Announcement to ASX

ASX Code: HTG

August 29, 2022

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 2022

Previous period: For the year ended 30 June 2021

II. RESULTS FOR ANNOUNCEMENT TO THE MARKET

				30 June 2022	30 June 2021
			%	$	$
(i)	Revenue from ongoing ordinary activities	Up	3	2,145,455	2,090,067
(ii)	Net loss from ordinary activities attributable to members	Up	99	(13,710,336)	(6,873,273)
(iii)	Net loss for the year attributable to members	Up	42	(14,500,660)	(10,238,659)
(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 2022 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 2022 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 2022	30 June 2021
Net tangible assets per ordinary share (cents per share)	**0.39**	1.06

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 2022 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: 29 August 2022

Mr. Paul Guilfoyle

Group Chief Executive Officer, Harvest Technology Group

HARVEST TECHNOLOGY GROUP LIMITED

STATUTORY REPORT

JUNE 2022

Contents

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 2022. To comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

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.

CHAIRMAN & INDEPENDENT NON-EXECUTIVE DIRECTOR – JEFFERY SENGELMAN

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
Interests in performance rights:	500,000 Class B Performance Rights
	500,000 Class C Performance Rights

EXECUTIVE DIRECTOR – PAUL GUILFOYLE

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:	33,337,846 fully paid ordinary shares
Interests in performance rights:	11,000,000 Class 2 Performance Rights
	13,200,000 Class 3 Performance Rights

NON-EXECUTIVE INDEPENDENT DIRECTOR – MARCUS MACHIN

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:	15,583,959 fully paid ordinary shares
Interests in performance rights:	2,500,000 Class 2 Performance Rights
	3,000,000 Class 3 Performance Rights

NON-EXECUTIVE INDEPENDENT DIRECTOR – ROD EVANS

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

NON-EXECUTIVE INDEPENDENT DIRECTOR – STUART CARMICHAEL

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.

Stuart was appointed as a Non-Executive Independent Director on July 8, 2021.

Current listed company directorships:

- Non-Executive Chairman – K-TIG Limited (ASX:KTG)
- Non-Executive Director – De.mem Limited (ASX:DEM)
- Non-Executive Director – ClearVue Technologies Limited (ASX:CPV)
- Non-Executive Director – Orexplore Technologies Limited (ASX:OXT)

Previous listed company directorships:

- Non-Executive Chairman - Schrole Limited (ASX:SCL)
- Non-Executive Director - Swick Mining Services Limited (ASX:SWK)
- Non-Executive Director - Osteopore Limited (ASX:OSX)

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

Company Secretaries

Jack Rosagro was appointed to the role of Joint Company Secretary on October 8, 2021, with Joel Ives continuing to act as Joint Company Secretary until resigning on March 30, 2022. Jack Rosagro 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 16 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	14	2
Paul Guilfoyle	13	2
Rod Evans	14	2
Marcus Machin	13	2
Stuart Carmichael	14	2

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
- 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
- Provision of offshore solutions and engineering services for subsea intervention projects and asset integrity risk mitigation (discontinued operation)

The above products and services are provided primarily to the energy, maritime, resources, field service and renewable energy sectors.

Operating and Financial Review

Delivering on Strategy

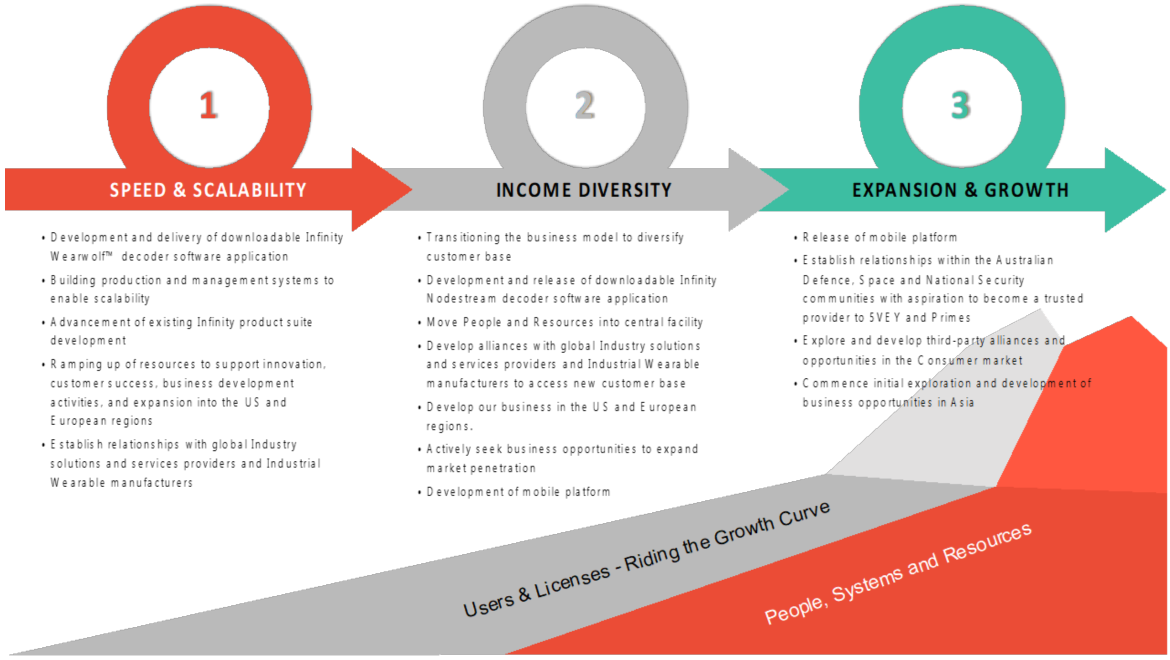
The Group launched its Three-Phase Strategic Plan to the market in October 2020 and since then has been focused on implementation of the steps required for a global roll-out of its leading-edge technology.

