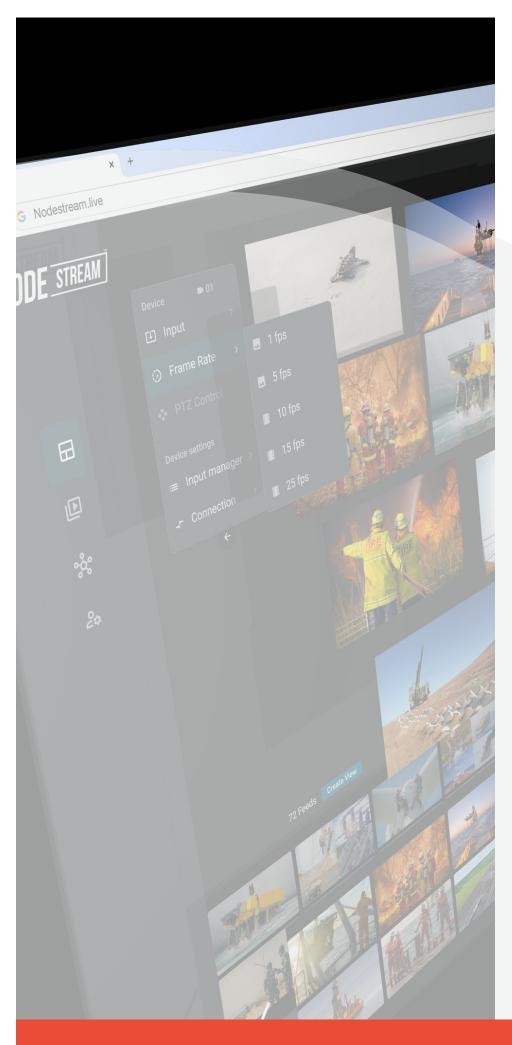
HARVEST TECHNOLOGY GROUP

Corporate Update ASX:HTG

16 April 2024







Q3 FY24 Quarterly Activities Results (4C released earlier today)

In an effort to provide shareholders with timely insights and afford me the opportunity to elaborate on the details, we have chosen to release our Quarterly Activities Report earlier today ahead of schedule.

Third Quarter Operational Summary:

- A. We received \$744K receipts from customers for the quarter
- B. Noteworthy aspects include:
 - 1. A boost from \$1.67M in R&D rebates
 - 2. Repayment of the \$1M R&D rebate advance loan
 - 3. Repayment of the previous CEO's \$250,000 loan
 - 4. Ending the quarter with \$749K in cash
 - 5. Our current monthly cash burn rate is reducing to approximately \$400K
 - 6. We are in the final stages of devising a funding strategy that aligns with our 3-year Strategic Plan

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3 Year Strategic Plan & Growth Strategy

- > Our focus is to finalise the 3-year plan & release to market in June
- Inclusive of a robust funding plan & to clearly outline a pathway to profit to eliminate the cash burn
- I am sharing some key items today ahead of the formal release

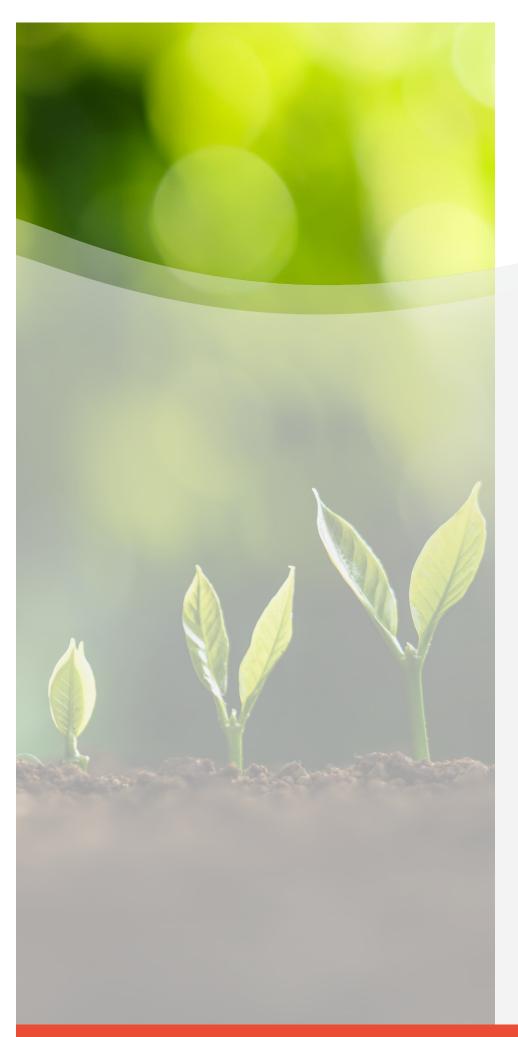
Why hasn't Harvest been successful in growing revenue? **Key learnings from my first 78 days:**

