Announcement to ASX

ASX Code: HTG

August 30, 2023

Appendix 4E Statutory Report
to ASX in accordance with Listing Rule 4.3A

I. DETAILS OF THE REPORTING PERIODS

Reporting period: For the year ended 30 June 2023

Previous period: For the year ended 30 June 2022

II. RESULTS FOR ANNOUNCEMENT TO THE MARKET

			%	30 June 2023 $	30 June 2022 $
(i)	Revenue from ongoing ordinary activities	Up	42	3,042,307	2,145,455
(ii)	Net loss from ordinary activities attributable to members	Down	29	(9,684,421)	(13,710,336)
(iii)	Net loss for the year attributable to members	Down	31	(10,002,733)	(14,500,660)
(iv)	Dividends			Nil	Nil
(v)	Record date for determining entitlements for dividend			n/a	n/a

Further details on the results for the year are set out in the 2023 Statutory Report which has been released at the same time as this announcement.

III. DIVIDENDS

The Board did not declare nor pay any dividends for the financial year ended 30 June 2023 and it is not proposed to pay any dividends in relation to the financial year end.

IV. NET TANGIBLE ASSETS PER SECURITY

Net tangible assets are defined as the net assets of the Group less intangible assets. Assets classified as intangible assets include goodwill, software and intellectual property.

	30 June 2023	30 June 2022
Net tangible assets per ordinary share (cents per share)	**(0.27)**	0.39

V. CONTROL GAINED OR LOSS OF CONTROL OVER ENTITIES HAVING MATERIAL EFFECT

Not applicable

VI. ASSOCIATES AND JOINT VENTURE ENTITIES

Not applicable

VII. AUDIT QUALIFICATION OR REVIEW

The financial statements have been audited by HLB Mann Judd. The independent audit report contains an emphasis of matter in relation to the going concern as further detailed in Note 1.8.

VIII. ATTACHMENTS

Additional Appendix 4E disclosure requirements and financial information is included in the 2023 Statutory Report which has been released at the same time as this announcement.

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

Paul Guilfoyle

Date: 30 August 2023

Mr. Paul Guilfoyle

Group Chief Executive Officer, Harvest Technology Group

HARVEST TECHNOLOGY GROUP LIMITED

STATUTORY REPORT
JUNE 2023

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Harvest Technology Group Limited. ABN 77 149 970 445. Registered in Australia.

Directors' Report

The Directors present their report together with the financial statements of Harvest Technology Group Limited ("Company") and the entities it controls (together, "the Group") for the financial year ended 30 June 2023.

Directors Details

The names of Directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

JEFFERY SENGELMAN
CHAIR & INDEPENDENT NON-EXECUTIVE DIRECTOR

Jeffery Sengelman DSC AM CSC MAICD is a retired Major General in the Australian Defence Force, with a distinguished career spanning almost 40 years, most recently as Special Operations Commander, Australia.

He has been a trusted senior adviser to both Government and the Chief of the Defence Force on security issues of national significance, and a principal adviser on Counter Terrorism.

Jeffery holds a Bachelor of Arts, a Master of Arts in International Relations and a Master of Arts in Strategic Studies and is a graduate of the Australian Command and Staff College, United States Army War College and a Fellow of the Harvard Kennedy School of Government.

Interests in shares:	500,000 fully paid ordinary shares

PAUL GUILFOYLE
MANAGING DIRECTOR (resigned as a Director effective 10 July 2023)
GROUP CHIEF EXECUTIVE OFFICER

Paul Guilfoyle is a motivated leader with a reputation for turning vision into reality and has the ability to identify and enable threads of opportunity to bring together strategic partners. This has earned him the respect of, and a seat at the table, with key industry players.

Paul is very much a people-centred individual and is distinguished by his talent for creating and investing in highly engaged teams. A great believer in thinking outside the box, he is an enabler of innovation and inspires team members to extend their thinking beyond current practice.

Having been involved in a number of senior roles throughout his career and with a proven track record in business transformation, he is well-versed in spearheading strategic shifts within an organisation to drive future competitive advantage and profit performance, and ensure Clients receive quality service.

Interests in shares:	36,671,179 fully paid ordinary shares
Interests in share options:	3,333,333 unissued shares under option

MARCUS MACHIN
NON-EXECUTIVE INDEPENDENT DIRECTOR

A law graduate of Cambridge University, Marcus Machin has extensive international experience in finance, shipping and oil and gas. Based in Dubai for the past 25 years, initially as the Finance Director for a major regional participant in oil services, engineering, vessel-owning and investment, Marcus established arabCapital in 2000 as a corporate finance and advisory practice focused primarily on the international shipping and oil services sectors.

Since 2000, arabCapital has worked in association with the Tufton Oceanic Finance Group (Tufton) London, a finance house focused on shipping and oil services and together with Tufton has concluded over US$1.0 billion of institutional investments in managed investment fund vehicles.

Interests in shares:	18,917,292 fully paid ordinary shares
Interests in share options:	3,333,333 unissued shares under option

ROSS MCKINNON
NON-EXECUTIVE INDEPENDENT DIRECTOR (appointed effective 1 April 2023)

Ross is a seasoned director with extensive corporate and technology experience who has led high performance teams within large international corporations.

Graduating from the University of Queensland with dual degrees, Bachelor of Mining Engineering (Hons) and Bachelor of Science, he has worked with technology in many sectors including finance, aerospace, manufacturing, and retail. Ross is currently Executive Chairman of Grabba Technologies Pty Ltd which is involved in end-to-end integration of the latest biometric identity authentication and data capture technologies.

Interests in shares:	7,692,308 fully paid ordinary shares

ROD EVANS
NON-EXECUTIVE INDEPENDENT DIRECTOR (resigned effective 3 October 2022)

Rod is an experienced company director and has been involved in successful start-ups, turnarounds and business growth across medium and large-scale businesses. Rod currently chairs the boards of Cranecorp Australia, a crane services business, and Ashburton Assurance Australasia, a quality assurance audit business. He has held previous board positions in civil, financial services, water supply, venture capital and community not-for-profit.

Rod has held a range of executive roles in strategy and investment, including Managing Director of an ASX listed venture capital provider, senior executive roles in corporate strategy with Alinta Limited and Neptune Marine Services Limited. He has also headed the resource sector investment attraction program for the Western Australian Government. He is currently the principal of The Ideas Factory Australia, a specialist ideation and strategy business. During his career Rod has worked on mergers, acquisitions and new initiatives in Australia and overseas with values up to AUD$20 billion.

Interests in shares*:	3,047,553 fully paid ordinary shares

* As at the date of cessation as a Director

STUART CARMICHAEL
NON-EXECUTIVE INDEPENDENT DIRECTOR (resigned effective 3 October 2022)

Stuart Carmichael has extensive international corporate advisory, mergers and acquisitions, and operational experience. Mr Carmichael held various senior executive leadership positions with UGL, DTZ, AJG, and KPMG Corporate Finance. He has extensive corporate and operational experience across multiple geographies having lived and worked in the US, UK, Europe, the Middle East and Australia.

Stuart's sector experience includes the construction, transportation and logistics, facilities management, corporate real estate and professional services sectors. He graduated from the University of Western Australia with a Bachelor of Commerce degree, majoring in Accounting and Finance and is a qualified Chartered Accountant.

Interests in shares*:	646,849 fully paid ordinary shares
Interest in performance rights*:	750,000 Class 2 Performance Rights
	900,000 Class 3 Performance Rights

* As at the date of cessation as a Director

Company Secretary

Jack Rosagro was appointed on 8 October 2021 and continues to act as Company Secretary.

Board Meetings and Attendance

The Board is required to meet a minimum of 6 times per year. Directors are required to allocate sufficient time to perform their responsibilities effectively, including adequate time to prepare for Board meetings.

During the reporting year, the Board met 13 times. The number of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

	Full meetings of Directors	**Meetings of Audit & Risk Management Committee**
Director	**No. of meetings attended**	**No. of meetings attended**
Jeffery Sengelman	13	2
Paul Guilfoyle	13	2
Marcus Machin	13	2
Ross McKinnon	3	0
Rod Evans	3	1
Stuart Carmichael	2	1

Principal Activities

The principal activities of the entities within the Group during the year were the:

- Development and delivery of proprietary software, products and services enabling the secure encrypted transfer of data, including high-definition video and audio, from anywhere via satellite or congested networks at ultra-low bandwidths; and
- Provision of a SaaS-based mobile technology platform to provide enhanced connectivity and operational support to field technicians with enhanced user interface and integration with job and project management software.

In the comparative period of the prior year, principal activities also included provision of offshore solutions and engineering services for subsea intervention projects and asset integrity risk mitigation (these activities were discontinued in September 2021).

The above products and services are provided primarily to the energy, maritime, offshore services, defence, utilities, security and surveillance and unmanned systems sectors enabling customers to optimise remote operations.

Operating and Financial Review

Key Achievements During the Year

Key priorities for the Group moving into 2023 were continuing to accelerate revenue and customer growth, whilst maintaining discipline around spending, and delivery of innovative technology solutions, including the Cloud-based technology platform.

Some of the highlights during FY2023 include:

- Announcement of a two-year contract for the supply of Harvest's ultra-low-bandwidth, high-quality secure Nodestream™ technology to play a key role in supporting remote operations for an European Union Defence Force (EUDF) customer. On June 22, 2023, the Company received approval to commence Phase 2 implementation of the contract which involves provision of the hybrid (combined) version of the Nodestream™ and RiS™ technologies. Phase 2 involves connecting naval personnel with onshore medical professionals for expert advice and direction during operational deployments. Phase 3 will involve the incremental roll-out and installation of the technology to more than 100 of the EUDF's field assets during the next 12-24 months.
- Receipt of an initial order in June 2023 from a Five Eye Defence customer for implementation of Nodestream™ technology solutions for intelligence, surveillance and reconnaissance applications.
- Deployment of Nodestream™ for a U.S, based defence and government contractor specialising in maritime security and intelligence, environmental monitoring and offshore renewables. The technology will be integrated with various assets including uncrewed surface vessels (USV) and coastal buoys to perform maritime security, surveillance, and monitoring applications.
- A two-year contract with Vallianz Holdings Limited (Vallianz), a provider of specialised vessels to Tier 1 customers in the offshore energy sector. Vallianz operates a fleet of over 70 purpose-built offshore support and heavy lift vessels around the world. The initial contract is for installation of Nodestream™ technology on their new-build DP2 vessel, "Vallianz Prestige".
- A second contract with Beach Energy Limited (Beach Energy), a key supplier to Australia's East Coast gas market, to embed Harvest's unique, proprietary technology into a smart buoy to enable Beach Energy to capture and process data from subsea assets in near real-time at a fraction of the cost of traditional monitoring methods.
- Securing an initial order from International Rescue, a global aid organisation focused on rapid deployment of first response to emergency and disaster events across the globe. Harvest will support International Rescue with an initial order for a bespoke solution utilising Nodestream™ ruggedised technology to support situational awareness and critical decision-making in first response to disasters and emergencies.
- Harvest received the next order for RIS™ units to be installed on the next two 78-metre uncrewed surface vessels (USVs) in Ocean Infinity's Armada fleet – the world's largest oceangoing robotic fleet. From 2023, Ocean Infinity is planning to roll out a total of six additional 78-metre USVs and place into production twenty-three 12 to 18 metre USVs.
- Concluding a new global reseller and solution partnership and commercial strategy with Applied Satellite Technology (AST) Group, to prioritise innovation that offers new value, better service and improved efficiency to AST's customers. AST is a full-service communications integrator, providing the maritime, energy and government sectors across the globe with reliable hybrid end-to-end connectivity solutions.
- Signing a partnership with Shamal Technologies of the Kingdom of Saudi Arabia, opening opportunities to enable the next evolution of remote operations in the Kingdom of Saudi Arabia and within the Middle Eastern region.
- Entering a partnership with Digital Edge Subsea (DES), one of the world leading providers of software and digital video inspection systems for the global oil and gas industry. Harvest will embed its video streaming

protocols into DES' EdgeDVR technology, to provide offshore contractors, construction companies, drilling contractors, and diving and ROV service companies with an unrivalled ability to record video offshore as well as livestream high-quality feeds using ultra-low bandwidth directly via the cloud, removing the need for additional hardware mobilisation. DES currently has over 800 units in operation globally and a 150-unit hire pool. Strategy for delivery and sales and marketing is underway.

Delivering on Strategy

We have a vision of becoming a globally recognised leader in innovative technology that enables smarter remote operations. To achieve this, the Company adopted a Three-Phase Strategic Plan which was released to the market in October 2020.

The framework for our strategy is robust, simple and agile. It focuses on implementation of the steps required for a global roll-out of our leading-edge technology. The framework consists of the following three phases:

- Phase 1 – Improving speed to market and setting course for scalability
- Phase 2 – Establishing income diversity
- Phase 3 – Expansion and growth

In alignment with Phase 2 of the Strategic Plan, the Group remains focused in the year ahead on continuing our momentum to further grow and diversify our revenue/customer base, engage new and current partners and increase our marketing efforts to drive and expand our global market awareness and maintain our unique competitive advantage through the launch of new technology.