During FY2022, the Group has successfully delivered on its promises and achieved the final milestones to transition from Phase 1 to Phase 2 of the Strategic Plan.

Phase 1 of the plan was focused on implementing foundational systems and resources to improve speed to market and was successfully completed ahead of schedule.

Phase 2 is focused on income diversity and transitioning the business model away from its majority focus on the energy and resources sectors by rapidly expanding commercial opportunities and generating sustained growth in revenue. Importantly, Phase 2 would see the Group expand its geographic reach through expansion into the USA and Europe.

Phase 3 will see the Group continue to transition the business model and develop its global footprint by establishing a greater presence in Asia to complement income producing existing operations in the Asia Pacific/Americas and UK/EMEA regions. Establishment of trusted business relationships with Defence, Space and National Security communities. The Group will be seen as a trusted and reliable provider of quality services internationally and will seek to move into the consumer-based market, with development of key third-party relationships in this area.



Key Achievements During the Year

Key priorities for the Group entering FY2022 were continuing to target the speed to market for new applications, expansion into the USA market to capitalise on available opportunities, establishment of global reseller/strategic partner relationships, intensifying innovation through research and development and the implementation of production and management systems to support global scalabilities of its leading-edge technology.
The main highlights during FY2022 include:

- Achieving final milestones to transition the Group from Phase 1 to Phase 2 of its Three-Phase Strategic Plan:
  - Successful redelivery of VOS Shine vessel to Singapore on completion of its two-year charter, pivoting the Group to transition away from vessel operations to focus on its network optimised, remote operations technology solutions
  - Launched US based Opsivity Inc., and rebranded SnapSupport products as Opsivity™
- Successfully raised $9.8m (before costs) through a separate placement and accelerated non-renounceable entitlement offer during the year to accelerate expansion and fund working capital needs
- Signed a number of key reseller agreements during the year, including with Speedcast (global satellite provider), Marlink (a leading global provider of end-to-end smart network solutions) and RSM Australia (a leading professional services firm)

- Memorandum of Understanding signed with Inmarsat for Harvest to become a development partner for Inmarsat VELARIS partner network for the Unmanned Aerial Vehicle (UAV) sector which provides access to Inmarsat's global satellite connectivity and the opportunity for the Group to scale its solutions into new sectors and geographies
- Entered a Master Services Agreement with Inmarsat, a world-leader in communications at sea, to join its new maritime initiative as a Certified Application Provider
- Launched our proven flagship Remote Inspection System (RiS™) into the global marine market
- Harvest and Inmarsat Aviation delivered a new innovative solution for Beyond Visual Line of Sight (BVLOS) operations for small commercially deployed Unmanned Aerial Vehicles (UAVs) (i.e. drones) livestreaming high-quality video at less than 100kbps
- Commenced operational deployment studies to explore opportunities to integrate our unique Nodestream™ bandwidth optimisation technology with Cisco's Webex connectivity platform
- Established a new division to focus on, and take advantage of, the growing demand for connectivity and control solutions from defence and government organisations
- Established a UK sales branch to support sales activities across the UK, Europe, Middle East and Africa regions to complement our existing teams across the Asia-Pacific and Americas regions
- Continued to invest in research and development initiatives consistent with our technology roadmap and made significant progress in advancing key new product developments towards Beta trials ahead of commercialisation
- Relocated the Group to purpose-designed central innovation hub at Technology Park in Bentley, WA.