- 1. Harvest had a reputation for being very difficult to deal with commercially
- 2. When I walked into Harvest, I found a company that was very internally focussed with a very capable executive management team that were not empowered
- 3. We have fixed these issues, all executives are clear on their role and what they need to do to support the overall plan & our existing and target customers are getting the message that Harvest is open for business and flexible in its commercial approach
- 4. I also found a company full of very talented people who are passionate about Harvest as a company and its technology
- 5. We have incredible technology with a broad range of usage cases across diversified sectors which is what really attracted me to the company
- 6. Customers have a real need for our technology
- 7. We have limited competitors and virtually none that can deliver the security, performance and overall solution that Harvest offers as evidenced by our existing customers testing out many solutions & their direct feedback that we have no peer
- 8. We are expanding our pricing models to include engagement terms that are tailored for Enterprise Customers
- 9. A key focus is moving customers to long term contracted terms, allowing the customers and Harvest to have a longterm journey together to deliver significant benefits for both parties
- 10. I am currently in the UK meeting across the UK & Europe with existing and prospective customers & partners delivering this message directly to them & getting their honest feedback on how we can improve Harvest to delight our customers



Customers & our routes to grow revenue and market share

- 1. A key conference I attended last week provided further evidence of the vast number of customer critical use cases for Harvest's technology
- 2. In particular military applications for our technology are enormous, we are booked solid with ministry of defence organisations across the UK and Europe
- 3. To execute on these vast opportunities, we will be expanding existing partnerships and securing new partners that are already providing large scale customer solutions. We need to leverage our partners to get a force multiplier benefit and to get the best return on our existing operating cost base
- 4. We will be expanding our use of partners and in particular see country & industry specific partners as an effective channel to market, benefiting Harvest, our partners and most importantly our customers
- 5. We have three primary paths to market:
 - a. Sales via Channel Partners, who specialise in specific markets & industry segments, our focus is marine, oil & gas, military, emergency services and government
 - **b. Direct sales** where we don't have an established Channel Partner
 - c. OEM Customers we are working with a range of companies, for example drone manufacturers to embed Harvest's market leading technology into their solutions. The recent launch of our pure software solution (AVR) has made this possible



Growth via Strategic Acquisitions

Our growth and future will also be supplemented and enhanced through strategic acquisitions that:

- 1. Increase our revenue & profit
- 2. Expand our industry reach
- 3. Add to our Capability
- 4. Are companies we naturally would partner with
- 5. We want acquisitions that are complimentary, likely that some of our key partnerships that are existing routes to market will be considered for investment to further strengthen those relationships & provide benefits for both parties
- 6. We will be careful in our acquisition models, including looking at staging the buyout to reduce risk and manage our cashflow / share issues
- 7. A key metric will be to ensure the acquisitions are EPS accretive



Summary

- 1. We will present the 3-year plan to the market in June
- 2. Then we will execute the plan and tune as needed based on customer requirements and market forces
- 3. I look forward to providing further updates as we:
 - a) Increase our revenue, reduce our burn rate
 - b) Sign new channel partners & customers
 - Secure binding terms with target acquisitions C)
- 4. In closing, the board, our team and I are very excited by the opportunities and are laser focussed on continuing to improve and enhance the company
- 5. We thank you for your support

Ilario Faenza **CEO & Executive Director**





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