



HARVEST TECHNOLOGY GROUP LIMITED

ABN 77 149 970 445

HALF-YEAR FINANCIAL REPORT

PERIOD ENDED 31 DECEMBER 2024



Solving Remote

**APPENDIX 4D**

Preliminary financial statements for the half-year ended 31 December 2024 as required by ASX listing rule 4.2A

Results for announcement to the market

(All comparisons to half-year ended 31 December 2023)

	31 December 2024 \$	31 December 2023 \$	Change \$	Change %
Revenue from ordinary activities	1,434,808	1,436,451	(1,643)	(0.1)
Revenue from discontinued operations	-	-	-	-
Loss from ordinary activities after tax	(3,356,103)	(1,764,749)	(1,591,354)	(90)
Loss from discontinued operations after tax	(23,773)	(521,200)	497,427	95
Loss attributable to members	(3,379,876)	(2,285,949)	(1,093,927)	(48)

Dividends	Amount per share (cents)	Franked amount per share (cents)
Final	Nil	Nil
Half-year	Nil	Nil

Harvest Technology Group has not proposed to pay any dividends.

	31 December 2024	31 December 2023
Net Tangible Assets per share (cents)	(0.88)	(0.35)

Additional information supporting the Appendix 4D disclosure requirements can be found in the Director's Report and the consolidated financial statements for the half-year ended 31 December 2024.

This report is based on the consolidated financial statements for the half-year ended 31 December 2024 which have been reviewed by HLB Mann Judd. The independent auditor's review report contains an emphasis of matter in relation to going concern as further detailed in Note 1.5.



HARVEST TECHNOLOGY GROUP LIMITED

HALF-YEAR FINANCIAL REPORT

Period ended 31 December 2024

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DIRECTORS' REPORT

The Directors present their report together with the consolidated financial statements of Harvest Technology Group Limited ("**Company**") and the entities it controls (together, the "**Group**"), for the half-year ended 31 December 2024 and the auditor's report thereon. The consolidated financial statements have been reviewed and approved by the directors on the recommendation of the Company's Audit and Risk Management Committee.

DIRECTORS

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

Name

Jeffery Sengelman, *Chair, Independent Non-Executive Director*

Ilario Faenza, *Group Chief Executive Officer, Executive Director*

Marcus Machin, *Independent Non-Executive Director*

Ross McKinnon, *Independent Non-Executive Director*

Company Secretary

George Lazarou was appointed to the role of Company Secretary on February 17, 2025 replacing Jack Rosagro.

OPERATING AND FINANCIAL REVIEW

Group Overview

The principal activities of the entities within the Group during the period 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
- 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

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



Highlights

Notable developments during the period include:

- The Group released its 3-Year Profitability Plan
- Appointment of Neil Matheson as Sales Director and subsequent progression of strategic opportunities with several compatible technology partners in defense, satellite communications and telecommunications.
- Executed a binding and non-exclusive worldwide reseller agreement with Pulsar Solution Inc. Under the agreement, Harvest's products and solutions will be resold across Pulsar's existing and prospective customer base.
- Established a new wholly owned subsidiary, HTE (Harvest Technology) Ltd in Ireland. The new company will re-launch the Harvest Nodestream™ product range across the UK and European markets.
- Appointed Three Pro Consultants Ltd to act as sales representatives for HTE (Harvest Technology) Ltd in the UK and European market under a sales commission and buyout model.
- Completed a restructuring exercise to have a more efficient cost base that will lower the breakeven point.

Corporate Matters

In relation to funding for the Group, the following activities were successfully undertaken during the period:

- In July 2024, Mr Ilario Faenza and Mr Marcus Machin provided the Group with an unsecured directors' loan of \$150,000
- In August 2024, the Group received a \$420,000 unsecured short-term loan from a sophisticated investor
- In August 2024, the Group raised an additional \$283,000 of loan notes secured against the FY2024 R&D incentive rebate
- During July to September 2024, the Group raised \$1,400,000 of convertible loan notes secured against the FY2025 R&D incentive rebate
- In October 2024, the existing secured convertible note holders reinvested \$89,877 of the interest paid into the secured convertible notes
- During September to December 2024, the Group raised \$2,050,000 via an unsecured convertible notes placement (unsecured convertible notes 1)
- During November to December 2024, the Group raised \$975,000 via an unsecured convertible notes placement (unsecured convertible notes 2)
- In February 2025, the Group had received a binding commitment from a sophisticated investor to raise \$1,500,000 (before costs) via a convertible note placement.