Speed & Scalability

- Development and delivery of downloadable Infinity Wearwolf™ decoder software application
- Building production and management system to enable scalability
- Advancement of existing Infinity product suite development
- Ramping up of resources to support innovation, customer success, business development activities, and expansion into the US and European regions
- Establish relationships with global industry solutions and services providers and wearable manufacturers

Income Diversity

- Transitioning the business model to diversify customer base
- Development and release of downloadable Infinity Nodestream™ decoder software application
- Move People and resources into central facility
- Develop alliances with global industry solutions and services providers and wearable manufactures to access new customer base
- Develop our business in the U.S. and EMEA regions
- Actively seek business opportunities to expand market penetration
- Development of mobile platform

Expansion & Growth

- Release of mobile platform
- Establish relationships within the Australian Defence, Space and National Security communities with aspiration to become a trusted provider to 5VEY and Primes
- Explore and develop third-party alliances and opportunities in the Consumer market
- Commence initial exploration and development of business opportunities in Asia

Leading Innovation

Harvest is a global leader in the delivery of innovative technology, enabling people to connect and transfer real-time, high-fidelity data, video and audio from anywhere in the world regardless of location, network quality or congestion.

In the last twelve months the Group has continued to invest in research and development activities and resources to provide innovative solutions to the market and extend the Company's competitive advantage. Key developments include:

- Release of the Company's V2 Nodestream™ Core Engine and commencement of the roll-out of the new V2 protocol across the existing customer base. The V2 protocol boasts additional enhanced and configurable security applications and an additional 20% saving of bandwidth usage in comparison to the V1 protocol.
- Completion of hybrid integration of the Nodestream™ / RIS™ technology applications including successful deployment as a beta application with Fugro on their Australian USV fleet.
- Development of the unique smart-buoy technology for Beach Energy that embeds Harvest's proprietary technology into an ocean buoy that enables users to capture and process data from subsea assets in near real-time at a fraction of the cost of traditional monitoring methods. The unique solution developed by Harvest to meet Beach Energy's use case has created a great deal of interest in the industry, with the main article being reproduced by multiple industry-based news platforms. Harvest is currently in technical discussions with another global energy major for a potential buoy development program.
- The Company announced in November 2022, it was ahead of schedule in the development of its next major product, a rapidly scalable cloud-based unified communications platform, code-named "NS2". NS2 will incorporate the Nodestream™ engine within an ecosystem delivering synchronous data, video and audio anywhere and anytime while combining all the capabilities available in cloud environments, such as artificial intelligence and scalable data storage. The new platform will enable the Group to capture new revenue streams, such as data and content management and the option to create system integrated Application Programming Interfaces (APIs). The commercialisation strategy is well underway. The Company is working on finalising an ever-growing list of trial partners in multiple sectors to participate in pre-launch testing due to commence in October 2023.
- Working with numerous parties in the Unmanned Aerial Vehicle (drone) market, including Inmarsat and their partner network, to support the scalable potential of the UAV market by leveraging the Group's existing connectivity solutions. This included several paid pilot projects which are expected to lead to new sales orders over the coming year.

The Company's commitment to innovation resulted in receipt of $2.5m R&D tax incentive rebates during the year.

Capital Management

Following the shareholders' approval at the Annual General Meeting in November 2022, Mr. Paul Guilfoyle and Mr. Marcus Machin have contributed a further $1.0m placement during the financial year. These placement shares carry the right to receive 1-for-1 free attaching options exercisable at $0.25/share, with an expiry date 7 April 2024 in line with the placement conducted in February 2022.

In February 2023, the Group had received $249,600 from the exercise of 3,840,000 unlisted options over fully paid ordinary shares.

In March 2023, the Group had received $500,000 from the incoming non-executive director, Mr. Ross McKinnon, through a placement at $0.065/share.

In July 2023, the Group had received $2,100,000 from sophisticated investors through a placement at $0.037/share.

In August 2023, the Group raised a further $155,000 from existing eligible shareholders through a share purchase plan at $0.037/share.

Financial Results

Despite challenging economic and market conditions during the year, Revenue earned from the sale of remote communications technology was 41.8% higher than prior year at $3,042,307 (2022: $2,145,455).

There is a growing awareness of our technology and solutions across our expanding global network and through our increased partner network. In line with our strategy, the Group is diversifying its sales mix via expansions into new sectors (including defence and government) and regions such as the Middle East. Our sales growth has been aided by the restructure and growth of our global sales team to focus on building revenue and lead generation activities.

The last twelve months has remained challenging with continuing economic and geopolitical turmoil which has led to increased market uncertainty. In some cases, this has slowed customer decision-making and impacted some supply chains. In some of Harvest's end-markets this instability has also had a positive impact on demand and led to increased interest in technology solutions that can help customers reduce costs, increase the benefits of digitalisation in their service offering, reduce their carbon-footprint, improve situational awareness and enhance operational efficiencies.

By the end of the financial year, the Company has tripled its opportunity pipeline, expanded its market awareness and lead generation activities, further diversified its customer base and sector penetration, brought on three new strategic partners and established its UK/EMEA regional sales operations.

From a technology standpoint, the Group has centralised technology development activities back in Perth, developed new products and enhancements to existing products, provided innovative and unique solutions to market and further advanced the planned launch of the "NS2" cloud platform. Our ongoing investment in research and development activities led to the receipt of $2,564,281 (2022: nil) in R&D incentive rebates from the Australian Tax Office during the year.

Personnel expenses reduced by 19.1% from $9,475,333 to $7,660,911, as the Company focused on cost discipline, investing in the capabilities needed to grow and support sales and optimising its skills-mix needed for the next phase of growth. Following completion of certain technology development projects, the Group transitioned some technology development roles from the USA back to Perth. Overall staff numbers reduced during the year from 46 to 41.

The Group incurred a significantly reduced loss after income tax from continuing and discontinued operations of $10,002,733 (2022: $14,500,660). The results include a loss from the discontinued vessel operations division of $318,312 (2022: loss of $790,324). The reported loss included significant pre-tax non-cash expenses, including a $2,552,853 write-down in the carrying value of intangible assets related to the US business, Intellectual Property Amortisation of $1,219,800, Depreciation/Amortisation of $578,919 and Share Based Payments expense of $486,080.

The Group recorded a net cash outflow for the year of $3,504,719 (2022: $2,265,312). Net operational cash outflows were significantly reduced to $4,586,206 (2022: $9,004,539), helped by the receipt of $2,564,281 R&D rebate incentives (2022: nil). The cash balance as at June 30, 2023, of $992,018 (2022: $4,497,315) was significantly boosted post year-end by the raising of $2,255,000 additional capital (refer Significant Events After Balance Date below).

Significant Changes in The State of Affairs

There were no significant changes in the state of affairs of the Group that occurred during the financial year

Dividends

The Directors recommend that no dividend be paid for the year ended 30 June 2023 (2022: nil).

Significant Events After Balance Date

During July/August 2023, the Group has raised $2,155,000 from a share placement and share purchase plan as disclosed in the Capital Management section above.

Net proceeds of the capital raising will ensure the Company is well-funded to continue its growth strategy, including:

- Investment in lead generation and business development initiatives, resources, and services to increase the sales pipeline and capitalise on significant long-lead opportunities that the Company is currently pursuing in the defence, maritime and energy sectors across the globe;
- Increase resources and development of systems to support and grow customer and partner sales and marketing activities to expand global presence and brand awareness;
- Pilot and pre-launch activities with selected partners in the coming months for the Company's new cloud-based platform, codenamed "NS2"; and
- Provide additional working capital for resources and systems to support these growth initiatives.

Other than disclosed above there has been no matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years.

Likely Developments

Notwithstanding the economic challenges and expectation that trading conditions may remain volatile, we believe demand will continue to grow for our products and services across our target markets as organisations across multiple industries look for solutions to securely and reliably deliver remote operations, drive greater efficiencies, increase worker safety, reduce operating costs, increase the use of digitisation and lower their carbon footprint.

The need for immediate access to data for critical decision making has created a paradigm shift in business mindset towards remote operations and digitalisation of manual activities to streamline workflows, improve communications, increase productivity and provide a competitive edge, whilst reducing operational costs and risk. Growing data requirements require more bandwidth yet there remain constraints to bandwidth resources – particularly in remote locations. Paying for additional bandwidth is cost prohibitive for many users and upgrading systems and infrastructure is complex and adds further expense and delays. Hence, the rising demand for bandwidth optimisation solutions such as Harvest's to support bandwidth intensive applications such as video streaming and cloud services.

In the year ahead we will remain focused on execution of our Phase 2 strategy and transition towards Phase 3, continuing our momentum to grow and diversify our revenue/customer base, exercise disciplined focus on spending, progressively reduce our quarterly cash burn rate whilst continuing to develop and bring to market innovative technology solutions. We plan to also:

- Continue to focus on building and supporting sales of the Infinity product line across our three key regions – namely APAC, UK/EMEA and the Americas, driven by our expanded sales and business development team and enhanced lead generation activities.
- Actively seek opportunities to expand market penetration and leverage our technologies into key markets and applications, including defence and government sectors and new markets.
- Engaging new and current long-term strategic partner relationships to drive market awareness across a global audience and expand our sales across their end-customer channels and regions.
- Complete the pilot-testing phase of our unique "NS2" Cloud-based application, commencing October 2023, and move into commercialisation and scaling of the product in the second-half of FY2024.
- Invest in targeted research and development initiatives as we progress hardware and software development projects for specific customer/end-market uses and introduce added functionality to our existing product range to maintain our competitive advantage.

Unissued Shares Under Option

At the date of this report, unissued ordinary shares of the Company under option are:

Date options granted	Number of shares under option	Exercise price of option (cents)	Expiry date of option
7-Apr-22	38,520,166	25	7-Apr-24
8-Dec-22	6,666,666	25	7-Apr-24
3-Mar-23	6,000,000	25	3-Mar-25
	51,186,832		

These options do not entitle the holder to participate in any share issue of the Company.

During or since the end of the financial year, 3,840,000 shares were issued as a result of the exercise of options (2022: 500,000).

1,920,000 options expired or lapsed during or since the end of the reporting period.

Performance Rights

During the financial year, no shares were issued as a result of the conversion of performance rights (2022: 6,945,306).

56,000,000 performance rights expired or lapsed during or since the end of the reporting period (2022: nil). Milestones for conversion of performance rights are detailed in note 7.1.

Environmental Legislation

The Group is not subject to any Environment Approvals, however, is aware of and maintains compliance to applicable environmental legislations during the performance of its daily operations.

Indemnification and Insurance of Officers and Auditors

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year, the Company incurred an insurance premium of $73,266 (2022: $65,220) in respect of a policy insuring the Directors and Officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001.

No agreements have been entered into to indemnify the Group's auditors.

Non-Audit Services

No non-audit services were provided by the auditor during the year.

Remuneration Report

The Remuneration Report, page 14, outlines the remuneration arrangements in place for the key management personnel of the Group for the financial year ended 30 June 2023.

Proceedings on Behalf of the Group

No person has applied under section 237 of the Corporations Act 2001 for leave of Court to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Auditor

HLB Mann Judd continues in office in accordance with section 327 of the Corporations Act 2001.

Auditor Independence

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. The Independence Declaration for the year ended 30 June 2023 is set out on page 21.

Signed in accordance with a resolution of the Directors.

JEFFERY SENGELMAN
Chair

Dated in Perth, Western Australia, this 30th day of August 2023.

Remuneration Report

This report outlines the remuneration arrangements in place for the Directors of Harvest Technology Group Limited (the Group) for the year ended 30 June 2023. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The Remuneration Report details the remuneration arrangements for the Directors who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, whether executive or otherwise.

Remuneration Philosophy

The performance of the Group depends upon the quality of the Executives and Key Management Personnel (KMP). The philosophy of the Group in determining remuneration levels is to:

- Set competitive remuneration packages to attract and retain high calibre people;
- Link Executive and KMP rewards to shareholder value creation; and
- Establish appropriate, demanding performance hurdles for variable Executive and KMP remuneration.

Remuneration & Nomination Committee

The Remuneration & Nomination Committee is responsible for determining and reviewing compensation arrangements for the Key Management Personnel. The Remuneration & Nomination Committee assesses the appropriateness of the nature and amount of remuneration of Key Management Personnel on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

The Remuneration & Nomination Committee operates in accordance with its Charter. The main responsibilities of the Committee are:

- Determine remuneration policies and remuneration of Directors;
- Evaluate and approve incentive policies/schemes for Key Executives;
- Ensure all Directors and senior executives have a written agreement setting out the terms of their appointment;
- Evaluate the Managing Director’s performance on an annual basis – a review was performed subsequent to the 2022 financial year;
- Determine and review professional indemnity and liability insurance for Directors and senior management;
- Review the Board composition to ensure the Board has the correct balance of skills and expertise;
- Identify, evaluate and recommend candidates for the Board, the position of Managing Director and the position of Company Secretary;
- Appointment of the Managing Director and the Company Secretary;
- Succession planning for Board members and the Managing Director.