Capital Management

In February 2022, the Group announced it had successfully raised $9.8m (before costs) to help accelerate its global growth ambitions and fund working capital requirements. This included:

- $4.1m (before costs), including $1.1m from retail entitlement offer and $3.0m from institutional investors, which was raised through a 1-for-10 accelerated non-renounceable entitlement offer; and
- $5.7m (before costs) was raised through a placement conducted at $0.15/share which was well-supported by existing investors, family offices and sophisticated investors. Each placement share included a 1-for-1 free attaching option, exercisable at $0.25/share, with an expiry date 24 months from the date of issuance. The options were issued subsequent to the placement, under a prospectus and were listed on the Australian Securities Exchange (ASX).

In addition, the Group has a binding commitment from Directors, Mr. Paul Guilfoyle and Mr. Marcus Machin, or their nominees, to contribute a further $1.0m as part of the placement conducted in February 2022, which is subject to shareholder approval at the next Annual General Meeting in November 2022. These placement shares will also carry the right to receive 1-for-1 free attaching options consistent with the terms of the placement.

As announced to the market in the Quarterly Activities Report for June 2022 (refer ASX announcement July 28, 2022), besides continuing to grow and diversify our revenue streams the Company's core focus is on being disciplined in terms of spending to further reduce our cash burn rate and extend our cash runway, recognising that capital market conditions will remain challenging and the expectation that economic conditions will remain volatile.

Financial Results

Revenue for the financial year ended June 30, 2022, from continuing and discontinued operations was $4,836,301 (2021: $8,293,375). Revenue decreased due to the discontinuation of vessel operations following the redelivery of the VOS Shine vessel to Singapore in October 2021, which reduced the revenue contribution from vessel operations by $3,512,462 compared to prior year.

Revenue earned from the sale of remote communications technology was marginally higher at $2,145,455 (2021: $2,090,067). Whilst first-half results were adversely impacted by travel restrictions for the sales team due to the COVID-19 pandemic, there was sustained growth in technology revenues as travel opened up during the secondhalf of the year despite headwinds caused by economic and geopolitical instability; client project delays; extended time in conversion of some maritime opportunities due to assets being located offshore for longer periods and made inaccessible for installation; and delays to supplies of hardware componentry and casings due to the continuing impact of the COVID-19 pandemic on supply chains.

The Group has a growing opportunity pipeline across multiple end-customer markets and during the year commenced servicing important new customers such as TechnipFMC, DOF Subsea and Beach Energy, who are expected to continue to expand their need for our remote technology solutions as they progressively roll-out across their fleet and/or remote operations centres across the globe.

The Group incurred a loss after income tax from continuing and discontinued operations of $14,500,660 (2021: loss of $10,238,659). The results include a loss from the discontinued vessel operations division of $790,324 (2021: loss of $3,365,386). The reported loss included significant pre-tax non-cash expenses of Intellectual Property Amortisation of $1,219,800, Depreciation/Amortisation of $625,420 and Share Based Payments of $384,634.

The increased loss was reflective of continued investment in research and development activities $961,596 (2021: $277,657) for the technology business and growth in people and capability $3,691,867 (2021: $1,071,370) across the organisation to cater for the expansion in commercial operations, including the opening of a UK sales branch to focus on the UK/EMEA region and installing a dedicated Infinity sales team in the Americas region. Total marketing and business development expenditure increased to $913,867 (2021: $161,358), to facilitate the growth of sales and business development activities across all regions.

The focus of research and development activities during the year included:

- continued development of Nodestream™ hardware and software applications, with several key releases to market, including the Nodestream Windows downloadable and the new V2 protocol which offers significant advantages over its market leading predecessor and will be phased into all Nodestream products which will further reinforce our technological advantage over rivals in this space
- developing our Remote Inspection System (RiS™) solution ahead of its global launch in March 2022
- continued development of new products, advancing towards Beta trials with pilot customers later this calendar year
- Phase 2 of the Webex integration proof-of-concept development for Cisco to connect the Nodestream and Webex ecosystems and create a scalable dedicated API for end user on-demand use. This project has now successfully transitioned from proof-of-concept to operational deployment trials in the civil infrastructure sector
- Working with Inmarsat and their partner network to support scalable potential of the UAV market by leveraging the Group's existing remote connectivity solutions

Our ongoing investment in research and development activities culminated in the submission of our annual R&D Tax Claim in July 2022, with the expectation of a conservative cash refund of approximately $750,000, which has not been recognised in our reported financial results as at June 30, 2022. The exact quantum and timing of the refund is subject to review and approval by the Australian Tax Office.

