



Announcement to ASX
ASX Code: HTG

October 31st, 2024

ACTIVITY REPORT – SEPTEMBER QUARTER 2024

KEY FINANCIAL HIGHLIGHTS DURING THE QUARTER

- The Group recorded revenue of \$746k (59.7% higher than Q4 FY24) and Cash Receipts of \$530K (31.2% lower than Q4 FY24) in the September quarter. \$188K of Cash Receipts received in Q4 FY24 relate to a sales order delivered to our defence partner in Q1 FY25.
- The Group recorded EBITDA of (\$1.2M) in the September quarter (45.0% improvement on Q4 FY24).
- The Group raised \$2.203m (before costs) via a range of debt and convertible note instruments in September quarter as follows:
 - \$0.420m of unsecured short-term debt
 - \$0.283m of Loan Notes secured against the FY24 R&D rebate
 - \$1.300m of Convertible Loan Notes secured against the FY25 R&D rebate
 - \$0.200m of Convertible Notes unsecured with a 2-year term
- In August 2024, the Group secured an additional order and full advance payment from our defence partner to supply a further 25 NSI (Nodestream™ Integrated device) units.
- Lodgement of the group R&D Rebate for \$1.59M
- At September 30, 2024, the Group held \$373k cash at bank. Subsequently in October 2024, the Group received a binding commitment for a further \$2.0m via a placement to a sophisticated investor.

October 31st, 2024: Harvest Technology Group Limited (ASX:HTG) (**Company, Harvest, Group**) is pleased to provide its quarterly Activity Report and Appendix 4C for the September 2024 quarter.

OPERATIONS

Key operational highlights for the Q1 FY2025 quarter include:

- The Group released its 3-Year Profitability Plan and commenced negotiations with its first acquisition target.
- Appointment of Neil Matheson as Sales Director and subsequent progression of strategic opportunities with several compatible technology partners in defence, satellite communications and telecommunications.



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- Received commitment from an existing customer for implementation of Nodestream™ on a further six (6) vessels, with the first three-vessel installation to be issued in early November 2024.
- Successful completion of trial and deployment of Nodestream™ Live with a partner-sourced end customer, located in the Middle East. Purchase order for the first deployment at five (5) sites of a total of sixty (60) locations, received in October 2024.

CASH RESOURCES

The Company reported a cash balance of \$373k on September 30, 2024. The overall net cash outflow for the quarter was \$72k.

Significant cash movements during the quarter included:

- Receipt of \$2.203m (before raising fees) via a range of debt and convertible note instruments.
- Net operating cash outflows during the quarter were (\$2.0m) comprising cash receipts from customers of \$530k, and cash outflows from operating activities including research and development (\$890k), staff costs (\$654k), sales/marketing costs (\$106k), corporate/administration costs (\$605k), interest costs (\$182k) and other costs (\$101k).
- Q1 included cash costs that related to prior periods, including termination and other costs relating to the restructuring of the company and prior period legal costs relating to the Vroon case. These amounts totaled \$282k. Going forward the company expects reduced legal costs and further cost reductions from its cost saving initiatives.

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 June 2024 quarter.

Category	Amount
Directors' fees and allowances (inclusive of CEO, who is also an Executive Director)	\$92,614

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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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: <https://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 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 2024

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	530	530
1.2 Payments for		
(a) research and development	(890)	(890)
(b) product manufacturing and operating costs	(102)	(102)
(c) sales, advertising and marketing	(106)	(106)
(d) leased assets	-	-
(e) staff costs (all non-R&D staff)	(654)	(654)
(f) administration and corporate costs	(605)	(605)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(182)	(182)
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	(2,008)	(2,008)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	(5)	(5)
(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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(5)	(5)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	1,500	1,500
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(131)	(131)
3.5	Proceeds from borrowings	703	703
3.6	Repayment of borrowings	(131)	(131)
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	1,941	1,941

4.	Net decrease in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	445	445
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,008)	(2,008)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(5)

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)	1,941	1,941
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	373	373

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	373	445
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)	373	445

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	93
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>		

7.	Financing facilities <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>	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 (Loan Note Financing, Insurance Premium Funding, Short Term Loan)	3,486	3,486
7.4	Total financing facilities	3,486	3,486
7.5	Unused financing facilities available at quarter end		-
7.6	<p>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.</p> <ul style="list-style-type: none"> - Short Term Loan, 15% Interest Rate, Unsecured, 31 December 2024 Maturity Date - Hunter Premium Funding, 3.21% Interest Rate, Unsecured, 12 January 2025 Maturity Date - Loan Note Financing, 15% Interest Rate, Secured, 25 April 2025 Maturity Date - Convertible Loan Notes, 15% Interest Rate, Secured, 7 August 2025 Maturity Date - Convertible Notes, 15% Interest Rate, Unsecured, 6 October 2026 Maturity Date 		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash used in operating activities (item 1.9)	(2,008)
8.2	Cash and cash equivalents at quarter end (item 4.6)	373
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	373
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.19

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.

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:

Net operating cash flows are expected to improve in the coming quarter as receipts from customers improve from increased sales activity and cost reduction measures take effect.

The Company received a binding commitment for a further \$2.0m via a placement to a sophisticated investor in October 2024.

The Company's next R&D claim (with an estimated value of c.\$1.587m) has been submitted. Subject to the timing of processing and review by the Australian Tax Office, the Company expects to receive a cash refund by November 2024.

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. On the basis of its 3 year profitability plan, latest sales forecast and R&D incentive claim, 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 3 year profitability plan, latest cash flow forecasts, latest sales orders 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: 31 October 2024.....

Authorised by: By 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.