The Remuneration & Nomination Committee can seek independent external advice from consultants with specific industry experience relevant to the Group’s remuneration assessment. Specific policies and procedures regarding remuneration determination is contained within the Directors Report.

Given the size of the Board, the Board fulfils the role of the Remuneration and Nomination Committee. The Committee did not meet during the year.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Executive Director and Non-Executive Director remuneration is separate and distinct.

Executive Director and KMP Remuneration

Remuneration can consist of fixed remuneration and variable remuneration (compromising short-term and long-term incentive schemes).

Fixed Remuneration

Fixed remuneration is reviewed annually by the Board. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Board has access to external, independent advice where necessary.

Variable Remuneration - Short-Term Incentive Scheme

The objective of the short-term incentive program is to link the achievement of the Group's operational targets with the remuneration received by Key Management Personnel charged with meeting those targets.

The total potential short-term incentive available may be set at a level so as to provide sufficient incentive to the Executive Directors and other Key Management to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Variable Remuneration – Long-Term Incentive Scheme

The Group also makes long-term incentive payments, such as performance rights, to reward Directors and other Key Management Personnel in a manner that aligns this element of remuneration with the creation of shareholder wealth.

Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Non-Executive Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The latest determination was on 10 May 2016 when the Company was admitted to the Official ASX List and an aggregate remuneration of $350,000 per annum was set. Any future changes would be approved by shareholders at an Annual General Meeting.

The amount of aggregate remuneration sought to be approved by shareholders and the way it is apportioned amongst Non-Executive Directors is reviewed annually. The Remuneration & Nomination Committee considers advice from external advisors as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Non-Executive Director receives a fee for being a Director of the Company which is inclusive of statutory superannuation and membership of sub-committees.

The Remuneration & Nomination Committee reviewed the expected commitments of each Director relative to the activities of the Company and agreed Non-Executive Directors' fees of $30,000 per annum for the 2023 financial year and $50,000 for the Chairperson's fees. This is considered commensurate with the size and activity levels of the Group.

Employment Contracts

Remuneration and other terms of employment of Executive Directors and other Key Management Personnel are formalised in employment contracts. The major provisions of the agreements related to remuneration are set out below.

Name	Terms of agreement	Employee notice period	Employer notice period	Base salary *	Termination Benefit **
Paul Guilfoyle	Ongoing	6 months	6 months	$325,000	6 months base salary
Linda Shields	Ongoing	6 months	6 months	$250,000	6 months base salary
Craig Byron	Ongoing	3 months	3 months	$250,000	3 months base salary
Patrick Neise ***	Ongoing	3 months	3 months	$240,000 USD	3 months base salary

* Base salary is exclusive of the superannuation guarantee charge rate applicable at the time (currently 10.5%).

** Termination benefits are payable upon early termination by the Group, other than for gross misconduct. They are equal to base salary and superannuation payable for the notice period.

*** Patrick Neise resigned from the Company effective 5 January 2023.

Remuneration of Directors

		Short-term employee benefits	Post-employment benefits	Share-based payments		
Name	Year	Cash salary and fees (A) $	Superannuation $	Rights $	Total $	Performance Related %
Executive Directors						
Paul Guilfoyle (B)	2023	320,385	33,640	-	354,025	-
	2022	336,539	32,500	-	369,039	-
Non-Executive Directors						
Jeffery Sengelman	2023	49,980	-	-	49,980	-
	2022	75,000	-	70,893	145,893	49
Marcus Machin	2023	30,000	-	-	30,000	-
	2022	50,000	-	-	50,000	-
Ross McKinnon (Appointed 1 April 2023)	2023	12,501	-	-	12,501	-
	2022	-	-	-	-	-
Rod Evans (Resigned 3 October 2022)	2023	7,500	-	-	7,500	-
	2022	50,000	-	-	50,000	-
Stuart Carmichael (Resigned 3 October 2022)	2023	6,895	724	-	7,619	-
	2022	45,455	4,545	-	50,000	-
Sub-total Non-Executive Directors' remuneration	2023	106,876	724	-	107,600	-
	2022	220,455	4,545	70,893	295,893	24
Total Directors' Remuneration	2023	427,261	34,364	-	461,625	-
	2022	556,994	37,045	70,893	664,932	11

(A) Includes movements in accruals for annual leave and salary for Executive Directors

(B) During the year the Group provided a loan to Paul Guilfoyle and as at 30 June 2023 $100,000 remained outstanding and the unbilled interest of $6,003. Refer to note 7.4 for further details.

The options and performance rights tabled above were provided at no cost to the recipients. The granting of the performance rights was approved the Annual General Meeting held on 10 November 2020.

Remuneration of Other Key Management Personnel

Name	Year	Short-term employee benefits Cash salary and fees (A) $	Post-employment benefits Superannuation & Health Benefits $	Share-based payments $	Total $	Performance Related %
KMP						
Linda Shields *COO*	2023	238,209	25,012	29,653	292,874	-
	2022	256,731	25,000	111,760	393,491	28
Craig Byron *CFO (started 4 January 2022)*	2023	255,070	26,782	59,172	341,024	-
	2022	114,686	10,818	-	125,504	-
Patrick Neise *CTO (resigned 5 January 2023)* (B)	2023	187,879	7,754	-	195,633	-
	2022	356,000	10,288	63,000	429,288	15
Colin Napier *CFO (resigned 13 March 2022)*	2023	-	-	-	-	-
	2022	153,469	14,615	101,213	269,297	38
Total Other KMP Remuneration	2023	681,158	59,548	88,825	829,531	-
	2022	880,886	60,721	275,973	1,217,580	23

(A) Includes movements in accruals for annual leave.

(B) Patrick Neise remuneration has been translated to AUD for the purpose of this report.

Options

Granted as Compensation

No share options were granted to the Directors or other key management personnel of the Company as part of their remuneration in FY 2023 or FY 2022.

Performance Rights

No performance rights were granted to the Directors or other key management personnel of the Company as part of their remuneration in FY 2023 or FY 2022.

The performance rights tabled below were provided at no cost to the recipients. During the year, 1,000,000 performance rights for Jeffery Sengelman did not meet the performance conditions.

Name	Number of performance rights granted	Grant date	Value per Performance right at grant date cents	Value of performance rights at grant date $	End of performance period	Expiry date
Jeffery Sengelman	500,000	23-Nov-20	21.41	107,050	1-Sep-21	10-Nov-25
Jeffery Sengelman	500,000	23-Nov-20	18.74	93,700	1-Mar-22	10-Nov-25

Share-based Remuneration granted as Compensation

For details of share-based payments granted during the year, refer note 7.1.

Other Information

Ordinary Shares Held by KMP

	Held at 1 July 2022	Purchases	Sales	Conversion of Performance Rights & Options	Held at 30 June 2023 / * resigned date
Executive Directors					
Paul Guilfoyle	33,337,846	3,333,333	-	-	36,671,179
Non-Executive Directors					
Jeffery Sengelman	500,000	-	-	-	500,000
Marcus Machin	15,583,959	3,333,333	-	-	18,917,292
Ross McKinnon	-	7,692,308	-	-	7,692,308
Rod Evans *	3,047,553	-	-	-	3,047,553
Stuart Carmichael *	646,849	-	-	-	646,849
Other KMP					
Linda Shields	19,936,223	536,111	-	-	20,472,334
Craig Byron	300,379	724,132	-	-	1,024,511
Patrick Neise *	-	750,000	-	-	750,000

Options Held by Directors

	Held at 1 July 2022	Purchases	Sales	Conversion of Options	Held at 30 June 2023
Executive Directors					
Paul Guilfoyle	-	3,333,333	-	-	3,333,333
Non-Executive Directors					
Marcus Machin	-	3,333,333	-	-	3,333,333

Performance Rights Held by KMP

	Held at 1 July 2022	Granted during the year	Converted during the year	Lapsed during the year	Held at 30 June 2023
Paul Guilfoyle	24,200,000	-	-	(24,200,000)	-
Jeffery Sengelman	1,000,000	-	-	(1,000,000)	-
Marcus Machin	5,500,000	-	-	(5,500,000)	-
Stuart Carmichael	1,650,000	-	-	(1,650,000)	-
Linda Shields	12,309,524	-	-	(12,309,524)	-

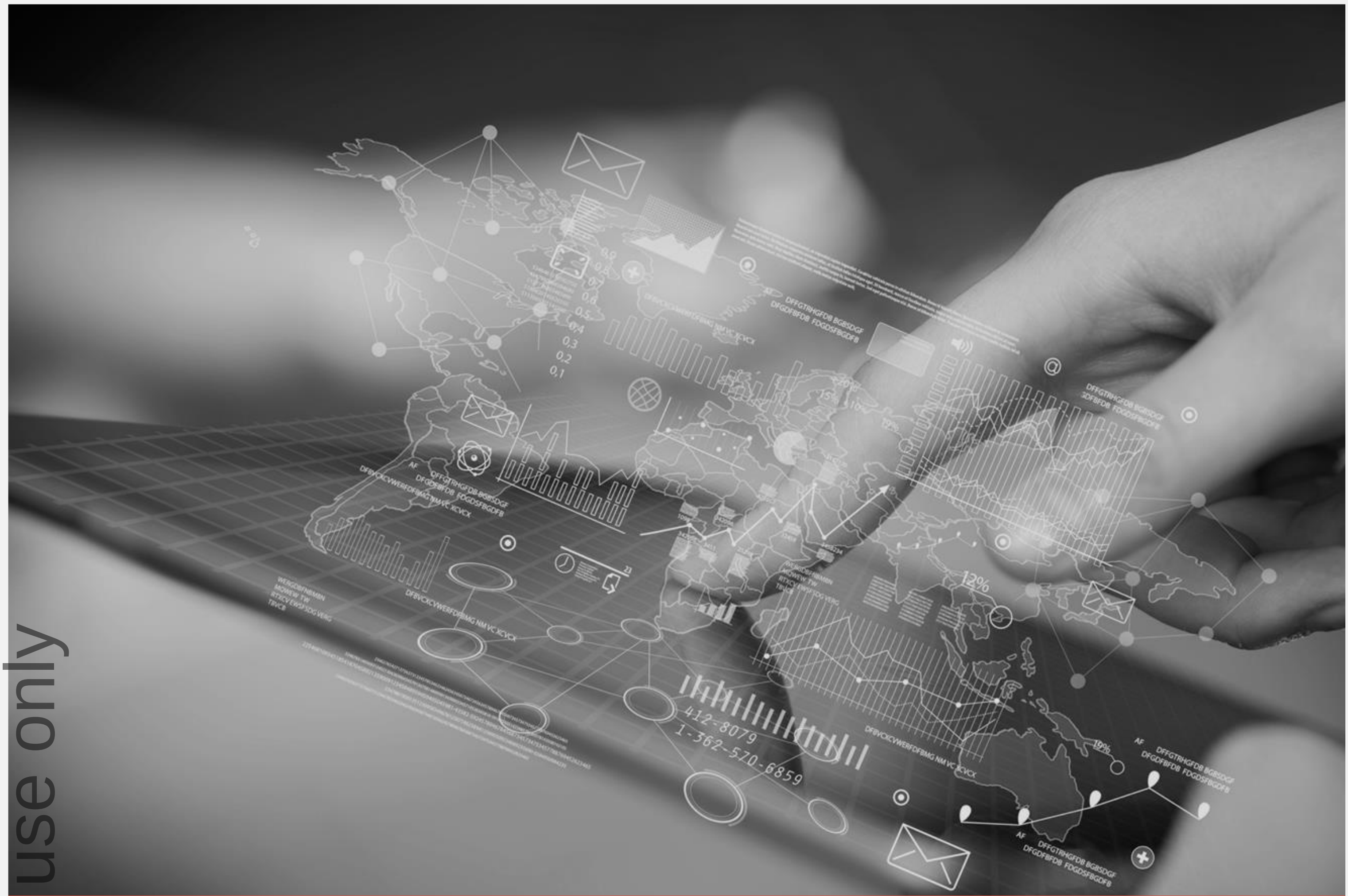
Key management personnel not disclosed above did not hold performance rights at any time during the financial year, nor at year end.

Other Transactions with Directors or Key Management Personnel

Details of other transactions with Directors or Key Management Personnel not involving remuneration are disclosed in note 7.4.

Voting and Comments at the Company's 2022 Annual General Meeting

The Company received 95.84% of "yes" votes on its remuneration report for the 30 June 2023 financial year.