The Group recorded a reduced net cash outflow for the year of $2,265,312 (2021: $4,549,310). The cash balance as at June 30, 2022, was $4,497,315 (2021: $6,756,988). The net movement in cash reserves included payment of the final tranche of deferred consideration of $750,000 related to the acquisition of Harvest Infinity Pty Ltd (Advanced Offshore Streaming Pty Ltd) and net inflows of $9,858,229 from proceeds of share issues during the year. There was also significant investment in the purchase of new plant and equipment $821,580 (2021: $387,321), which was mainly utilised in the relocation to the Group's purpose-designed central innovation hub at Technology Park in Bentley, WA.

Significant Changes in The State of Affairs

During the year, the Group decided to discontinue vessel operations activities in line with Phase 1 of the Group's Strategic Plan. On Monday October 4, 2021, the offshore support vessel VOS Shine was successfully redelivered to its Owners in Singapore, ending the vessel's two-year charter, and pivoting the Group to transition away from vessel operations through to Phase 2 of the Strategic Plan, and its core focus on providing technology solutions for remote operations.

Dividends

The Directors recommend that no dividend be paid for the year ended 30 June 2022 (2021: nil).

Significant Events After Balance Date

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.

In the year ahead we will remain focused on execution of our Phase 2 strategy, 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 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 recently expanded sales and business development team
- Actively seek opportunities to expand market penetration and leverage our technologies into new markets and applications
- Establishment of new long-term strategic partner relationships and expansion of our existing reseller network across key end-customer channels and regions
- Invest in targeted research and development initiatives as we progress hardware and software development projects for specific customer/end-market uses, introduce added functionality to our existing product range and successfully complete Beta trials with pilot customers for new products to help drive future growth
- Seek further opportunities to embed our technology within products and solutions provided by third-parties, similar to current initiatives with Cisco and Inmarsat.

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
18-Feb-20	3,840,000	6.5	18-Feb-23
18-Feb-20	1,920,000	10	18-Feb-23
7-Apr-22	38,520,166	25	7-Apr-24
	44,280,166		

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, 500,000 shares were issued as a result of the exercise of options (2021: 32,021,667).

No options expired or lapsed during or since the end of the reporting period.

Performance Shares

At the date of this report, no performance shares were on issue.

No performance shares expired or lapsed during or since the end of the reporting period (2021: 17,398,710).

Performance Rights

At the date of this report, the following performance rights were on issue:

Issue date	Expiry date	Number of performance rights
26-Apr-19	26-Apr-22	25,000,000
26-Apr-19	26-Apr-23	30,000,000
10-Nov-20	10-Nov-25	500,000
10-Nov-20	10-Nov-25	500,000
		56,000,000

These performance rights do not entitle the holder to participate in any share issue of the Company. During the financial year, 6,945,306 shares were issued as a result of the conversion of performance rights (2021: 9,486,339).

No performance rights expired or lapsed during or since the end of the reporting period (2021: 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 $65,220 (2021: $57,991) 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 13, outlines the remuneration arrangements in place for the key management personnel of the Group for the financial year ended 30 June 2022.

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 2022 is set out on page 20.

Signed in accordance with a resolution of the Directors.

Jeff Sengelman

JEFFERY SENGELMAN
Chairman

Dated in Perth, Western Australia, this 29th day of August 2022.

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 2022. 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 $50,000 per annum for the 2022 financial year and $75,000 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
Colin Napier	Ongoing ***	3 months	3 months	$200,000	3 months base salary
Craig Byron	Ongoing	3 months	3 months	$236,364	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.

*** Colin Napier resigned from the Company on 13 March 2022.

**** Patrick Neise is employed in the USA and is paid in USD.

Remuneration of Directors

		Short-term employee benefits		Post-employment benefits	Share-based payments		
Name	**Year**	**Cash salary and fees (A) $**	**D&O Insurance Premiums $**	**Superannuation $**	**Rights $**	**Total $**	**Performance Related %**
Executive Directors							
Paul Guilfoyle	2022	336,539	40,517	32,500	-	409,556	-
	2021	348,077	39,228	30,875	-	418,180	-
Non-Executive Directors							
Jeffery Sengelman	2022	75,000	8,234	-	70,893	154,127	46
	2021	81,250	8,411	-	253,507	343,168	74
Rod Evans	2022	50,000	5,490	-	-	55,490	-
	2021	50,000	5,176	-	-	55,176	-
Marcus Machin	2022	50,000	5,490	-	-	55,490	-
	2021	50,000	5,176	-	-	55,176	-
Stuart Carmichael (Appointed 8 July 2021)	2022	45,455	5,490	4,545	-	55,490	-
	2021	-	-	-	-	-	-
Sub-total Non-Executive Directors' remuneration	2022	220,455	24,704	4,545	70,893	320,597	22
	2021	181,250	18,763	-	253,507	453,520	56
Total Directors' Remuneration	2022	556,994	65,221	37,045	70,893	730,153	22
	2021	529,327	57,991	30,875	253,507	871,700	29