Financial Results

The Group's revenue from technology sales totalling \$1,434,808 (six months ended December 31, 2023: \$1,436,451). The slight decrease in revenue was mainly due to a delay of receipt of purchase orders from several large customers.

The Group received a \$1,590,178 of R&D tax incentive rebate in respect of the 30 June 2024 financial year in November 2024. The Group will continue to invest in research and development activities to remain as the global



leader in network optimised remote operations that deliver real-time remote control, communication, automation, and monitoring capabilities.

The Group recorded a loss after income tax incurred from continuing and discontinued operations of \$3,379,876 for the six months ended December 31, 2024 (six months ended December 31, 2023: \$2,285,949), the lower losses in the previous period was mainly due to capitalisation of the research and development expenditure totalling \$1,389,200 as intangible assets. The loss included significant pre-tax, non-cash expenses such as property, plant and equipment depreciation of \$129,507, impairment of property, plant and equipment and right-of-use \$881,815, inventories written down of \$201,257, equity settled employees' incentive payments of \$171,891, equity settled interest payments of \$361,200 and equity settled advisory services of \$376,153.

The Group incurred a net cash inflow for the period of \$233,019 (six months ended December 31, 2023, outflow of \$355,214). The net cash inflow was mainly contributed by fund raised via a range of debt and convertible note instruments as disclosed above in the corporate matters section. Net cash outflow from operating and investing activities was reduced by 25% to \$2,533,680 (six months ended December 31, 2023 outflow of \$3,379,249), which partly reflects the Company's focus on operating cost reductions. The closing cash balance as at December 31, 2024, was \$677,962 (June 30, 2024: \$444,943).

Notwithstanding the fact the Group had a working capital deficiency of \$5,518,166, incurred a net loss of \$3,379,876 and a net operating cash outflow of \$2,528,117 for the period, the Directors are of the opinion that the Company is a going concern for the following reasons:

- In February 2025, the Group had received a binding commitment from a sophisticated investor to raise \$1,500,000 (before costs) via a convertible note placement.
- In February 2025, the Group has reached an agreement with the secured convertible notes holders totalling \$4,128,458 to extend the maturity date from 28 November 2025 to 1 October 2026
- The benefits to be realised in the second half of the current year from recent cost reduction plans and structural changes; and
- The strong interest expressed by customers in the Group's technology and services which supports our strategy to diversify and scale our revenue base together with the new products and services (Nodestream™ Live) in the next 12 months which will diversify and grow our revenue streams.

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 cash 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.

DIVIDENDS

The Directors recommend that no dividend be provided for the half-year ended December 31, 2024 (half-year ended December 31, 2023: Nil).



SUBSEQUENT EVENTS

In February 2025, the Group had received a binding commitment from a sophisticated investor to raise \$1,500,000 (before costs) via a convertible note placement. Net proceeds from the fund raising will be used for general working capital purposes.

In February 2025, the Group has reached an agreement with the secured convertible notes holders to extend the maturity date from 28 November 2025 to 1 October 2026.

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

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

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 review of the half-year report. The Independence Declaration is set out on the following page and forms part of this Directors' Report for the half-year ended 31 December 2024.

Signed in accordance with a resolution of Directors.

JEFFERY SENGELMAN
Chair

Perth, Western Australia
28 February 2025

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Harvest Technology Group Limited for the half-year ended 31 December 2024, 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 review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
28 February 2025



D I Buckley
Partner

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	31 December 2024 \$	30 June 2024 \$
Assets			
Cash and cash equivalents		677,962	444,943
Trade and other receivables	7	514,214	362,110
Inventory		230,591	458,701
Prepayments		226,210	174,355
Total current assets		1,648,977	1,440,109
Intangible assets	8	-	-
Property, plant and equipment	9	348,995	806,069
Right-of-use leased assets	10	344,036	1,014,714
Other bonds and deposits		228,213	228,213
Total non-current assets		921,244	2,048,996
Total assets		2,570,221	3,489,105
Liabilities			
Trade and other payables		569,378	1,334,429
Other liabilities		181,600	414,756
Borrowings	11	5,514,643	5,277,564
Employee entitlements		611,723	707,419
Lease liabilities		289,799	290,258
Total current liabilities		7,167,143	8,024,426
Lease liabilities		886,353	1,028,919
Provisions		132,081	129,704
Borrowings	11	2,117,159	-
Total non-current liabilities		3,135,593	1,158,623
Total liabilities		10,302,736	9,183,049
Net liabilities		(7,732,515)	(5,693,944)
Equity			
Issued capital	12	50,309,433	48,076,797
Unissued capital	12	-	1,278,761
Reserves		6,472,845	6,085,415
Accumulated losses		(64,514,793)	(61,134,917)
Total deficiency attributable to equity holders of the Company		(7,732,515)	(5,693,944)