Auditor’s Independence Declaration

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Harvest Technology Group Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 August 2023

D I Buckley
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of 30 June 2023

	Note	2023 $	2022 $
Assets			
Cash and cash equivalents	5.1	992,018	4,497,315
Trade and other receivables	5.2	528,836	709,708
Inventory	5.3	504,967	559,635
Prepayments		189,892	160,986
Other bonds and deposits	4.4	478,767	443,163
Derivative financial assets		-	145,159
Current tax receivables		-	35,216
Total current assets		**2,694,480**	**6,551,182**
Intangible assets	4.1	5,312,789	9,106,144
Property, plant and equipment	4.2	1,091,941	1,378,095
Right of use leased assets	4.3	1,250,367	1,493,081
Other bonds and deposits	4.4	218,990	218,444
Total non-current assets		**7,874,087**	**12,195,764**
Total assets		**10,568,567**	**18,746,946**
Liabilities			
Trade and other payables	5.4	564,686	646,545
Other liabilities	5.5	91,661	132,256
Borrowings	6.2	135,066	100,406
Employee entitlements	2.4	660,120	648,039
Lease liabilities	6.4	270,178	251,657
Derivative financial liabilities		-	132,188
Total current liabilities		**1,721,711**	**1,911,091**
Lease liabilities	6.4	1,311,660	1,581,839
Provisions	6.5	125,074	120,610
Borrowings	6.2	3,822,502	3,714,594
Total non-current liabilities		**5,259,236**	**5,417,043**
Total liabilities		**6,980,947**	**7,328,134**
Net assets		**3,587,620**	**11,418,812**
Equity			
Issued capital	6.1	44,189,044	41,254,787
Unissued capital	6.1	1,278,761	2,112,761
Reserves	6.1	5,925,516	5,854,232
Accumulated losses		(47,805,701)	(37,802,968)
Total equity attributable to equity holders of the Company		**3,587,620**	**11,418,812**

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the Year Ended 30 June 2023

	Note	2023 $	2022 $
Revenue			
Sales	2.2	3,042,307	2,145,455
Research and development tax incentive	2.3	2,564,281	-
Other income	2.3	48,949	15,955
		5,655,537	**2,161,410**
Expenses			
Cost of goods sold		(1,099,191)	(622,233)
Marketing and business development		(359,510)	(913,867)
Personnel expenses – other	2.4	(3,863,891)	(5,783,466)
Personnel expenses – research and development	2.4	(3,797,020)	(3,691,867)
General and administration		(650,622)	(370,805)
Professional fees		(491,273)	(821,879)
Depreciation and amortisation		(1,798,718)	(1,845,220)
Research and development		(167,926)	(961,596)
Intangible assets impairment		(2,552,823)	-
Finance expenses	2.5	(555,958)	(603,856)
Other losses		-	(118,565)
Loss before income tax		**(9,681,395)**	**(13,571,944)**
Income tax benefit / (expense)	2.6	(3,026)	(138,392)
Net loss for the year from continuing operations		**(9,684,421)**	**(13,710,336)**
Loss after tax from discontinued operations	3	(318,312)	(790,324)
Loss attributable to owners of the Company		**(10,002,733)**	**(14,500,660)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		(43,513)	32,151
Total comprehensive loss for the year		**(10,046,246)**	**(14,468,509)**
Total comprehensive loss attributable to owners of the Company		**(10,046,246)**	**(14,468,509)**
Loss for the year is attributable to:			
Continuing operations		(9,684,421)	(13,710,336)
Discontinued operations		(318,312)	(790,324)
		(10,002,733)	**(14,500,660)**
Total comprehensive loss for the year is attributable to:			
Continuing operations		(9,727,934)	(13,678,185)
Discontinued operations		(318,312)	(790,324)
		(10,046,246)	**(14,468,509)**
Loss per share			
Basic and diluted loss per share (cents per share)	2.7	(1.64)	(2.63)
Basic and diluted loss per share (cents per share) from continuing operations	2.7	(1.59)	(2.49)
Basic and diluted loss per share (cents per share) from discontinued operations	2.7	(0.05)	(0.14)

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2023

	Issued Capital	Unissued Capital	Share-based Payment Reserve	Equity Component of Convertible Note	Foreign Exchange Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$	$	$
Balance at 1 July 2021	**31,671,048**	**2,028,761**	**4,940,264**	**499,385**	**(2,202)**	**(23,302,308)**	**15,834,948**
Net loss for the year	-	-	-	-	-	(14,500,660)	(14,500,660)
Foreign exchange translation	-	-	-	-	32,151	-	32,151
Total comprehensive loss for the year	-	-	-	-	32,151	(14,500,660)	(14,468,509)
Shares issued during the period	9,858,229	-	-	-	-	-	9,858,229
Share issue costs (net of tax benefit)	(766,119)	-	-	-	-	-	(766,119)
Shares in lieu of bonus	491,629	84,000	-	-	-	-	575,629
Share-based payments (Refer note 7.1)	-	-	384,634	-	-	-	384,634
Balance at 30 June 2022	**41,254,787**	**2,112,761**	**5,324,898**	**499,385**	**29,949**	**(37,802,968)**	**11,418,812**
Balance at 1 July 2022	**41,254,787**	**2,112,761**	**5,324,898**	**499,385**	**29,949**	**(37,802,968)**	**11,418,812**
Net loss for the period	-	-	-	-	-	(10,002,733)	(10,002,733)
Foreign exchange translation	-	-	-	-	(43,513)	-	(43,513)
Total comprehensive loss for the year	-	-	-	-	(43,513)	(10,002,733)	(10,046,246)
Shares issued during the period	1,749,600	-	-	-	-	-	1,749,600
Share issue costs (net of tax benefit)	(20,624)	-	-	-	-	-	(20,624)
Deferred Consideration on acquisition of subsidiary	750,000	(750,000)	-	-	-	-	-
Shares in lieu of bonus	455,281	(84,000)	-	-	-	-	371,281
Share-based payments (Refer note 7.1)	-	-	114,797	-	-	-	114,797
Balance at 30 June 2023	**44,189,044**	**1,278,761**	**5,439,695**	**499,385**	**(13,564)**	**(47,805,701)**	**3,587,620**

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASHFLOWS
For the year ended 30 June 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers		3,167,082	10,269,511
Receipts from R&D tax incentive		2,564,281	-
Payments to suppliers and employees		(10,002,351)	(18,655,445)
Interest paid		(291,431)	(416,185)
Interest paid on lease liabilities		(61,704)	(69,929)
Interest received		5,727	5,901
Income taxes paid		32,190	(138,392)
Net cash used in operating activities	5.1(b)	**(4,586,206)**	**(9,004,539)**
Cash flows from investing activities			
Payments for plant and equipment		(49,405)	(821,580)
Advance to a Director		(500,000)	-
Repayment from a Director		400,000	-
Proceeds from sale of plant and equipment		-	1,690
Payments to acquire subsidiary – deferred consideration	6.3	-	(750,000)
Proceeds from security deposits		-	44,015
Net cash used in investing activities		**(149,405)**	**(1,525,875)**
Cash flows from financing activities			
Proceeds from issue of share capital and options exercise	6.1	1,749,600	9,858,229
Payment of capital raising costs	6.1	(20,624)	(766,119)
Repayment of principal lease liabilities	6.4	(313,362)	(782,883)
Repayment of borrowings and premium funding facility	6.2	(184,722)	(44,125)
Net cash from financing activities		**1,230,892**	**8,265,102**
Net decrease in cash and cash equivalents		(3,504,719)	(2,265,312)
Cash and cash equivalents at 1 July		4,497,315	6,756,988
Effect of exchange rate fluctuations on cash held		(578)	5,639
Cash and cash equivalents at 30 June	5.1(a)	**992,018**	**4,497,315**

The accompanying notes are an integral part of these financial statements

Section 1: Basis of Preparation

The notes to the consolidated financial statements have been grouped into sections under seven key categories:

- Basis of preparation
- Results for the year
- Business Combination
- Assets and Liabilities
- Working capital disclosures
- Equity and funding
- Other disclosures

Significant accounting policies specific to one note are included within that note and where possible, wording has been simplified to provide clearer commentary on the financial report of the Group. Accounting policies determined non-significant are not included in the financial statements. There have been no changes to the Group's accounting policies during the year.

1.1 General Information

The Company, Harvest Technology Group Limited, is a for-profit, listed public company domiciled in Australia. The Company's registered office is located at Ground Floor, 16 Ord Street, West Perth, WA 6005.

The Group is primarily involved in:

- remote communications technology based around data transmission protocols; and
- bespoke solutions for the offshore energy, resources and renewables sectors, specialising in subsea and asset integrity risk mitigation technology.

The consolidated financial statements of the Group as at and for the year ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and were authorised for issue by the Board of Directors on 30 August 2023. The financial statements are general purpose financial statements which:

- have been prepared in accordance with Australian Accounting Standards (**AASBs**) adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (**IFRSs**) as issued by the International Accounting Standards Board (**IASB**);
- have been prepared on a historical cost basis, except for financial assets held at fair value through profit or loss. The basis of measurement is discussed further in the individual notes;
- are presented in Australian Dollars;
- adopt all new and revised Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2022; and,
- do not early adopt any Australian Accounting Standards and Interpretations that have been issued or amended but not yet effective.

1.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) as at 30 June each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability, to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

1.3 Foreign Currency Translation

The primary economic environment in which the Group operates is Australia. The consolidated financial statements are therefore presented in Australian dollars.

Transactions in foreign currencies are initially recorded in Australian dollars at the exchange rate on that day. Foreign currency monetary assets and liabilities are translated into Australian dollars at the year-end exchange rate. Where there is a movement in the exchange rate between the date of the transaction and the year-end, a foreign exchange gain or loss may arise. Any such differences are recognised in the profit or loss. Non-monetary assets and liabilities measured at historical cost are translated into Australian dollars at the exchange rate on the date of the transaction.

The functional currency of the Group's US based subsidiaries, Opsivity, Inc and SnapSupport, Inc, is US Dollars (USD). The functional currency of the Group's UK based subsidiary, Harvest Technology (UK) Ltd, is British Pound Sterling (GBP).

As at the balance date the assets and liabilities of these subsidiaries are translated into the presentation currency of Harvest Technology Group Limited at the rate of exchange ruling at balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the date of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

1.4 Research and Development Expenditure Tax Offset

The Group undertakes expenditure on activities that are categorised as 'eligible expenditure' under the Research & Development Tax Concession which, dependent upon certain criteria, may be subject to a tax offset. The Group will submit a claim for the 2023 financial year and have not recognised a receivable pending the review and approval of the claim by the Australian Taxation Office. A deferred tax asset is recognised for unclaimed tax credits that are carried forward to the extent permitted under accounting standards.

1.5 Impairment

Non-financial assets

At each reporting date, the Group reviews the carrying amount of its non-financial assets, other than deferred tax assets, to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

1.6 New, Revised or Amending Accounting Standards and Interpretations Adopted

Standards and Interpretations Applicable to 30 June 2023

The Directors have reviewed all Standards and Interpretations on issue not yet adopted for the period ended 30 June 2023. As a result of this review, the Directors have determined that there is no material impact of the Standards and Interpretations on issue not yet adopted by the Company, and therefore, no change is necessary to Group accounting policies.

Any new of amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and are not expected to have a material impact on Group Accounting policies.

1.7 Accounting Judgements and Estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment are included in the following notes:

- Note 2.6 - Income tax expense
- Note 4.1 - Intangibles
- Note 5.2 - Recoverability of Trade Receivables
- Note 6.2 - Borrowings
- Note 7.1 - Share-based payments

1.8 Going Concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business and at the amounts stated in the financial statements. Notwithstanding the fact that the Group incurred a loss of $10,002,733 and a net cash outflow of $3,504,719 for the period, the Directors are of the opinion that the Company is a going concern for the following reasons:

- Received $2,100,000 proceeds from the placement exercise to sophisticated investors in July 2023
- Received $155,000 proceeds from the share purchase plan offered to existing shareholders in August 2023
- Expected receipt of 2023 R&D tax incentive rebate by December 2023
- The cessation of the loss-making vessel operations divisions; and
- The strong interest from customers in the Group's technology and services during the past 12 months which supports our strategy to diversify our revenue base together with the planned introduction of new products and services in the next 12 months which will diversify our revenue stream.

After consideration of the above factors together with a review of the Group's financial position and forecast cash flows, the Directors reasonably expect the Group will be able to generate sufficient future cashflows to ensure the Group is able to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. However, should results be materially less than expected and/or the Group is unable to generate any additional funding required, there would exist a material uncertainty which could cast significant doubt as to whether the Group would in such circumstances be able to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

Section 2: Results for the Year

This section focuses on the results and performance of the Group, with disclosures including segment information, components of the operating profit, taxation and earnings per share.

Key Estimates and Assumptions in this Section

Deferred taxation

The Group has unrecognised carried forward tax losses which can be utilised against future taxable profits.

2.1 Operating Segments

The Group's operating segments have been determined with reference to the management accounts used by the Chief Operating Decision Maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole, has been determined as the Chief Operating Decision Maker.

The Group operated in two distinct segments during the past year:

- Remote communications technology sector; and
- Subsea and asset integrity risk mitigation technology-based solutions within the energy, resources and renewables sectors.

The remote communications technology segment generates income from the provision of data transfer, encryption and compression services to clients operating in offshore and remote environments.

The offering of bespoke subsea and asset integrity risk mitigation technology-based solutions segment generates income from subsea infrastructure and assets in the energy, resources and renewables sectors. This segment is now discontinued.