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

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

		Short-term employee benefits		Post-employment benefits	Share-based payments		
Name	**Year**	**Cash salary and fees (A) $**	**D&O Insurance Premiums $**	**Superannuation & Health Benefits $**	**Rights $**	**Total $**	**Performance Related %**
KMP							
Linda Shields *COO*	**2022**	**256,731**	**-**	**25,000**	**111,760**	**393,491**	**28**
	2021	235,071	-	21,558	524,075	780,704	67
Colin Napier *CFO (resigned 13 March 2022)*	**2022**	**153,469**	**-**	**14,615**	**101,213**	**269,297**	**38**
	2021	207,035	-	19,000	524,075	750,110	70
Craig Byron *CFO (started 4 January 2022)*	**2022**	**114,686**	**-**	**10,818**	**-**	**125,504**	**-**
	2021	-	-	-	-	-	-
Diranne Lee-Renwick *CTO (resigned in June 2021)*	**2022**	**-**	**-**	**-**	**-**	**-**	**-**
	2021	199,882	-	19,000	-	218,882	-
Patrick Neise *CTO (started 8 June 2021)* (C)	**2022**	**356,000**	**-**	**10,288**	**63,000**	**429,288**	**15**
	2021	-	-	-	-	-	-
Total Other KMP Remuneration	**2022**	**880,886**	**-**	**60,721**	**275,973**	**1,217,580**	**23**
	2021	641,986	-	59,558	1,048,150	1,749,696	60

(A) Includes movements in accruals for annual leave.

(B) All short-term and post-employment benefits accrued to the date of resignation were recognised in FY 2021.

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

In 2020, performance rights were issued to KMP's that required a minimum share price of 4 cents to qualify for conversion into shares in 2020/21, 7 cents in 2021/22 and 10 cents in 2022/23. Refer note 7.1.

Options

Granted as Compensation

No share options were granted to the Directors of the Company as part of their remuneration in FY 2022 or FY 2021.

Performance Rights

Performance rights were granted to Jeffery Sengelman as part of his remuneration in FY 2021.

The performance rights tabled below were provided at no cost to the recipients. During the year, 11,000,000 performance rights for Paul Guilfoyle, 2,500,000 performance rights for Marcus Machin, 750,000 performance rights for Stuart Carmichael and 1,000,000 performance rights for Jeffery Sengelman did not meet the performance conditions.

In the prior year, 500,000 performance rights were converted to shares to Jeffery Sengelman following the achievement of 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
Paul Guilfoyle *	11,000,000	26-Apr-19	0	0	26-Apr-22	
Paul Guilfoyle *	13,200,000	26-Apr-19	0	0	26-Apr-23	
Marcus Machin *	2,500,000	26-Apr-19	0	0	26-Apr-22	
Marcus Machin *	3,000,000	26-Apr-19	0	0	26-Apr-23	
Stuart Carmichael *	750,000	26-Apr-19	0	0	26-Apr-22	
Stuart Carmichael *	900,000	26-Apr-19	0	0	26-Apr-23	
Jeffery Sengelman	500,000	23-Nov-20	24.73	123,650	1-Mar-21	10-Nov-25
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

* Performance rights for Paul Guilfoyle, Marcus Machin and Stuart Carmichael were granted as part of a business combination in FY 2019, and the value at the time was $0.

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 2021	Purchases	Sales	Conversion of Performance Rights & Options	Held at 30 June 2022
Executive Directors					
Paul Guilfoyle	32,871,779	466,067	-	-	33,337,846
Non-Executive Directors					
Jeffery Sengelman	500,000	-	-	-	500,000
Rod Evans	3,047,553	-	-	-	3,047,553
Marcus Machin	15,203,864	380,095	-	-	15,583,959
Stuart Carmichael	601,720	45,129	-	-	646,849
Other KMP					
Linda Shields	18,172,336	170,000	(470,000)	2,063,887	19,936,223
Colin Napier	5,730,736	136,202	(296,202)	2,005,293	7,576,029
Craig Byron	-	300,379	-		300,379
Patrick Neise	-	-	-		-

Options Held by Directors

No options were held by Directors at any time during the financial year, nor at year end.

Performance Shares Held by Directors

No performance shares were held by Directors at any time during the financial year, nor at year end.