The accompanying notes are an integral part of these financial statements



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

		31 December 2024	31 December 2023
	Note	\$	\$
Revenue			
Revenue from continuing operations	4	1,434,808	1,436,451
Other Income			
Research and development incentive		1,590,178	1,660,335
Other income		5,840	53,200
Expenses			
Cost of goods sold		(151,877)	(238,962)
Marketing and business development		(50,004)	(237,722)
Personnel expenses - other		(1,269,621)	(1,940,348)
Personnel expenses – research and development		(1,726,220)	(721,991)
General and administration		(198,103)	(467,767)
Professional fees		(779,082)	(211,695)
Depreciation and amortisation		(253,792)	(698,544)
Research and development		(105,413)	(73,642)
Inventories written down		(201,257)	-
Impairment of property, plant and equipment and right-of-use		(881,815)	-
Finance expenses		(769,745)	(324,064)
Loss before income tax		(3,356,103)	(1,764,749)
Income tax expense	6	-	-
Net loss for the year from continuing operations		(3,356,103)	(1,764,749)
Loss after tax from discontinued operations	3	(23,773)	(521,200)
Loss attributable to owners of the Company		(3,379,876)	(2,285,949)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences on foreign operations		31	(3,903)
Total comprehensive loss for the period		(3,379,845)	(2,289,852)
Loss per share			
Basic and diluted loss per share (cents per share)	5	(0.40)	(0.33)
Basic and diluted loss per share (cents per share) from continuing operations		(0.40)	(0.25)
Basic and diluted loss per share (cents per share) from discontinued operations		-	(0.08)

The accompanying notes are an integral part of these financial statements



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Issued Capital \$	Unissued Capital \$	Share- based Payment Reserve \$	Equity Component of Convertible Note \$	Foreign Exchange Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2023	44,189,044	1,278,761	5,439,695	499,385	(13,564)	(47,805,701)	3,587,620
Net loss for the period	-	-	-	-	-	(2,285,949)	(2,285,949)
Foreign exchange translation	-	-	-	-	(3,903)	-	(3,903)
Total comprehensive loss for the period	-	-	-	-	(3,903)	(2,285,949)	(2,289,852)
Shares issued during the period	2,255,000	-	-	-	-	-	2,255,000
Share issue costs (net of tax benefit)	(242,855)	-	-	-	-	-	(242,855)
Share based payments	-	-	79,702	-	-	-	79,702
Shares in lieu of bonus	405,193	-	-	-	-	-	405,193
Balance at 31 December 2023	46,606,382	1,278,761	5,519,397	499,385	(17,467)	(50,091,650)	3,794,808
Balance at 1 July 2024	48,076,797	1,278,761	5,600,833	499,385	(14,803)	(61,134,917)	(5,693,944)
Net loss for the period	-	-	-	-	-	(3,379,876)	(3,379,876)
Foreign exchange translation	-	-	-	-	31	-	31
Total comprehensive loss for the period	-	-	-	-	31	(3,379,876)	(3,379,845)
Shares issued during the period	50,966	-	-	-	-	-	50,966
Share options to fund raising advisor	-	-	226,066	-	-	-	226,066
Convertible note issued during the period	-	-	-	161,333	-	-	161,333
Share issue costs (net of tax benefit)	(6,335)	-	-	-	-	-	(6,335)
Deferred consideration on acquisition of subsidiary	1,278,761	(1,278,761)	-	-	-	-	-
Shares in lieu of bonus	171,891	-	-	-	-	-	171,891
Shares in lieu of advisory services	376,153	-	-	-	-	-	376,153
Shares in lieu of financing interest	361,200	-	-	-	-	-	361,200
Balance at 31 December 2024	50,309,433	-	5,826,899	660,718	(14,772)	(64,514,793)	(7,732,515)