Segment Assets and Liabilities

The following is an analysis of the Group's assets and liabilities by reportable operating segment as at the end of the reporting period:

	Assets		Liabilities	
	30 June 2023 $	30 June 2022 $	30 June 2023 $	30 June 2022 $
Remote communications technology	6,360,100	10,386,283	(660,453)	(760,821)
Subsea and asset integrity risk mitigation	478,767	443,163	(17,220)	(20,678)
Total segment assets and liabilities	**6,838,867**	**10,829,446**	**(677,673)**	**(781,499)**
Corporate and other segment assets/liabilities	3,729,700	7,917,500	(6,303,274)	(6,546,635)
Total	**10,568,567**	**18,746,946**	**(6,980,947)**	**(7,328,134)**

Segment Revenue and Results

The following is an analysis of the Group's revenue and results from continuing operations by reportable operating segment.

	Revenue		Segment Profit / (Loss)	
	30 June 2023 $	30 June 2022 $	30 June 2023 $	30 June 2022 $
Remote communications technology [1] [2]	3,042,307	2,145,455	(7,542,455)	(6,923,072)
Total for continuing operations	**3,042,307**	**2,145,455**	**(7,542,455)**	**(6,923,072)**
Subsea and asset integrity risk mitigation (discontinued operation) [2]	-	2,690,846	(160,132)	(790,324)
Total for continuing and discontinued operations	**3,042,307**	**4,836,301**	**(7,702,587)**	**(7,713,396)**
Other income			42,677	6,590
Research and development incentive			2,564,281	-
Finance income			6,273	9,365
Central and administration expenses			(4,196,214)	(6,060,971)
Finance expense			(555,958)	(603,856)
Loss before tax			**(9,841,528)**	**(14,362,268)**
Income tax benefit/ (expense)			(161,205)	(138,392)
Loss after tax			**(10,002,733)**	**(14,500,660)**

[1] The remote communications technology segment result includes an expense of $1,219,800 and $2,552,823 for amortisation and impairment of intellectual property.

[2] Revenue from the use of remote communications technology hardware by subsea and asset integrity risk mitigation customers is recognised within the subsea and asset integrity risk mitigation revenue.

Segment revenues represent revenue generated from external customers. There were no inter-segment revenues in the current period.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

Management do not consider the cashflows of each segment separately.

Geographical Information

	Sales to External Customers		Geographical Non-Current Assets	
	2023 $	2022 $	2023 $	2022 $
Australia	2,805,023	4,583,067	7,850,827	9,199,153
United States	206,745	253,234	18,171	2,993,663
United Kingdom	30,539	-	5,089	2,948
	3,042,307	**4,836,301**	**7,874,087**	**12,195,764**

2.2 Revenue

Accounting Policy

Revenue from contracts with customers is recognised in consolidated statement of profit or loss and other comprehensive income when the performance obligations are considered met, per the specific requirements of contract for the goods or services being provided by the Group, as disclosed further below.

The Group determines whether each performance obligation within a contract is satisfied over time or at a point in time.

Revenue is recognised at an amount that reflects the consideration the Group expects to be entitled to, net of goods and services tax (or other valued added taxes as applicable). Invoiced amounts are reflected in trade receivables.

Revenue Recognition

The Group recognises revenue from the following key sources:

- Sale of hardware products
- Hire of hardware products
- Software licence subscription fees
- Services

The accounting policies for each of these sources has been set out below:

Sale of hardware products
The Group sells hardware products direct to customers and through distribution partners. Revenue is recognized when control of the hardware has transferred, being when the hardware has been shipped to the customer/distributor's specified location (delivery). Any income derived from shipping charges is also recognised at the time of delivery. It is at this point in time at which the right to consideration becomes unconditional. Where customers/distributors are responsible for arranging shipment, revenue is recognized on an ex-warehouse basis when collected by the customer/distributor (or their shipping agent).

When a customer/distributor initially places the order, the customer or distributor is invoiced and the transaction price at that point in time is recognised by the Group as deferred revenue, until control of the hardware has transferred to the customer or distributor and revenue is recognised.

Outside of warranties, customers/distributors do not have the right to return hardware sold therefore no "right to returned goods" asset is recognised.

Hire of hardware products
The Group offer customers the ability to hire certain hardware products over time. Typically, the minimum hire period is one month and may stretch up to a maximum term of 36 months. Hire revenues are recognized on a daily basis over the term of the hire period. The Group considers the performance obligation in respect of those services is satisfied over time.

The transaction price allocated to these hire activities is recognized as deferred revenue ("revenue received in advance" liability) at the time of the initial sales transaction and is released on a straight-line basis over the hire period.

Software licence subscription fees
The Group provides customers with a licence to use its software for the duration of the contract term. Such services are recognized as a performance obligation satisfied over time.

The transaction price allocated to these hire activities is recognized as deferred revenue ("revenue received in advance" liability) at the time of the initial sales transaction and is released on a straight-line basis over the period of the licence.

Services
The Group provides project and consulting services to customers. Revenue from these services is recognised over time as services are rendered, typically in accordance with the achievement of project milestones and/or hours expended.

Transaction price

The total transaction price at the start of the contract is estimated as the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to the customer, net of goods and services tax. The transaction price does not include estimates of consideration resulting from change orders for additional goods or services unless these are agreed. Once the total transaction price is determined, the Group allocates this to the identified performance obligations in proportion to their relative stand-alone selling prices and recognises revenue when or as those performance obligations are satisfied.

Disaggregation of revenue

AASB 15 requires entities to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group has determined that a disaggregation of revenue using existing segments and the nature of revenue best depicts the Group's revenue.

	Provision of services		Hardware sales		Total	
	2023 $	2022 $	2023 $	2022 $	2023 $	2022 $
Revenue earned over time						
Remote communications technology	2,026,263	1,723,644	-	-	2,026,263	**1,723,644**
Offshore subsea services	-	2,690,846	-	-	-	**2,690,846**
Total Revenue	**2,026,263**	**4,414,490**	**-**	**-**	**2,026,263**	**4,414,490**
Revenue at a point in time						
Remote communications technology	-	-	1,016,044	421,811	1,016,044	**421,811**
Offshore subsea services	-	-	-	-	-	**-**
Total Revenue	**-**	**-**	**1,016,044**	**421,811**	**1,016,044**	**421,811**
	2,026,263	**4,414,490**	**1,016,044**	**421,811**	**3,042,307**	**4,836,301**

The Group has 2 customers where the revenue generated from these customers is more than 10% of the Group's revenue. Customer A generated 28% (2022: 2%) and Customer B generated 31% (2022: 22%) of the Group's revenue for the period.

2.3 Other Income

Accounting Policy

Other income is recognised when the amount can be reliably measured and control of the right to receive the income is passed to the Group.

Government grants
Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants relating to historical expenditure for Research & Development and Export Market Development are recognised in full in the period that they are received.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

	2023 $	2022 $
Research and development tax incentive	2,564,281	-
Others		
Government grants	28,000	-
Interest income	6,273	6,445
Gain on fixed asset disposal	-	763
Finance income	-	2,920
Wage subsidy	-	5,600
Insurance claimed	5,250	-
Late charges received	9,426	-
Other	-	227
	48,949	**15,955**

2.4 Personnel Expenses and Employee Benefits

Accounting Policy

Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long-term employee benefits
The Group's net obligation in respect of long-term employee benefits is the amount of the future benefit that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

Share-based payments
The policy relating to share-based payments is set out in note 7.1.

The table below sets out personnel costs expensed during the year.

	Note	2023 $	2022 $
Wages and salaries		5,542,174	5,726,244
Directors' remuneration	7.4	461,625	664,932
Other KMP remuneration	7.4	829,531	1,217,580
Contributions to superannuation		442,319	451,940
(Decrease)/increase in liability for annual leave		(50,989)	115,133
Equity-settled share-based payments		282,456	613,398
Fringe benefits tax		-	3,831
Other associated personnel expenses		153,795	682,275
		7,660,911	**9,475,333**
Shown as:			
Non-research and development expenses		3,863,891	5,783,466
Research and development related personnel expenses		3,797,020	3,691,867
		7,660,911	**9,475,333**

Further information relating to Directors' and KMP remuneration is set out in note 7.4.

The table below sets out employee benefits payable as at reporting date.

	2023 $	2022 $
Current		
Salary accrual	(227,010)	(227,833)
Superannuation	(117,955)	(45,348)
Liability for annual leave	(315,155)	(374,858)
	(660,120)	**(648,039)**

2.5 Finance Costs

Accounting Policy

Finance costs comprise interest and other finance charges on borrowings and banking arrangements. Interest expense on short term borrowings is recognised as it accrues in profit or loss, using the effective interest method.

	Note	2023 $	2022 $
Interest expense on financial liabilities measured at amortised cost			
Interest expense on convertible notes	6.2	467,907	455,443
Interest expense on deferred consideration	6.3	-	20,675
Interest expense on other borrowings		5,530	1,094
Interest on lease liabilities		61,704	67,200
Other finance charges		20,817	59,444
Finance expense recognised in profit or loss		**555,958**	**603,856**

2.6 Income Tax Expense

Accounting Policy

Income tax expense comprises current and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is based on tax rates enacted or substantively enacted at the balance date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used for calculating taxable profits. Deferred tax balances are disclosed net to the extent that they relate to taxes levied by the same authority and the Group has the right of set-off.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probably that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on substantively enacted rates at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(a) Amounts recognised in profit or loss

	2023 $	2022 $
Current tax benefit / (expense)		
Current tax	-	(138,392)
Deferred tax	-	-
Under provision in prior year	(3,026)	-
Total income tax benefit / (expense)	**(3,026)**	**(138,392)**

(b) Reconciliation of Income Tax

	2023 $	2022 $
Loss after tax*	(9,684,422)	(13,710,336)
Total income tax (benefit) / expense	3,026	138,392
Loss excluding income tax	**(9,681,396)**	**(13,571,944)**
Income tax at the Australian tax rate of 25% (2022: 25%)	(2,420,349)	(3,392,986)
Tax effect of amounts which are non-deductible (taxable) in calculating taxable income:		
Entertainment	832	4,570
Share-based payments	108,575	96,158
Amortisation and impairment of intellectual property	880,404	299,766
Other permanent differences	(687,725)	(167,768)
Difference in foreign income tax rates	87,066	105,975
Under / (over) provision in prior years	3,026	-
Foreign tax losses not brought to account	368,253	557,880
Deferred tax assets not brought to account	1,662,944	2,634,797
	3,026	**138,392**

* Loss for the year is inclusive of continued operations only.

(c) Recognised Deferred Tax Assets and Liabilities

Recognised deferred tax assets and liabilities are attributable to the following:

	2023 $	2022 $
Deferred tax liabilities at 25% (2022: 25%)		
Prepayments	-	38,073
Fixed Assets	21,639	76,083
Right of use assets	312,592	373,270
Intellectual Property	1,327,985	2,197,521
Other temporary differences	2,400	2,170
	1,664,616	2,687,117
Offset of deferred tax assets	(1,664,616)	(2,687,117)
Net deferred tax liability recognised	-	-

All movements are charged to income tax throughout the year.

(d) Deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2023 $	2022 $
Deferred tax assets		
Tax losses	836,644	1,697,794
Capital raising costs	217,253	332,769
Employee entitlements	158,740	93,691
Right of use assets lease liability	395,460	458,373
Provision for restoration	15,987	30,153
Other temporary differences	40,532	74,337
	1,664,616	**2,687,117**
Offset of deferred tax liabilities	(1,664,616)	(2,687,117)
Net deferred tax assets recognised	-	-
Net deferred tax assets unrecognised	**5,908,155**	**4,349,672**

2.7 Loss Per Share

Basic and Diluted Loss Per Share

Earnings / (loss) per share (EPS) is the amount of post-tax profit or loss attributable to each share. The calculation of basic loss per share at 30 June 2022 has been based on the loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

Diluted EPS considers the dilutive effect of all potential ordinary shares, being share options on issue.

Loss per share attributable to ordinary shareholders

	2023 $	2022 $
Net loss for the year from continuing operations	(9,684,421)	(13,710,336)
Net loss for the year from discontinued operations	(318,312)	(790,324)
Net loss for the year attributable to ordinary shareholders	**(10,002,733)**	**(14,500,660)**
Issued ordinary shares at 1 July	588,926,643	522,049,444
Effect of shares issued	20,791,799	28,501,301
Weighted average number of ordinary shares at 30 June	**609,718,442**	**550,550,745**
Basic and diluted loss per share from continuing operations (cents per share)	(1.59)	(2.49)
Basic and diluted loss per share from discontinued operations (cents per share)	(0.05)	(0.14)
Basic and diluted loss per share (cents per share) *	**(1.64)**	**(2.63)**

* At 30 June 2023, 51,186,832 options (2022: 44,280,166 options), nil performance shares (2022: nil performance shares), 181,181,182 convertible note shares (2022: 181,181,182), and 1,000,000 performance rights (2022: 56,000,000performance rights) were excluded from diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

Section 3: Discontinued Operations

Accounting Policy

A discontinued operation is a component of the consolidated entity that has been disposed or is classified as held for sale and represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

In August 2021, the Group announced the long-term charter of the offshore support vessel VOS Shine would finish and returned to the vessel owner. As such, the subsea and asset integrity risk management operations to which the VOS Shine was related, are shown as discontinued operations in this report. The Group anticipates that there will be minimal movement on these accounts during the upcoming period as the Group finalises payments and expenses in existence at the completion of the previous financial period.