Performance Rights Held by KMP

	Held at 1 July 2021	Granted during the year	Converted during the year	Held at 30 June 2022
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	14,239,491	-	(1,929,967)	12,309,524
Colin Napier	3,239,491	-	(1,929,967)	1,309,524

At 30 June 2022, 11,000,000 performance rights for Paul Guilfoyle, 2,500,000 performance rights for Marcus Machin, 750,000 performance rights for Stuart Carmichael, 1,000,000 performance rights for Jeffery Sengelman, 6,309,524 performance rights for Linda Shields and 1,309,524 performance rights for Colin Napier did not meet the performance conditions.

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

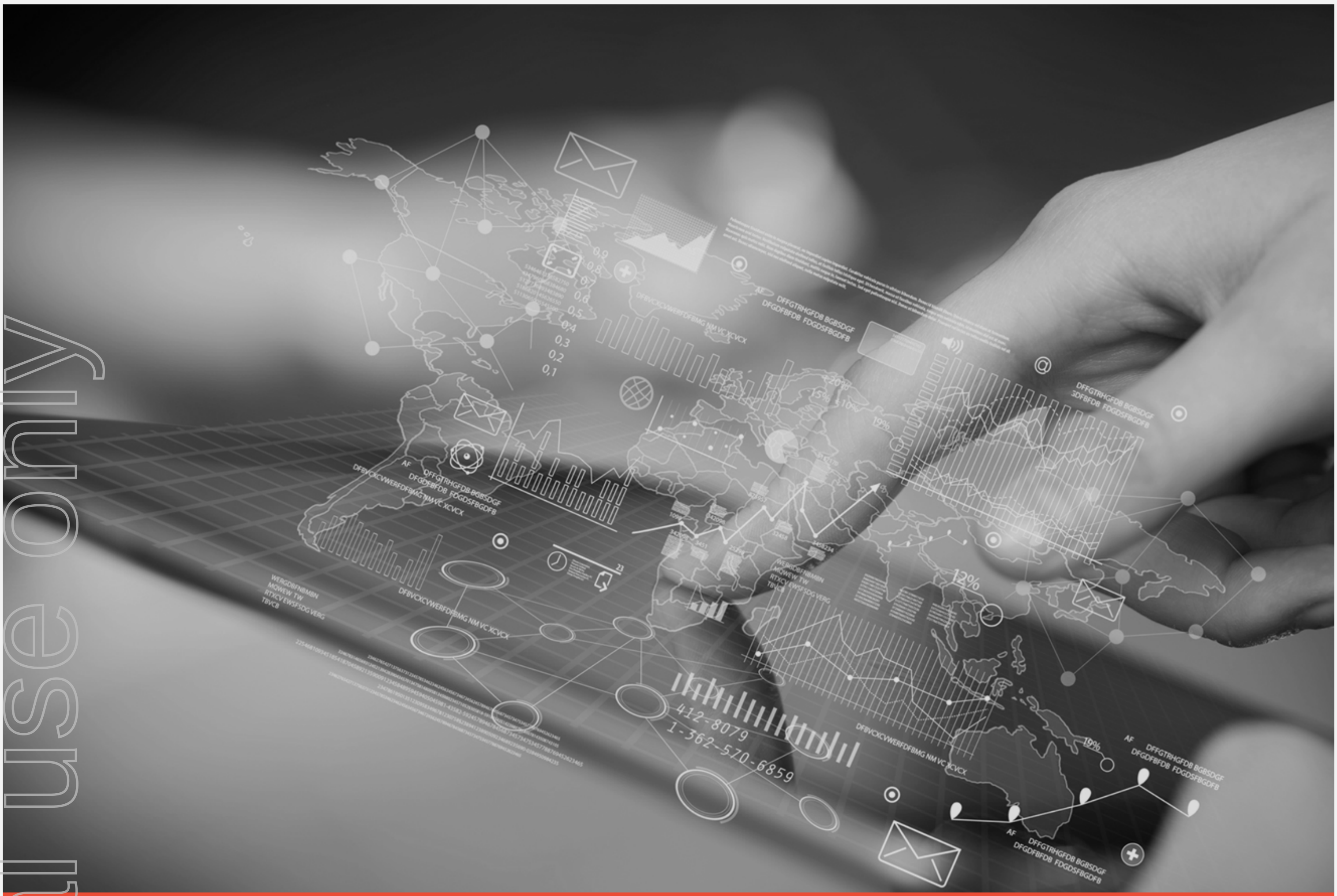
Other Transactions with Directors or Key Management Personnel

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

The Group has a binding commitment from Paul Guilfoyle and Marcus Machin to contribute $1.0m (6,666,666 shares), in total, as part of the placement conducted in February 2022, which is subject to shareholder approval at the next Annual General Meeting in November 2022. These placement shares also carry the right to receive 1-for-1 free attaching options (6,666,666 options) consistent with the terms of the placement.