The accompanying notes are an integral part of these financial statements



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	31 December 2024	31 December 2023
	\$	\$
Cash flows from operating activities		
Receipts from customers	1,049,548	1,453,765
Receipts on research and development incentive	1,590,178	-
Cash paid to suppliers and employees	(4,829,240)	(3,322,166)
Interest paid	(321,041)	(191,256)
Interest paid on lease liabilities	(22,556)	(27,316)
Interest received	4,994	18,603
Net cash used in operating activities	(2,528,117)	(2,068,370)
Cash flows from investing activities		
Payments for plant and equipment	(5,563)	(21,679)
Payments for intangible assets	-	(1,389,200)
Repayment from a Director	-	100,000
Net cash used in investing activities	(5,563)	(1,310,879)
Cash flows from financing activities		
Proceeds from issue of share capital	-	2,255,000
Proceeds from issue of convertible notes	2,682,877	-
Proceeds from issue of loan notes and short term loan	1,620,000	-
Loan from directors	150,000	-
Repayment of loan from a director	(100,000)	-
Payment of borrowings raising cost	(286,180)	-
Payment of capital raising costs	(6,335)	(163,153)
Loan from R&D financing facility	-	959,281
Loan from former Group CEO	-	250,000
Repayments of principal lease liabilities	(165,581)	(160,959)
Repayment of borrowings and premium funding facility	(1,128,082)	(116,134)
Net cash from financing activities	2,766,699	3,024,035
Net decrease in cash and cash equivalents	233,019	(355,214)
Cash and cash equivalents at 1 July	444,943	992,018
Effect of exchange rate fluctuations on cash held	-	(2,747)
Cash and cash equivalents at 31 December	677,962	634,057

The accompanying notes are an integral part of these financial statements



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of Compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for the year ended 30 June 2024 as well as any public announcements made by Harvest Technology Group Limited and its subsidiaries during the half-year.

1.2 Basis of Preparation

The consolidated half-year financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in preparation of the half-year financial statements are consistent with those adopted and disclosed in the Group's financial report for the year ended 30 June 2024. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The half-year financial statements were approved by the Board of Directors on 28 February 2025.

1.3 Accounting Judgements and Estimates

The preparation of the half-year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied to the half-year financial statements, including the key sources of estimation uncertainty were the same as those that applied to the Group's last annual financial report for the year ended 30 June 2024, except for the following:

Recoverability of the Harvest Infinity Cash Generating Unit

The Group has reviewed the Harvest Infinity Cash Generating Unit (CGU) for indicators of impairment in accordance with AASB 136 and concluded that no impairment was required at period end other than items that already disclosed in the financial statements.



1.4 Application of New and Revised Standards

The Directors have reviewed all Standards and Interpretations on issue not yet adopted for the period ended 31 December 2024. 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 Group, and therefore, no change is necessary to Group accounting policies.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

1.5 Going Concern

The consolidated financial statements have been prepared on a going concern basis which contemplates 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 the Group had a working capital deficiency of \$5,518,166, incurred a net loss of \$3,379,876 and a net operating cash outflow of \$2,528,117 for the period, the Directors are of the opinion that the Company is a going concern for the following reasons:

- In February 2025, the Group had received a binding commitment from a sophisticated investor to raise \$1,500,000 (before costs) via a convertible note placement.
- In February 2025, the Group has reached an agreement with the secured convertible notes holders totalling \$4,128,458 to extend the maturity date from 28 November 2025 to 1 October 2026
- The benefits to be realised in the second half of the current financial year from the recent cost reduction and structural changes; and
- The strong interest expressed by customers in the Group's technology and services which supports our strategy to diversify and scale our revenue base together with the new products and services (Nodestream™ Live) in the next 12 months which will diversify and grow our revenue streams.

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 exists 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.

