We have recently increased our warehouse facilities to accommodate larger inventory volumes and expansion into new product categories,” said Harris Technology CEO Garrison Huang.

Expenditure incurred during the quarter

Expenditure Category	Amount \$
Purchase of Inventory	9,112,000
Advertising	4,000
Staff Administrative and Corporate Costs	714,000
Total	9,830,000

Related Party Payment

Payment of Director fees were \$109K during the quarter.

Harris Technology welcomes investors to join the HT8 investor mailing list for Company updates, industry research and investor discounts by subscribing at:

<http://ht8.com.au/subscribe>.

For more information, contact:

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This announcement has been authorised for release to the ASX by Alan Sparks, Chairman of the HT8 Board.

About Harris Technology Group Limited

Harris Technology Group Limited is a publicly listed company on the Australia Securities Exchange (ASX code: HT8). The Company's main business is the eCommerce business of Harris Technology (HT) – www.ht.com.au. Harris Technology is a well-known brand with a 30+ year history in IT/CE retail market covering a very wide range of IT products for small and medium businesses in Australia. Harris Technology was previously owned by Officeworks under Wesfarmers and prior to this, it was owned by Coles Myer Group. Harris Technology no longer operates any physical shopfronts – all businesses of Harris Technology are conducted online both on www.ht.com.au and via the major online platforms such as Amazon, Kogan, Catch and eBay etc.