Results for the year from discontinued operations

	30 June 2023 $	30 June 2022 $
Sales	-	2,690,846
Cost of goods sold	-	(3,122,815)
Personnel expenses – other	-	(190,129)
General and administration	35,261	(163,263)
Professional fees	(195,394)	-
Depreciation and amortisation	-	(2,234)
Finance expenses	-	(2,729)
Withholding tax suffered	(158,179)	-
Loss after tax from discontinued operations	**(318,312)**	**(790,324)**

Cash flows from discontinued operations

	2023 $	2022 $
Cash flows from operating activities		
Receipts from customers	-	7,518,305
Cash paid to suppliers and employees	(199,194)	(5,952,814)
Interest paid on lease liabilities	-	(2,729)
Net cash (used in) / from operating activities	**(199,194)**	**1,562,762**
Cash flows from investing activities		
Payments for plant and equipment	-	-
Net cash from / (used in) investing activities	**-**	**-**
Cash flows from financing activities		
Repayment of principal lease liabilities	-	(402,005)
Net cash from / (used in) financing activities	**-**	**(402,005)**
Net (decrease)/increase in cash and cash equivalents	**(199,194)**	**1,160,757**

Section 4: Assets and Liabilities

This section focuses on the assets and liabilities which form the core of the ongoing business, including those assets and liabilities which support ongoing development as well as capital and other commitments existing at year end.

Key Estimates and Assumptions in This Section

Indicators of impairment

The Group has reviewed intellectual property for indicators of impairment in accordance with AASB 138 and concluded that impairment indicators existed at year end. An assessment for impairment of intellectual property has been undertaken under the requirements of AASB 136. An impairment was recognised amounting to $2,552,823 (2022: $nil) as a result of this assessment.

4.1 Intangible Assets

Information about Intangible Assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the de-recognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Accounting Policy

Research and development
Research costs are expensed in the period in which they are incurred. Research costs are largely made up of employee labour.

Development costs on a particular project are only to be capitalised if a benefit of more than 12 months is expected and the following recognition criteria have been met:

- It is probable that the project will be a success considering its commercial and technical feasibility;
- The Group can demonstrate its intention to complete and its ability and intention to use or sell the asset;
- The Group has sufficient resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Capitalised development costs are amortised over their useful life once the asset is ready for use.

Development costs previously recognised as an expense are not recognised as assets in a subsequent period.

Software development
Development costs include personnel and other directly attributable costs incurred in the development of software. Capitalised software development costs are recognised as an intangible asset and amortised over their estimated useful lives, which is considered to be three to ten years. Software development costs are capitalised as “under development” until the products to which the costs relate become available for use. At the point in which the products become available for use, the costs are transferred from “under development” to “in use” and amortised from that point.

Patents and trademarks
Significant costs associated with patents amortised on a straight-line basis over the period of their expected benefit, being their finite life of eight years.

Trademarks are not amortised as they have an indefinite useful life as the Company renews its trademark registration every ten years but are subject to impairment.

Impairment

Non-current assets are tested for impairment when facts and circumstances indicate that the carrying amount may exceed the recoverable amount.

Where a potential impairment is indicated, an assessment is performed for each CGU which is no larger than an area of interest. The Group performs impairment testing in accordance with note 1.5.

	Proprietary Information $	Patents $	Total $
Gross carrying amount			
Balance at 1 July 2021	11,607,447	850	**11,608,297**
Foreign currency translation	24,220	-	**24,220**
Balance at 30 June 2022	11,631,667	850	11,632,517
Balance at 1 July 2022	11,631,667	850	**11,632,517**
Foreign currency translation	(20,732)	-	**(20,732)**
Balance at 30 June 2023	**11,610,935**	**850**	**11,611,785**
Amortisation and impairment			
Balance at 1 July 2021	1,306,573	-	**1,306,573**
Amortisation for the year	1,219,800	-	**1,219,800**
Balance at 30 June 2022	**2,526,373**	**-**	**2,526,373**
Balance at 1 July 2022	2,526,373	-	**2,526,373**
Amortisation for the year	1,219,800	-	**1,219,800**
Impairment	2,552,823	-	**2,552,823**
Balance at 30 June 2023	**6,298,996**	**-**	**6,298,996**
Carrying amounts			
Balance at 30 June 2022	9,105,294	850	9,106,144
Balance at 30 June 2023	**5,311,939**	**850**	**5,312,789**

The Harvest Infinity and SnapSupport intangible assets of $5.3m and $nil (2022: $6.1M and $3M), represent the intellectual property acquired via business combinations.

Impairment charge of $2,552,823 (2022: $nil) has been recognised in the current year to write-off the remaining intangible balance relating to SnapSupport proprietary information recognised on acquisition in FY2021. In the current year, the Company took the strategic decision to restructure the US operations and focus the continuing US business on selling Infinity products. Although the proprietary information relating to the SnapSupport business has been retained it is no longer being actively developed or sold. For that reason, the Company conducted a valuation of the SnapSupport cash-generating-unit (CGU), applying the valuation assumptions below, and took the prudent decision to write-off the remaining intangible balance as of 30 June 2023.

Growth rate	5%
Discount rate	25%

4.2 Property, Plant and Equipment

Accounting Policy

Recognition and measurement

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and recognised net within “other gains and losses” in profit or loss.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a diminishing balance basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of the assets are as follows:

Plant and equipment	3 - 15 years
Motor vehicles	12 - 15 years
Computer equipment & software	2 - 4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

	Plant & Equipment $	Fixtures & Fittings $	Computer Equipment $	Demonstration Equipment $	Equipment for Hire $	Leasehold Improvements $	Under Construction $	Total $
Gross carrying amount								
Balance at 1 July 2021	-	65,121	185,687	18,286	232,472	-	186,527	688,093
Additions	3,200	171,337	121,617	37,413	68,133	1,056,406	-	1,458,106
Disposals/Scrapping	-	(10,874)	(6,881)	-	(509)	-	(186,527)	(204,791)
Foreign currency translation	-	-	1,834	155	133	-	-	2,122
Balance at 30 June 2022	**3,200**	**225,584**	**302,257**	**55,854**	**300,229**	**1,056,406**	**-**	**1,943,530**
Additions	4,805	9,222	19,722	-	15,655	-	-	49,404
Disposals/Scrapping	-	-	(1,787)	-	-	(2,634)	-	(4,421)
Foreign currency translation	471	-	(1,045)	(155)	(133)	-	-	(862)
Balance at 30 June 2023	**8,476**	**234,806**	**319,147**	**55,699**	**315,751**	**1,053,772**	**-**	**1,987,651**
Depreciation								
Balance at 1 July 2021	-	31,179	58,852	10,069	158,506	-	-	258,606
Depreciation for the period	160	44,209	81,096	40,929	29,045	123,474	-	318,913
Disposals/Scrapping	-	(8,056)	(4,198)	-	(106)	-	-	(12,360)
Foreign currency translation	-	-	108	155	13	-	-	276
Balance at 30 June 2022	**160**	**67,332**	**135,858**	**51,153**	**187,458**	**123,474**	**-**	**565,435**
Depreciation for the period	1,661	41,635	93,433	3,517	41,002	150,492	-	331,740
Disposals/Scrapping	-	-	(1,494)	-	-	-	-	(1,494)
Foreign currency translation	90	-	107	(155)	(13)	-	-	29
Balance at 30 June 2023	**1,911**	**108,967**	**227,904**	**54,515**	**228,447**	**273,966**	**-**	**895,710**
Carrying amounts								
Balance at 30 June 2022	3,040	158,252	166,399	4,701	112,771	932,932	-	1,378,095
Balance at 30 June 2023	**6,565**	**125,839**	**91,243**	**1,184**	**87,304**	**779,806**	**-**	**1,091,941**

4.3 Right-Of-Use Assets

	Plant & Equipment	Vessel	Buildings (2)	Total
	$	$	$	$
Gross carrying amount				
Balance taken up 1 July 2021	9,144	5,292,775	328,257	5,630,176
Additions	-	-	1,593,212	1,593,212
Derecognition(1)	-	(5,292,775)	(328,257)	(5,621,032)
Provision for restoration	-	-	120,610	120,610
Balance at 30 June 2022	**9,144**	**-**	**1,713,822**	**1,722,966**
Additions	-	-	-	-
Derecognition	-	-	-	-
Provision for restoration	-	-	4,464	4,464
Balance at 30 June 2023	**9,144**	**-**	**1,718,286**	**1,727,430**
Amortisation				
Balance at 1 July 2021	3,789	5,292,775	245,609	5,542,173
Amortisation for the period	1,892	-	306,852	308,744
Derecognition(1)	-	(5,292,775)	(328,257)	(5,621,032)
Balance at 30 June 2022	**5,681**	**-**	**224,204**	**229,885**
Amortisation for the period	1,892	-	245,286	247,178
Balance at 30 June 2023	**7,573**	**-**	**469,490**	**477,063**
Carrying amounts				
Balance at 30 June 2022	**3,463**	**-**	**1,489,618**	**1,493,081**
Balance at 30 June 2023	**1,571**	**-**	**1,248,796**	**1,250,367**

(1) Both the VOS Shine and the King St office building leases ended in 2022 and were derecognised from the right of use assets balances.

(2) Bentley office building lease was entered in 2021 with an initial 7 year term with an option to renew for a further 5 year term.

4.4 Other Bonds and Deposits

	Note	2023 $	2022 $
Current			
Lease bonds		-	-
Deposit on VOS Shine work		-	-
Cash deposit to provide security over a bank guarantee	(i)	478,767	443,163
		478,767	**443,163**
Non-current			
Lease bonds		-	-
Cash deposit to provide security over new premises	(ii)	218,990	218,444
		218,990	**218,444**
		697,757	**661,607**

(i) Under the terms of the lease agreement of the VOS Shine, the Group was required to provide an on demand bank guarantee to Vroon Offshore Services B.V. ("Vroon"), the vessel owner, to secure its payment and performance obligations. The Group's bankers issued the guarantee secured by a cash deposit of 292,000 Euro. The cash deposit was due to be refunded on 1 January 2022 on expiry of the guarantee. This guarantee was called by Vroon prior to expiry, the validity of the call being a matter of dispute between the Group and Vroon. The position on the settlement of final contractual obligations is subject to negotiation, the contract having a framework for the resolution of disputes which ultimately includes an arbitration process. The Group will continue to avail itself of all available options to recover the funds drawn under the guarantee and remains confident of full recovery.

(ii) The Group was required to provide a bank guarantee of $217,899 in respect of the lease of the new premises in Technology Park, Bentley, Western Australia.

Section 5: Working Capital Disclosures

This section focuses on the cash funding available to the Group and working capital position at year end.

5.1 Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

a) Reconciliation of cash and cash equivalents

	2023 $	2022 $
Cash and cash equivalents in the statement of cash flows	992,018	4,497,315

(b) Reconciliation of cash flows from operating activities

	2023 $	2022 $
Cash flows from operating activities		
Operating loss after tax	(10,002,733)	(14,500,660)
Adjustments for:		
Depreciation and amortisation	1,798,718	1,842,986
Equity-settled share-based payment transactions	486,080	468,634
Net finance expense	264,528	196,332
Net finance income	(36,150)	-
Loss/ (gain) on disposal of property, plant and equipment	-	(763)
Loss/ (gain) on cashflow hedge	12,971	(12,976)
Intangible assets impairment	2,552,823	-
Computer equipment written off	293	-
Withholding tax written off	158,179	-
Change in operating assets and liabilities:		
Change in trade and other receivables	122,693	5,095,529
Change in prepayments	(28,906)	7,654
Change in inventories	54,669	(369,833)
Change in other operating assets	195,542	(1,524)
Change in current tax assets	35,216	(2,323)
Change in trade and other payables	(171,615)	(2,026,192)
Change in contract liabilities	(40,595)	127,178
Change in employee entitlements	12,081	171,419
Net cash used in operating activities	**(4,586,206)**	**(9,004,539)**

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5.2 Trade and Other Receivables

Accounting Policy

Trade receivables are measured on initial recognition at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from seven to thirty days.

Impairment of trade receivables is continually reviewed and those considered uncollectable are written off by reducing the carrying amount directly. An allowance account is used when there is an expectation that the Group will be unable to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term, discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

	2023 $	2022 $
Current		
Trade debtors [(1)]	518,869	589,342
Allowance for expected credit losses	(125,075)	(138,743)
	393,794	450,599
Accrued income	-	15,645
Amount due from a director [(2)]	100,000	-
Other receivables	35,042	243,464
	528,836	**709,708**

(1) The average credit period on sales of goods and rendering of services is 30 days. An allowance (2023: $125,075, 2022: $138,743) has been made for estimated unrecoverable trade receivable amounts arising from the past sale of goods and rendering of services, determined by reference to AASB 9 requirements.