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2. 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's reportable segments under AASB 8 *Segment Reporting* are therefore as follows:

- 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	
	31 December 2024	30 June 2024	31 December 2024	30 June 2024
	\$	\$	\$	\$
Remote communications technology	596,720	833,086	(509,812)	(838,812)
Subsea and asset integrity risk mitigation (discontinued operation)	-	-	(6,315)	(122,568)
Total segment assets and liabilities	596,720	833,086	(516,127)	(961,380)
Corporate and other segment assets/liabilities	1,973,501	2,656,019	(9,786,609)	(8,221,669)
Total	2,570,221	3,489,105	(10,302,736)	(9,183,049)



2. SEGMENT REPORTING (CONTINUED)

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)	
	31 December 2024 \$	31 December 2023 \$	31 December 2024 \$	31 December 2023 \$
Remote communications technology ⁽¹⁾	1,434,808	1,436,451	128,722	652,828
Total for continuing operations	1,434,808	1,436,451	128,722	652,828
Subsea and asset integrity risk mitigation (discontinued operation)	-	-	(23,773)	(521,200)
Total for continuing and discontinued operations	1,434,808	1,436,451	104,949	131,628
Other income			845	34,597
Finance income			4,994	18,603
Central and administration expenses			(2,720,919)	(2,146,713)
Finance expense			(769,745)	(324,064)
Loss before tax			(3,379,876)	(2,285,949)
Income tax benefit / (expense)			-	-
Loss after tax			(3,379,876)	(2,285,949)

⁽¹⁾ The remote communications technology segment result includes an expense of \$416,446 for amortisation of intellectual property.

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.



2. SEGMENT REPORTING (CONTINUED)

Geographical Information

Geographical Non-Current Assets

	31 December 2024 \$	30 June 2024 \$
Australia	919,376	2,044,970
United States	-	279
United Kingdom	1,868	3,747
	921,244	2,048,996

Sales to External Customers

	31 December 2024 \$	31 December 2023 \$
Americas	6,589	107,808
Australia & Asia Pacific	1,274,968	701,131
Europe	60,888	-
Middle East & Africa	60,432	208,440
United Kingdom	31,931	419,072
	1,434,808	1,436,451

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3. DISCONTINUED OPERATIONS

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 at that time. 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.

Results for the period from discontinued operations

	31 December 2024	31 December 2023
	\$	\$
Sales	-	-
Cost of goods sold	-	-
General and administration	(4,065)	-
Professional fees	(19,708)	(48,785)
Impairment on other deposit	-	(472,415)
Loss after tax from discontinued operations	(23,773)	(521,200)

4. REVENUE

	31 December 2024	31 December 2023
	\$	\$
Revenue earned over time		
Remote communications technology	762,889	723,841
Revenue at a point in time		
Remote communications technology	671,919	712,610
	1,434,808	1,436,451

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5. 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 31 December 2024 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

	31 December 2024 \$	31 December 2023 \$
Net loss for the period from continuing operations	(3,356,103)	(1,764,749)
Net loss for the period from discontinued operations	(23,773)	(521,200)
Net loss for the period attributable to ordinary shareholders	(3,379,876)	(2,285,949)
Issued ordinary shares at 1 July	811,857,938	631,819,516
Effect of shares issued	23,090,736	61,510,453
Weighted average number of ordinary shares at period end	834,948,674	693,329,969
Basic and diluted loss per share from continuing operations (cents per share)	(0.40)	(0.25)
Basic and diluted loss per share from discontinued operations (cents per share)	-	(0.08)
Basic and diluted loss per share (cents per share) *	(0.40)	(0.33)

* At 31 December 2024, 69,947,247 options (2023: 56,186,832 options), 321,130,773 convertible note shares (2023: 181,181,182 convertible note shares) and 1,000,000 performance rights (2023: 1,000,000 performance rights), were excluded from diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

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6. INCOME TAX EXPENSE

6.1 Amounts Recognised in Profit or Loss

	31 December 2024	31 December 2023
	\$	\$
Current tax benefit / (expense)		
Current tax	-	-
Deferred tax	-	-
(Under) / Over provision in prior year	-	-
Total income tax benefit / (expense)	-	-

6.2 Amounts Recognised Directly in Equity

	31 December 2024	31 December 2023
	\$	\$
Current tax benefit / (expense)	-	-
Net deferred tax	-	-
Total amounts recognised directly in equity	-	-

6.3 Reconciliation of Income Tax Expense

	31 December 2024	31 December 2023
	\$	\$
Loss after tax*	(3,379,876)	(2,285,949)
Total income tax (benefit) / expense	-	-
Loss excluding income tax	(3,379,876)	(2,285,949)
Income tax at the Australian tax rate of 25% (2023: 25%)	(844,969)	(571,487)
<i>Tax effect of amounts which are non-deductible (taxable) in calculating taxable income:</i>		
Entertainment	158	885
Share-based payments	100,860	101,298
Difference in foreign income tax rates	564	2,382
Other permanent differences	(396,785)	(404,616)
Under / (over) provision in prior years	-	-
Foreign tax losses not brought to account	22,732	144,148
Deferred tax assets not brought to account	1,117,440	727,390
	-	-

* Loss for the year is inclusive of continued and discontinued operations.