Voting and Comments at the Company's 2021 Annual General Meeting

The Company received 98.59% of "yes" votes on its remuneration report for the 30 June 2021 financial year.



Auditor Independence Declaration

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Harvest Technology Group Ltd for the year ended 30 June 2022, 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	**D I Buckley**
29 August 2022	**Partner**

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Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Cash and cash equivalents	5.1	4,497,315	6,756,988
Trade and other receivables	5.2	709,708	5,805,238
Inventory	5.3	559,635	189,802
Prepayments		160,986	168,640
Other bonds and deposits	4.4	443,163	576,633
Derivative financial assets		145,159	-
Current tax receivables		35,216	32,893
Total current assets		**6,551,182**	**13,530,194**
Intangible assets	4.1	9,106,144	10,301,724
Property, plant and equipment	4.2	1,378,095	429,487
Right of use leased assets	4.3	1,493,081	88,003
Other bonds and deposits	4.4	218,444	250,914
Total non-current assets		**12,195,764**	**11,070,128**
Total assets		**18,746,946**	**24,600,322**
Liabilities			
Trade and other payables	5.4	646,545	2,672,737
Other liabilities	5.5	132,256	5,077
Borrowings	6.2	100,406	-
Employee entitlements	2.4	648,039	476,620
Lease liabilities	6.4	251,657	490,266
Deferred consideration	6.3	-	729,325
Derivative financial liabilities		132,188	-
Provisions	6.5	-	768,415
Total current liabilities		**1,911,091**	**5,142,440**
Lease liabilities	6.4	1,581,839	3,783
Provisions	6.5	120,610	-
Borrowings	6.2	3,714,594	3,619,151
Total non-current liabilities		**5,417,043**	**3,622,934**
Total liabilities		**7,328,134**	**8,765,374**
Net assets		**11,418,812**	**15,834,948**
Equity			
Issued capital	6.1	41,254,787	31,671,048
Unissued capital	6.1	2,112,761	2,028,761
Reserves		5,854,232	5,437,447
Accumulated losses		(37,802,968)	(23,302,308)
Total equity attributable to equity holders of the Company		**11,418,812**	**15,834,948**

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 2022

	Note	2022 $	2021 $
Revenue			
Sales	2.2	2,145,455	2,090,067
Other income	2.3	15,955	222,595
		2,161,410	**2,312,662**
Expenses			
Cost of goods sold		(622,233)	(238,326)
Marketing and business development		(913,867)	(161,358)
Personnel expenses – other	2.4	(5,783,466)	(5,916,136)
Personnel expenses – research and development	2.4	(3,691,867)	(1,071,370)
General and administration		(370,805)	(786,438)
Professional fees		(821,879)	(673,911)
Depreciation and amortisation		(1,845,220)	(1,061,625)
Research and development		(961,596)	(277,657)
Goodwill impairment		-	-
Finance expenses	2.5	(603,856)	(566,837)
Other losses		(118,565)	-
Loss before income tax		**(13,571,944)**	**(8,440,996)**
Income tax benefit / (expense)	2.6	(138,392)	1,567,723
Net loss for the year from continuing operations		**(13,710,336)**	**(6,873,273)**
Loss after tax from discontinued operations	3	(790,324)	(3,365,386)
Loss attributable to owners of the Company		**(14,500,660)**	**(10,238,659)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		32,151	(2,202)
Total comprehensive loss for the year		**(14,468,509)**	**(10,240,861)**
Total comprehensive loss attributable to owners of the Company		**(14,468,509)**	**(10,240,861)**
Loss for the year is attributable to:			
Continuing operations		(13,710,336)	(6,873,273)
Discontinued operations		(790,324)	(3,365,386)
		(14,500,660)	**(10,238,659)**
Total comprehensive loss for the year is attributable to:			
Continuing operations		(13,678,185)	(6,875,476)
Discontinued operations		(790,324)	(3,365,386)
		(14,468,509)	**(10,240,861)**
Loss per share			
Basic and diluted loss per share (cents per share)	2.7	(2.63)	(2.13)
Basic and diluted loss per share (cents per share) from continuing operations	2.7	(2.49)	(1.43)
Basic and diluted loss per share (cents per share) from discontinued operations	2.7	(0.14)	(0.70)