(2) Refer to note 7.4 for further details.

Allowance for expected credit losses

The ageing of the receivables and allowances for expected credit losses provided for above are as follows:

	Trade debtors		Allowance for expected credit losses	
	2023 $	2022 $	2023 $	2022 $
Current	227,995	353,115	-	-
1 to 30 days overdue	128,466	38,046	-	-
31 to 60 days overdue	10,406	13,680	-	-
61 to 90 days overdue	10,406	49,942	-	13,668
Over 90 days overdue	141,596	134,559	125,075	125,075
	518,869	**589,342**	**125,075**	**138,743**

Movements in allowance for expected credit losses

	2023 $	2022 $
Balance at 1 July	138,743	36,550
Impaired receivables written off	(13,668)	(36,550)
Impairment losses recognised on receivables	-	138,743
Balance at the end of the year	**125,075**	**138,743**

The Group have individually assessed the recoverability of each receivable balance based predominantly upon age of outstanding debt and communication with the debtor.

5.3 Inventory

Accounting Policy

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Goods in transit is stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

	2023 $	2022 $
Current		
Raw materials – at cost	341,115	363,671
Finished goods – at cost	163,852	195,964
Total	**504,967**	**559,635**

5.4 Trade and Other Payables

Accounting Policy

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months

	2023 $	2022 $
Current		
Trade payables	198,290	324,667
Authorised government agencies	131,108	132,389
Non-trade payables and accrued expenses	235,288	189,489
	564,686	**646,545**

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 7.2.

5.5 Other Liabilities

Accounting Policy

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. As a result of the contracts which the Group enters into, a number of different liabilities are recognised on the Group's balance sheet. These include but are not limited to Deferred income.

	2023 $	2022 $
Current		
Revenue received in advance	**91,661**	**132,256**

Section 6: Equity and Funding

This section focuses on the debt and equity funding available to the Group at year end, most notably covering share capital and loans and borrowings.

6.1 Capital and Reserves

Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Share Capital

	Ordinary shares			
	Number of shares		Amount in $	
	2023	2022	2023	2022
Movement in ordinary shares on issue:				
On issue at 1 July	**588,926,643**	**522,049,444**	**41,254,787**	**31,671,048**
Shares issued and expensed during the year:				
Issue of fully paid shares for cash	14,358,974	57,663,994	1,500,000	9,798,229
Issued on conversion of options	3,840,000	500,000	249,600	60,000
Issue of fully paid shares in lieu of bonuses	6,537,399	8,713,205	455,281	491,629
Deferred consideration on acquisition of subsidiary	18,156,500	-	750,000	-
Capital raising costs incurred (net of tax benefit)	-	-	(20,624)	(766,119)
On issue at 30 June	**631,819,516**	**588,926,643**	**44,189,044**	**41,254,787**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Unissued Capital

	2023 $	2022 $
Balance at 1 July	2,112,761	2,028,761
Deferred consideration shares issued (1)	(750,000)	-
Options exercised	-	-
Shares in lieu of bonus	-	84,000
Shares in lieu of bonus issued	(84,000)	-
Balance at 30 June (2)	**1,278,761**	**2,112,761**

(1) The final tranche of deferred consideration shares for Harvest Infinity Pty Ltd was issued in December 2022.

(2) The remaining balance comprises the final tranche of deferred consideration shares for SnapSupport, Inc acquisition.

Share Options

The Company has a share-based payment option scheme under which options to subscribe for the Company's shares have been granted to certain Directors and employees (see note 7.1).

Nature and Purpose of Reserves

Movement in reserves are shown within the Statement of Changes in Equity.

Share-Based Payments Reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to note 7.1 for further details of these plans.

Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Convertible Note Reserve

The convertible note reserve is used to record the equity component of convertible notes issued on 28 November 2019. Refer to note 6.2 for further details of the convertible notes' accounting treatment and terms.

6.2 Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate risk, see note 7.2.

Accounting Policy

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on short-term and long-term borrowings.

	2023 $	2022 $
Unsecured		
Premium funding facility	135,066	100,406
	135,066	**100,406**
Secured		
Convertible notes [1]	3,822,502	3,714,594
Total Borrowings	**3,822,502**	**3,714,594**
Current	135,066	100,406
Non-current	3,822,502	3,714,594
	3,957,568	**3,815,000**

[1] There is a general security over the assets of the company.

Reconciliation of Movement in Borrowings

	Premium funding	Convertible Notes	Other borrowings
	$	$	$
Balance at 1 July 2021	-	3,619,151	-
Premium funding facility	143,437	-	-
Interest costs charged	1,094	455,443	-
Less repaid [(1)]	(44,125)	(360,000)	-
Balance at 30 June 2022	**100,406**	**3,714,594**	**-**
Premium funding facility	214,176	-	-
Interest costs charged	5,163	467,908	-
Less repaid [(1)]	(184,722)	(360,000)	-
Foreign currency translation	43	-	-
Balance at 30 June 2023	**135,066**	**3,822,502**	**-**

[(1)] Amounts repaid include interest and loan establishment costs.

The Company raised $4,000,000 from the issue of 4,000,000 convertible notes on 28 November 2019 for the acquisition of Harvest Infinity Pty Ltd. Details of the convertible notes are as disclosed below. All convertible notes remain unconverted at period end.

Terms of Convertible Notes on Issue

- Interest rate: 9% per annum
- Maturity date: 28 November 2024
- Conversion price: 2.2 cents per share on or before the maturity date

Accounting Treatment of Convertible Notes

The net proceeds received from the issue of the convertible notes has been split between the financial liability component and an equity component, representing the residual amount attributable to the capacity to convert the financial liability in equity in the Company as follows:

- The equity component of $499,385 has been credited to equity.

The liability component is measured at amortised cost. The effective interest expense for the year is calculated by applying an effective interest rate of 12.45% to the liability component of the notes. The difference between the carrying amount of the liability component at the date of issue and the amount reported in the statement of financial position at 30 June 2023 represents the effective interest rate less interest paid to date. The value of the equity and liability components were determined at the date the instruments were issued.

6.3 Deferred Consideration

	2023	2022
	$	$
Balance at 1 July	-	729,325
Interest charges	-	20,675
Deferred consideration paid	-	(750,000)
Balance at 30 June	**-**	**-**
Current	-	-
Non-current	-	-
Closing balance	**-**	**-**

Deferred consideration of the acquisition of Harvest Infinity is payable in two $750,000 tranches. Tranche one was paid in December 2020, and tranche two was paid in February 2022. The present value of the consideration payable was recognised at the acquisition date with an interest expense being charged each month until full payment.

6.4 Lease Liabilities

	2023 $	2022 $
Balance at 1 July	1,833,496	494,049
Lease inception	-	2,043,212
Increase in right-of-use asset	-	-
Principal repayments	(313,362)	(782,883)
Interest expense	61,704	69,929
Exchange differences	-	9,189
Balance at 30 June	**1,581,838**	**1,833,496**
Classification		
Current	270,178	251,657
Non-current	1,311,660	1,581,839
	1,581,838	**1,833,496**

Refer to Note 7.2 for further disclosures on lease liabilities.

6.5 Provisions

	2023 $	2022 $
Balance at 1 July	120,610	768,415
Recognition of provision for restoration requirements in regard of right-of-use assets	4,464	120,610
Derecognition of provision for changes in restoration requirements (1)	-	(768,415)
Balance at 30 June	**125,074**	**120,610**
Classification		
Current	-	-
Non-current	125,074	120,610
	125,074	**120,610**

(1) Per the terms of the vessel charter lease, the Group has successfully restored the VOS Shine to the condition it was received in and sailed the vessel back to the port of choosing by the charterer, Vroon Offshore Services B.V. The vessel was returned to Singapore in October 2021. The provision above has been derecognised to reflect the costs incurred with this restoration requirement.

Section 7: Other Disclosures

The disclosure in this section focuses on share schemes in operation and financial risk management of the Group. Other mandatory disclosures, such as details of related party transactions, can also be found here.

Key Estimates and Assumptions in this Section

Share-Based Payments

The fair value of share options is measured using the Black-Scholes options pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on an evaluation of the company's historic volatility, particularly over the historic period commensurate with the expected term) and weighted average expected life of the instruments (based on historical experience), expected dividends (if any) and the risk-free interest rate (based on government bonds). Service and non-market conditions are not considered in determining fair value.

In addition, the Group has on issue, performance shares and performance rights as detailed in note 7.1. Significant judgement is required in relation to assessing the degree of probability associated with the non-market vesting conditions being met.

7.1 Share-Based Payments

Accounting Policy

The share option programme allows Group employees to receive rights to acquire shares of the Company. The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Options may also be issued to parties for services rendered. The amount recognised is determined on similar principles when the value of options issued approximates the fair value of the services provided.

Where the fair value of an employee share option or performance right has been recognised as a share-based payment and the option or right lapses on expiry, the total amount of the share-based payment expense is transferred from the share-based payment reserve to accumulated losses. Where a share option or right has lapsed and the non-market vesting criteria has not been met, any previously recorded share-based payment expense is reversed through the consolidated statement of profit or loss and other comprehensive income.

The share-based payment expense included within the consolidated financial statements can be broken down as follows:

	2023 $	2022 $
(a) Expensed in personnel expenses		
Shares issued to employees	371,281	-
Rights to shares to employees	-	313,741
Rights issued to Directors	-	70,893
(b) Expensed in professional fees		
Options issued to consultants of the Company	114,797	-

Shares

The Company operates both Short and Long Term Incentive Plans (Incentive Plans) which give eligible employees (including members of Key Management Personnel) the opportunity to receive share-based incentives as part of their remuneration.

The incentives normally vest based on satisfaction of performance conditions specified in the Incentive Plans, which typically involve both a qualifying period of service and based on achieving performance hurdle conditions specific to their role in the organization. The employee must be actively employed in their full-time position at the time the performance hurdle conditions were met. Any shares proposed to be issued under the Incentive Plans are subject to Board approval. The Company reserves the right to payout the value of the incentive in either cash or shares (at the Company's sole discretion).

During the year the Company issued the following shares to employees at a deemed issue price of nil under the Incentive Plans:

	Number of Shares Issued
Key Management Personnel	1,210,243
Other employees	5,327,156
Total	6,537,399

For the purposes of calculating the share-based payment expense, the shares are valued on grant date at the market price of the Company's shares on that date. Shares were issued during the year with a fair value range of $0.610 to $0.092 per share.

During the year, the following KMPs were issued shares in relation to Short and Long-Term Incentive Plans. In December 2022, 224,132 shares were issued to Mr Craig Byron and 486,111 shares to Ms Linda Shields at a fair value of $0.061 per share. In February 2023, 500,000 shares were issued to Mr Craig Byron at a fair value of $0.091 per share.

Equity-Settled Share Option Programme

The Company adopted an Employee Share Options Scheme (ESOS) effective 24 August 2016. Under the ESOS, the Company may grant options and rights to Company eligible participants over a period of 3 years to acquire securities up to a maximum of 15% of the Company's total issued ordinary shares at the date of the grant. The fair value of share options granted is estimated using the Black-Scholes option pricing model.

The options and rights vest on a time scale as specified in the ESOS and are granted for no consideration. Options and rights granted under the plan carry no dividend or voting rights. When exercisable, each option is converted into one ordinary share. The maximum term of an option is 5 years from grant date and the exercise price is settled in cash. Options may not be transferred other than to an associate of the holder.

Options

The following tables illustrate the share-based payment arrangements in place, and the number and weighted average exercise prices of and movements in share options. At 30 June 2023, a summary of the Group options issued and not exercised, excluding those options issued free attaching in share placements, are as follows:

Grant date	Vesting date	Expiry date	Exercise Price (cents)	Balance at start of year	Granted during the year	Exercised/ Expired during the year	Balance at year-end	Vested and exercisable at year-end
18-Feb-20	18-Feb-20	18-Feb-23	6.5	3,840,000	-	(3,840,000)	-	-
18-Feb-20	18-Feb-20	18-Feb-23	10	1,920,000	-	(1,920,000)	-	-
03-Mar-23	03-Mar-23	03-Mar-25	25	-	6,000,000	-	6,000,000	6,000,000
Total				**5,760,000**	6,000,000	**(5,760,000)**	**6,000,000**	**6,000,000**
Weighted average exercise price (cents)				7.67	25	7.67	25	25
Weighted average remaining contractual life (years)				0.64	-	-	1.68	-

Options are settled by the physical delivery of shares.