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7. TRADE AND OTHER RECEIVABLES

	31 December 2024	30 June 2024
Current	\$	\$
Trade debtors ⁽¹⁾	566,871	546,949
Impairment allowance	(250,749)	(250,749)
	316,122	296,200
Advance to a sales agent	146,858	-
Non-trade receivables and other income	51,234	65,910
	514,214	362,110

- ¹ The average credit period on rendering of services is 30 days. An allowance 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.

Movement in Impairment Allowance	31 December 2024	30 June 2024
	\$	\$
Balance at the beginning of period	250,749	125,075
Impairment losses recognised on receivables	-	125,674
Balance at the end of the period	250,749	250,749

The Group has assessed the recoverability of receivable balances based predominantly upon age of outstanding debt and communication with the debtor.

Ageing of Impaired Receivables	31 December 2024	30 June 2024
	\$	\$
Current	-	-
1 to 30 days overdue	-	-
31 to 60 days overdue	-	-
61 to 90 days overdue	-	-
Over 90 days overdue	250,749	250,749
Balance at the end of the period	250,749	250,749



8. INTANGIBLE ASSETS

	Proprietary Information \$	Clever Buoy Patents \$	Software Under Development \$	Total \$
Gross Carrying Amount				
Balance at 1 July 2023	11,610,935	850	-	11,611,785
Additions	-	-	1,389,200	1,389,200
Balance at 30 June 2024	11,610,935	850	1,389,200	13,000,985
Additions	-	-	-	-
Foreign Currency Translation	-	-	-	-
Balance at 31 December 2024	11,610,935	850	1,389,200	13,000,985
Amortisation				
Balance at 1 July 2023	6,298,996	-	-	6,298,996
Amortisation for the period	826,102	-	-	826,102
Impairment	4,485,837	850	1,389,200	5,875,887
Balance at 30 June 2024	11,610,935	850	1,389,200	13,000,985
Amortisation for the period	-	-	-	-
Balance at 31 December 2024	11,610,935	850	1,389,200	13,000,985
Carrying Amounts				
Balance at 30 June 2024	-	-	-	-
Balance at 31 December 2024	-	-	-	-

In previous financial year, the Group had written off the remaining intangible balance aligns with conservative financial reporting practices, considering internal and external factors might affect the timing of profitability and related inherent risk in forecasting future cashflows. The group also wanted to present a more collate reporting between statement of profit or loss and statement of cashflows moving forward instead of capitalising the R&D cost as intangible assets.

Despite the write-off, the Group remains optimistic about the future profitability of its product, supported by continuous technological improvements and strategic restructuring initiatives as previously announced to the market.



9. PROPERTY, PLANT AND EQUIPMENT

	Plant & Equipment \$	Fixtures & Fittings \$	Computer Equipment \$	Demonstration Equipment \$	Equipment for Hire \$	Leasehold Improvements \$	Total \$
Gross Carrying Amount							
Balance at 1 July 2023	8,476	234,806	319,147	55,699	315,751	1,053,772	1,987,651
Additions	-	6,833	18,118	-	5,000	-	29,952
Disposals/Scrapping	-	-	-	-	(18,531)	-	(18,531)
Foreign Currency Translation	7	-	9	-	-	-	16
Balance at 30 June 2024	8,483	241,639	337,274	55,699	302,220	1,053,772	1,999,087
Additions	-	414	5,149	-	-	-	5,563
Foreign Currency Translation	390	-	531	-	-	-	921
Balance at 31 December 2024	8,873	242,053	342,954	55,699	302,220	1,053,772	2,005,571
Depreciation							
Balance at 1 July 2023	1,911	108,967	227,904	54,515	228,447	273,966	895,710
Depreciation for the period	3,686	42,317	69,345	1,184	37,199	150,544	304,275
Disposals/Scrapping	-	-	-	-	(7,585)	-	(7,585)
Foreign Currency Translation	165	-	453	-	-	-	618
Balance at 30 June 2024	5,762	151,284	297,702	55,699	258,061	424,510	1,193,018
Depreciation for the period	1,757	20,902	20,361	-	11,241	75,246	129,507
Impairment	-	-	-	-	-	333,044	333,044
Foreign Currency Translation	387	-	620	-	-	-	1,007
Balance at 31 December 2024	7,906	172,186	318,683	55,699	269,302	832,800	1,656,576
Carrying Amounts							
Balance at 30 June 2024	2,721	90,355	39,572	-	44,159	629,262	806,069
Balance at 31 December 2024	967	69,867	24,271	-	32,918	220,972	348,995



