

29 April 2025

Quarterly Activity Report: January – March 2025

Highlights:

- Q3 FY25 sales of \$3.3M
- Q3 FY25 net operating cash outflow of \$0.3M
- \$1.5M capital raise at 100% premium
- \$2.1M cash on hand and \$6.0M undrawn on financing facility
- \$3.3M of inventory on hand (including \$2.8M purchased in Q3 FY25)
- No impact on revenue from United States tariffs expected

Pure-play online retailer Harris Technology Group Limited (ASX: HT8) ("Harris Technology" or the "Company") is pleased to present its activity report for the March 2025 quarter (Q3 FY25).

Operations Update

Harris Technology generated sales revenue of \$3.3M in the March 2025 quarter with a net operating cash outflow of \$0.3M.

Sales of refurbished tech products have been consistent with the refurbished business having commenced a process to scale up its operations to secure more pre-owned products and expand the refurbishment team after raising \$1.5M via a private placement in order to grow the business. While undergoing this scaling up process, Harris Technology will invest more into securing stock that is suitable for refurbishment while testing additional product ranges on the market.

To date, the Refurbished business has primarily been laptops, monitors, routers, servers and accessories. With this established infrastructure, Harris Technology is now preparing to test entry into other IT products, devices and household appliances.

Noting media reports around import tariffs for products exported to the United States, Harris Technology sells a small range of white-label products to US markets. This US business would likely close in the event the reported tariffs are realised but Harris Technology does not anticipate any material change to revenue in this scenario given the small volume of products currently being sold via third-party distribution centres in the US.

As of 31 March 2025, inventory on hand was \$3.3M, slightly down from the \$3.6M reported at the end of December, including \$2.8M of purchased inventory during the March quarter.

Harris Technology closed the quarter with \$2.1M of cash on hand with \$6.0M undrawn on its finance facility.

Harris Technology CEO, Garrison Huang, commented, “It has been pleasing to see the momentum generated by our refurbished business and the gaining of attention from FSP which has provided us with the capital injection to scale the business.

“Over the coming months, we see a substantial opportunity to leverage Harris Technology’s global supply chain infrastructure to solidify our position as a leading seller of refurbished tech products which will enable us to expand our product range in FY26 and beyond.”

Corporate Update

On 10 March 2025, the Company announced the private placement of 29,829,678 ordinary shares and 44,870,322 preference shares to Taiwan-based technology company, FSP TECHNOLOGY INC (FSP) to raise \$1.494 million at an issue price of 2c per share.

The placement issue price of 2c per share represented a significant premium to the last closing price on the ASX (1c on 3 March 2025) and the 15-trading day VWAP of 1.028c. In the event all of the preference shares are converted to ordinary shares, FSP will own 19.9% of the HT8 ordinary shares on issue.

The funds raised are being applied to HT8’s expansion into high-growth product segments, including the refurbishment of pre-owned electronics. These offerings present significant opportunities to diversify revenue streams, broaden retail channels, and enhance overall margins. Additionally, HT8 will capitalise on Harris Technology’s established online presence and business infrastructure to optimise efficiency and profitability.

Shares from the placement were issued on 14 March 2025.

FSP Technology Inc (3015.TW) is listed on the Taiwan Stock Exchange with a market cap over NT\$8 billion (A\$400M). FSP is the leading power supply manufacturer in the world, producing large selections of products to serve its OEM/ODM customers in business fields such as edge computing, medical, smart-energy, gaming PC, and PD charger applications.

Expenditure incurred during the quarter

Expenditure Category	Amount \$ (,000)
Purchase of Inventory	2,849
Advertising	7
Staff Administrative and Corporate Costs	736

The amount included in section 6.1 of the Appendix 4C is the payment of fees to directors.

**All FY25 financial data quoted is unaudited unless stated otherwise.*

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 ASX release by HT8 Chairman, Alan Sparks.

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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Harris Technology Group Limited

ABN

93 085 545 973

Quarter ended ("current quarter")

31st March 2025

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	3,251	10,467
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(2,849)	(9,145)
(c) advertising and marketing	(7)	(21)
(d) leased assets	(66)	(164)
(e) staff costs	(508)	(1407)
(f) administration and corporate costs	(162)	(326)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	3
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)		
1.9 Net cash from / (used in) operating activities	(340)	(593)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	-	-
(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		
	(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		

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,494	1,494
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		
3.5	Proceeds from borrowings	-	400
3.6	Repayment of borrowings	(120)	(180)
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	1,374	1,714

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,061	974
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(340)	(593)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		

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)	1,374	1,714
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,095	2,095

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	1,095	1,061
5.2	Call deposits	1,000	
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)	2,095	1,061

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	92
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. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amounts at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	3,000	2,035
7.2	Credit standby arrangements	5,000	-
7.3	Other (please specify)		-
7.4	Total financing facilities	8,000	2,035
7.5	Unused financing facilities available at quarter end		5,965
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> <ol style="list-style-type: none"> 1. A loan facility of up to \$2 Million from GWH Trust controlled by MD/CEO. The loan is at 6% annual interest effective from July 2023, unsecured and expires on 30th September 2025 and repayable in instalments of \$13,300 per month. The amount currently drawn - \$1,539,570 2. A loan facility of up to \$1 million from MD/CEO. The loan is 6% annual interest, unsecured and expires on 30th September 2025 and repayable in instalments of \$17,000 per month The amount currently drawn – \$495,057. 3. \$5,000,000/- Unlock / The Marketlend facility will be secured by a PPSR charge, available at the interest rate of 1.5% for 30 days. 2.75% for 60 days or Over 90 days 4%. The amount current drawn – NIL 		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(340)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,095
8.3	Unused finance facilities available at quarter end (item 7.5)	5,965
8.4	Total available funding (item 8.2 + item 8.3)	8,060
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	23.71
	<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:	

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:

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

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:29 April 2025.....

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.