At 30 June 2022, a summary of the Group options issued and not exercised, excluding those options issued free attaching in share placements, are as follows:

Grant date	Vesting date	Expiry date	Exercise Price (cents)	Balance at start of year	Granted during the year	Exercised/ Expired during the year	Balance at year-end	Vested and exercisable at year-end
22-Nov-18	22-Nov-20	30-Nov-21	12	500,000	-	(500,000)	-	-
18-Feb-20	18-Feb-20	18-Feb-23	6.5	3,840,000	-	-	3,840,000	3,840,000
18-Feb-20	18-Feb-20	18-Feb-23	10	1,920,000	-	-	1,920,000	1,920,000
Total				**6,260,000**	**-**	**(500,000)**	**5,760,000**	**5,760,000**
Weighted average exercise price (cents)				8.01	-	12.00	7.67	7.67
Weighted average remaining contractual life (years)				1.54	-	-	0.64	-

Options are settled by the physical delivery of shares.

Key valuation assumptions made at valuation date for options still on issue at year-end are summarised below:

	Tranche 7	Tranche 8	Tranche 9
Exercise price (cents)	6.5	10	25
Grant date	18-Feb-20	18-Feb-20	3-Mar-23
Expiry date	18-Feb-23	18-Feb-23	3-Mar-25
Life of the options (years)	5.00	5.00	2.00
Volatility	101.46%	101.46%	84.00%
Risk free rate	0.76%	0.76%	3.67%

Performance Rights

At 30 June 2023, a summary of the Group performance rights issued are as follows:

Note	Grant date	End of performance period	Tranche	Balance at the start of the year	Granted during the year	Lapsed/ Converted during the year	Balance at year-end	Vested and convertible at year-end	Expensed During the Year ($)
(i)	26-Apr-19	26-Apr-22	2	25,000,000	-	(25,000,000)	-	-	-
(ii)	26-Apr-19	26-Apr-23	3	30,000,000	-	(30,000,000)	-	-	-
(iii)	24-Jun-20	30-Jun-23	6	4,714,286	-	(4,714,286)	-	-	-
(iv)	23-Nov-20	1-Sep-21	B	500,000	-	(500,000)	-	-	-
(v)	23-Nov-20	1-Mar-22	C	500,000	-	(500,000)	-	-	-

Each performance right represents a right to be issued one ordinary share, with no exercise price payable on conversion, upon the achievement of the following revenue-based milestones:

(i) Tranche 2 performance rights will vest upon Harvest Technology Pty Ltd achieving $20,000,000 in revenue in one calendar year within three years of the acquisition of Harvest, being 26 April 2022.

(ii) Tranche 3 performance rights will vest upon Harvest Technology Pty Ltd achieving $30,000,000 in revenue in one calendar year within four years of the acquisition of Harvest, being 26 April 2023.

(iii) Tranche 6 performance rights are based on a calculation being [2,500,000 x (average market price for the last 5 trading days of the year less 10 cents)]/market price at 30 June. The market price must exceed 10 cents for the performance rights to be eligible for conversion to shares.

(iv) Tranche B performance rights will vest upon the Group achieving a VWAP of at least $0.50 over any twenty consecutive trading day period before the milestone date, being 1 September 2021.

(v) Tranche C performance rights will vest upon the Group achieving a VWAP of at least $0.75 over any twenty consecutive trading day period before the milestone date, being 1 March 2022.

Tranches 2 and 3 performance rights relate to the acquisition of Harvest Technology. Both Tranche 2 and 3 did not meet the performance conditions during the year and will not vest.

Tranche 6 were agreed in the prior year, with performance hurdles based on an increased share price above a base amount. As at 30 June the calculated market price was 4 cents per share. As the market price was less than 10 cents, Tranche 6 will not convert into shares.

Tranches B and C were granted after receiving shareholder approval at the Company's AGM on 10 November 2020. Both Tranche B and C have not met the conditions of the relevant milestone and the performance rights will not vest.

7.2 Financial Instruments

Accounting Policy

Recognition and derecognition
Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.
A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL);
- equity instruments at fair value through other comprehensive income (FVOCI);
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

Subsequent remeasurement of financial assets
Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised costs using the effective interest method.
Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under AASB 139.

Impairment of financial assets
AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replace AASB 139's 'incurred loss model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

The '12-month expected credit losses' are recognised for the first category whilst 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.
Financial liabilities are initially measured at fair value, and where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are initially measured at amortised cost using the effective interest method except for derivatives and financial liabilities designation at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derivative financial instruments

Derivative financial instruments are accounted for at fair value through profit and loss (FVTPL).

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2022.

The capital structure of the Group consists of cash and cash equivalents, borrowings and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax and general administrative outgoings.

Financial Risk Management Objectives

The Group is exposed to market risk (including foreign currency exchange rate risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimise the effect of these risks and the Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed on a continuous basis to reflect changes in market conditions and the Group's activities. The Group does not trade financial instruments, including derivative financial instruments, for speculative purposes.

Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Due to the expansion of the Group into the North American and UK/EMEA markets, there has been an increase to the Group's exposure to market risks.

Foreign currency exchange rate risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the balance date expressed in Australian dollars are as follows:

	Consolidated			
	Assets		Liabilities	
	2023	2022	2023	2022
	$	$	$	$
Currency				
United States Dollars	73,075	288,388	8,393	17,697
Euro	478,767	443,163	-	-
British Pound Sterling	27,838	2,927	17,430	-

Foreign Currency Sensitivity Analysis

The sensitivity analysis below details the Group's sensitivity to an increase/decrease in the Australian dollar against the United States Dollar, Euro, and British Pound Sterling. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, including external loans where the denomination of the loan is in a currency other than the currency of the borrower and adjusts their translation balance date for 500 basis point change in foreign currency rates.

At balance date, if foreign exchange rates had been 500 basis points higher or lower, and all other variables were held constant, the impact on profit or loss would be:

	Impact on profit & loss	
	2023	2022
	$	$
If AUD strengthens by 5% (2022: 5%)		
United States Dollar	(3,234)	(13,535)
Euro	(23,938)	(22,158)
British Pound Sterling	(520)	(146)
If AUD weakens by 5% (2022: 5%)		
United States Dollar	3,234	13,535
Euro	23,938	22,158
British Pound Sterling	520	146

Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group's exposure to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest Rate Risk Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the balance date.

At balance date, if interest rates had been 50 points higher or lower and all other variables were held constant, the Group's profit or loss would increase / (decrease) by $4,960 / ($4,960).

The Group's sensitivity to interest rates has decreased during the year due to the reduction in variable rate debt instruments.

Credit Risk Management

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks and trade and other receivables.

The Group has adopted a policy of only dealing with creditworthy counterparties.

The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its customers.

The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks or government agencies with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, represents the Group's maximum exposure to credit risk.

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate banking and borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Non-derivative financial liabilities

The following table details the Group's expected contractual maturities for its non-derivative financial liabilities.

These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date the Group can be required to repay.

The table includes both interest and principal cash flows.

	Weighted Average Interest rate %	Less than 6 months $	6 months to 1 year $	1 – 5 years $
30 June 2023				
Trade and other payables	-	564,686	-	-
Borrowings	3.39	119,831	19,529	-
Lease liabilities	3.64	160,959	161,375	1,411,272
		845,476	**180,904**	**1,411,272**
30 June 2022				
Trade and other payables	-	646,545	-	-
Borrowings	2.54	86,062	14,344	-
Lease liabilities	3.64	124,298	127,360	1,581,839
		856,905	**141,704**	**1,581,839**

Derivative financial liabilities

The following table details the Group's expected contractual maturities for its derivative financial liabilities.

These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date the Group can be required to repay.

The table includes both interest and principal cash flows.

	Weighted average Interest rate %	Less than 6 months $	6 months to 1 year $	1 – 5 years $
30 June 2023				
Convertible notes – level 2	9.00	181,479	178,521	4,149,918
		181,479	**178,521**	**4,149,918**
30 June 2022				
Convertible notes – level 2	9.00	181,479	178,521	4,509,918
		181,479	**178,521**	**4,509,918**

Fair Value Measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Directors consider that the carrying amounts of cash and cash equivalents, current receivables, current payables, and current interest-bearing borrowings denominated in Australian Dollars, approximate their fair values.

7.3 Capital Commitments

At year end, there were no material capital commitments.

7.4 Related Parties

Directors and other Key Management Personnel compensation included in 'personnel expenses' (note 2.4) comprises the following:

	Note	2023 $	2022 $
Short-term employee benefits		1,108,418	1,437,880
Post-employment benefits		93,913	97,766
Share-based payments		88,825	346,866
	2.4	**1,291,156**	**1,882,512**

During the year the Group provided a short-term loan to Paul Guilfoyle amounting to $500,000 of which $400,000 was repaid as at 30 June 2023.

The key terms of the loan facility were as follows:

- Unsecured loan facility;
- Interest-free facility for the first 30 days; and
- Post 30 days interest shall be levied at the National Australia Bank Personal Loan Rate at 7.91% on the balance outstanding until repaid in full.

7.5 Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Financial year end	Proportion of ownership interest and voting power held by the Group 2023 %	2022 %
Harvest Technology Pty Ltd	Data Transfer Technology, Corporate & Administrative Support	Australia	30 June	100	100
Harvest Infinity Pty Ltd	Technology Research & Development	Australia	30 June	100	100
Opsivity, Inc.	Remote Field Mobile SaaS Solutions, Technology Research & Development, Corporate & Administrative Support	United States	30 June	100	100
Harvest Technology (UK) Ltd	Data Transfer Technology, Corporate & Administrative Support	United Kingdom	30 June	100	100
Harvest Defence Pty Ltd	Data Transfer Technology	Australia	30 June	100	100
Shark Attack Mitigation Systems Pty Ltd	Dormant	Australia	30 June	100	100
Clever Buoy Australia Pty Ltd	Dormant	Australia	30 June	100	100
SnapSupport, Inc.	Dormant	United States	30 June	100	100

7.6 Subsequent Events

In July 2023 the Group received $2,100,000 proceeds from the placement exercise to sophisticated investors.

In August 2023 the Group received $155,000 proceeds from the share purchase plan offered to existing shareholders.

Other than disclosed above there have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years.

7.7 Contingent Liabilities

At year end, there were no contingent liabilities.

7.8 Parent Company Disclosures

As at, and throughout the financial year ended 30 June 2023, the parent entity of the Group was Harvest Technology Group Limited.

	2023 $	2022 $
Result of the parent entity		
Loss for the year	(10,774,224)	(13,774,224)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(10,774,224)**	**(13,774,224)**
Financial position of parent entity at year end		
Current assets	645,740	4,140,370
Total assets	**7,770,200**	**15,293,070**
Current liabilities	(360,079)	(157,893)
Total liabilities	**(4,182,580)**	**(3,874,258)**
Total equity of the parent entity comprising of:		
Share capital	44,189,044	41,254,787
Unissued capital	1,278,761	2,112,761
Reserves	5,939,081	5,824,283
Accumulated losses	(47,819,266)	(37,773,019)
Total equity	**3,587,620**	**11,418,812**

7.9 Auditors' Remuneration

	2023 $	2022 $
HLB Mann Judd:		
Audit and review of financial reports	79,693	73,693
Non-audit services	-	-
TOTAL AUDITORS' REMUNERATION	**79,693**	**73,693**

Directors' Declaration

1. In the opinion of the Directors of Harvest Technology Group Limited (the "Group"):

   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year then ended; and
      (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   b. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

This declaration is signed in accordance with a resolution of the Board of Directors:

Jeff Sengelman

JEFFERY SENGELMAN
Chair

Dated this 30th day of August 2023

Independent Auditor’s Report

HLB MANN JUDD
ADVISORY AND ACCOUNTING

INDEPENDENT AUDITOR'S REPORT
To the Members of Harvest Technology Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Harvest Technology Group Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1.8 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Recognition and recoverability of intangible assets Refer to Note 4.1	
At 30 June 2023 the Group has an intangible assets balance of $5.3m which arose on the acquisitions of Harvest Infinity Pty Ltd. In addition, during the year, an impairment of $2,552,823 was recognised in relation to the SnapSupport proprietary information recognised on acquisition in FY2021. An impairment assessment was conducted by management due to the existence of impairment indicators arising under AASB 136 *Impairment of Assets.* The impairment assessment conducted under AASB 136 involved a comparison of the recoverable amount of the cash generating unit to which the balance was allocated to the carrying amount of the related items in the balance sheet. Recoverable amount is based upon the higher of fair value less costs of disposal and value-in-use. The evaluation of recoverable amount is considered a key audit matter as it was based upon a value-in-use calculation which required significant judgement and estimation. In addition, the balance is material to the users of the financial statements and involved the most communication with management.	Our procedures included but were not limited to: - Considered the existence of potential indicators of impairment for the remaining carrying amount of intangibles; - Examined management's estimate of the impairment amount recognised; - Critically evaluated management's methodology in the value-in-use models and the basis for key assumptions; - Reviewed the mathematical accuracy of the value-in-use models; - Performed sensitivity analyses around the key inputs used in the model such as future revenue and forecast costs; - Considered the appropriateness of the discount rate used; - Ensured the carrying value of the cash-generating unit had been correctly determined; - Compared value-in-use to the carrying amount of the cash-generating unit; and - Assessed the appropriateness of the disclosures included in the relevant notes to the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Harvest Technology Group Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
30 August 2023

D I Buckley

D I Buckley
Partner

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Legal Form of Entity
Public company

Country of Incorporation and Domicile
Australia