10. RIGHT-OF-USE LEASED ASSETS

	Plant & Equipment \$	Building ⁽¹⁾ \$	Total \$
Gross carrying amount			
Balance taken up 1 July 2023	9,144	1,718,286	1,727,430
Additions	7,734	-	7,734
Derecognition	-	-	-
Provision for restoration	-	4,630	4,630
Balance at 30 June 2024	16,878	1,722,916	1,739,794
Additions	-	-	-
Derecognition	-	-	-
Provision for restoration	-	2,378	2,378
Balance at 31 December 2024	16,878	1,725,294	1,742,172
Amortisation			
Balance at 1 July 2023	7,573	469,490	477,063
Amortisation for the period	1,829	246,188	248,017
Balance at 30 June 2024	9,402	715,678	725,080
Impairment	-	548,771	548,771
Amortisation for the period	773	123,512	124,285
Balance at 31 December 2024	10,175	1,387,961	1,398,136
Carrying amounts			
Balance at 30 June 2024	7,476	1,007,238	1,014,714
Balance at 31 December 2024	6,703	337,333	344,036

(1) 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. The right of use asset has been calculated over the initial 7 year term.

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11. BORROWINGS

		31 December 2024	30 June 2024
		\$	\$
Secured			
Convertible notes	11.1	4,128,458	3,944,850
Loan notes - FY2024 R&D incentive	11.2	-	1,217,000
Convertible loan notes - FY2025 R&D incentive	11.3	1,319,655	-
Unsecured			
Premium funding facility		16,530	115,714
Loan from directors	11.4	50,000	-
Convertible notes 1	11.5	1,249,996	-
Convertible notes 2	11.6	867,163	-
Total Borrowings		7,631,802	5,277,564
Current		5,514,643	5,277,564
Non-current		2,117,159	-
		7,631,802	5,277,564

11.1 Terms of Secured Convertible Notes

- Interest rate: 15% per annum
- Maturity date: 28 November 2025
- Conversion price: 2.2 cents per share on or before the maturity date

In February 2025, the Group has reached an agreement with the secured convertible notes holders to extend the maturity date from 28 November 2025 to 1 October 2026.

11.2 Terms of Loan Notes secured against FY2024 R&D incentive

- Deed poll dated: 26 April 2024
- Interest rate: 15% per annum; and
- Maturity date: 25 April 2025 or 20 business days from receiving the R&D

The loan notes were fully repaid in December 2024 with some investors totalling \$815k agreed to rollover their investment to the unsecured convertible notes issued in November 2024.

11.3 Terms of Convertible Loan Notes secured against FY2025 R&D incentive

- Deed poll dated: 23 August 2024
- Interest rate: 15% per annum; and
- Maturity date: 27 August 2025 (12 months after the issue date)
- Conversion price: 2.2 cents per share on or before maturity



11. BORROWINGS (CONTINUED)

11.4 Terms of Loan from Directors

In July 2024, Mr. Ilario Faenza and Mr. Marcus Machin have provided \$100,000 and \$50,000 short term unsecured director loans to the Group. The material terms of the loan agreement are as follows:

- Unsecured loan facility;
- Interest rate: 15% per annum; and
- Maturity date: 30 November 2024

On 29 November 2024 the Group has repaid the short-term loan to Mr Ilario Faenza in full amounting to \$105,384 including interest of \$5,384.

Mr Marcus Machin has agreed to extend the repayment date of the short-term loan to the Group from 30 November 2024 to 31 March 2025. The other material terms remain unchanged.

11.5 Terms of Unsecured Convertible Notes 1

- Deed poll dated: 14 October 2024
- Interest rate: 15% per annum; and
- Maturity date: 13 October 2026 (2 years from the date of deed poll)
- Conversion price: 2.2 cents per share on or before maturity

11.6 Terms of Unsecured Convertible Notes 2

- Deed poll dated: 27 November 2024
- Interest rate: 15% per annum; and
- Maturity date: 26 November 2026 (2 years from the date of deed poll)
- Conversion price: 2.2 cents per share on or before maturity



12. CAPITAL AND RESERVES

12.1 Share Capital

	Ordinary Shares			
	Number of Shares		Amount in \$	
	31 December 2024	30 June 2024	31 December 2024	30 June 2024
Movement in ordinary shares on issue:				
Balance at beginning of the period	811,857,938	631,819,516	48,076,797	44,189,044
Shares issued and expensed during the period				
Issue of fully paid shares for cash	-	166,840,458	-	3,843,418
Shares cancelled	-	(500,000)	-	-
Issue of fully paid shares on conversion of convertible notes	2,316,626	-	50,966	-
Issue of fully paid shares in lieu of interest payments	26,456,176	-	361,200	-
Issue of fully paid shares in lieu of advisory services	26,764,775	-	376,153	-
Issue of fully paid shares in lieu of bonuses	7,391,294	13,697,964	171,891	405,193
Deferred consideration on acquisition of subsidiary	4,334,783	-	1,278,761	-
Capital raising costs incurred (net of tax benefit)	-	-	(6,335)	(360,858)
Closing balance	879,121,592	811,857,938	50,309,433	48,076,797

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.

12.2 Unissued Capital

	31 December 2024	30 June 2024
	\$	\$
Balance at the beginning of period	1,278,761	1,278,761
Deferred consideration shares issued ⁽¹⁾	(1,278,761)	-
Shares in lieu of bonus	-	-
Shares in lieu of bonus issued	-	-
Balance at the end of the period	-	1,278,761

⁽¹⁾ The shares issued comprises the final tranche of deferred consideration shares for SnapSupport, Inc acquisition.



13. FINANCIAL INSTRUMENTS

Fair Value Measurement

This note provides information about how the Group determines fair value of various financial assets and financial liabilities.

Measured at Fair Value on Recurring Basis

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).

Not Measured at Fair Value

The Group has various financial instruments which are not measured at fair value in the statement of financial position.

The Directors consider that the carrying amounts of current receivables, current payables and current borrowings are a reasonable approximation to their fair values.

The methods and valuation techniques used for the purposes of measuring fair values are unchanged compared to the previous reporting period.

14. RELATED PARTIES

In July 2024, Mr. Ilario Faenza and Mr. Marcus Machin have provided \$100,000 and \$50,000 short term unsecured director loans to the Group. The material terms of the loan agreement are as follows:

- Unsecured loan facility;
- Interest rate: 15% per annum; and
- Maturity date: 30 November 2024

On 29 November 2024 the Group has repaid the short-term loan to Mr Ilario Faenza in full amounting to \$105,384 including interest of \$5,384.

Mr Marcus Machin has agreed to extend the repayment date of the short-term loan to the Group from 30 November 2024 to 31 March 2025. The other material terms remain unchanged.

The Board has reviewed the terms with the latest available market information and concluded the terms are equivalent to an arm's length transaction.



15. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

In February 2025, the Group had received a binding commitment from a sophisticated investor to raise \$1,500,000 (before costs) via a convertible note placement. Net proceeds from the fund raising will be used for general working capital purposes.

In February 2025, the Group has reached an agreement with the secured convertible notes holders to extend the maturity date from 28 November 2025 to 1 October 2026.

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

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DIRECTORS' DECLARATION

1. In the opinion of the Directors of Harvest Technology Group Limited (the "**Group**"):
 - (a) the accompanying half-year 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 31 December 2024 and of its performance for the half-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 half-year 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 303(5) of the *Corporations Act 2001* for the half-year ended 31 December 2024.

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

JEFFERY SENGELMAN
Chair

Dated this 28th day of February 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Harvest Technology Group Limited

Report on the Half-Year Financial Report*Conclusion*

We have reviewed the half-year 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 31 December 2024, 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 half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Harvest Technology Group Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibility is further described in the *Auditor's Responsibility for the Review of the Financial Report* section of our report. We are independent of the company 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 (including Independence Standards)* (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.5 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
28 February 2025



D I Buckley
Partner



CORPORATE DIRECTORY

Directors

Jeffery Sengelman
Ilario Faenza
Marcus Machin
Ross McKinnon

Company Secretary

George Lazarou

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Legal Form of Entity

Public company

Country of Incorporation and Domicile

Australia

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