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Issued Capital	Unissued Capital	Share-based Payment Reserve	Equity Component of Convertible Note	Foreign Exchange Reserve	Accumulated Losses	Total Equity
	$	$	$	$	$	$	$
Balance at 1 July 2020	**20,666,186**	**1,738,628**	**2,801,621**	**499,385**	**-**	**(13,063,649)**	**12,642,171**
Net loss for the year	-	-	-	-	-	(10,238,659)	(10,238,659)
Foreign exchange translation	-	-	-	-	(2,202)	-	(2,202)
Total comprehensive loss for the year	-	-	-	-	(2,202)	(10,238,659)	(10,240,861)
Shares issued during the period	10,507,639	-	-	-	-	-	10,507,639
Share issue costs (net of tax benefit)	(449,427)	-	-	-	-	-	(449,427)
Deferred consideration on acquisition of subsidiary	750,000	528,761	-	-	-	-	1,278,761
Funds received for options yet to be issued	-	(41,978)	-	-	-	-	(41,978)
Expiry and vesting of options	-	-	2,746	-	-	-	2,746
Shares in lieu of bonus	196,650	(196,650)	-	-	-	-	-
Share-based payments (Refer note 7.1)	-	-	2,135,897	-	-	-	2,135,897
Balance at 30 June 2021	**31,671,048**	**2,028,761**	**4,940,264**	**499,385**	**(2,202)**	**(23,302,308)**	**15,834,948**
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 period	-	-	-	-	-	(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**

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASHFLOWS
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers		10,269,511	3,981,485
Payments to suppliers and employees		(18,655,445)	(12,543,017)
Interest paid		(416,185)	(391,688)
Interest paid on lease liabilities		(69,929)	(106,832)
Interest received		5,901	19,524
Income taxes paid		(138,392)	(1,260)
Net cash used in operating activities	5.1(b)	**(9,004,539)**	**(9,041,788)**
Cash flows from investing activities			
Payments for plant and equipment		(821,580)	(387,321)
Proceeds from sale of plant and equipment		1,690	15,472
Payments to acquire subsidiary – deferred consideration	6.3	(750,000)	(750,000)
Payments for security deposits		-	(219,296)
Proceeds from security deposits		44,015	-
Acquisition of cash in business combination		-	826
Net cash used in investing activities		**(1,525,875)**	**(1,340,319)**
Cash flows from financing activities			
Proceeds from issue of share capital and options exercise	6.1	9,858,229	9,201,498
Proceeds from sale of investment in FVTPL		-	22,759
Payment of capital raising costs	6.1	(766,119)	(599,236)
Repayment of principal lease liabilities	6.4	(782,883)	(2,676,704)
Repayment of borrowings and premium funding facility	6.2	(44,125)	(115,520)
Net cash from financing activities		**8,265,102**	**5,832,797**
Net decrease in cash and cash equivalents		(2,265,312)	(4,549,310)
Cash and cash equivalents at 1 July		6,756,988	11,306,298
Effect of exchange rate fluctuations on cash held		5,639	-
Cash and cash equivalents at 30 June	5.1(a)	**4,497,315**	**6,756,988**

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 2022 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 29 August 2022. 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 2021; 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 has submitted a claim for the 2021 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.

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 2022

The Directors have reviewed all Standards and Interpretations on issue not yet adopted for the period ended 30 June 2022. 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 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 $14,500,660 and a net cash outflow of $2,265,312 for the period, the Directors are of the opinion that the Company is a going concern for the following reasons:

- The cessation of the loss-making subsea and asset integrity risk mitigation operating segment;
- The strong interest from industry-leading global resellers and customers in the Group's technology and services during the past 12 months which supports our strategy to diversify our revenue base and enter into development agreements for embedded systems with several companies. This requires continued investment in research and development activities and resources to support our expansion;
- The Group's ability to raise capital when required. During the past year, the Group successfully raised $9.8m (before costs) through a separate placement and accelerated non-renounceable entitlement offer to accelerate expansion and fund working capital needs.

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 2022 $	30 June 2021 $	30 June 2022 $	30 June 2021 $
Remote communications technology	10,386,283	11,589,149	(760,821)	(292,778)
Subsea and asset integrity risk mitigation	443,163	5,387,536	(20,678)	(3,013,970)
Total segment assets and liabilities	**10,829,446**	**16,976,685**	**(781,499)**	**(3,306,748)**
Corporate and other segment assets/liabilities	7,917,500	7,623,637	(6,546,635)	(5,458,626)
Total	**18,746,946**	**24,600,322**	**(7,328,134)**	**(8,765,374)**

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 2022 $	30 June 2021 $	30 June 2022 $	30 June 2021 $
Remote communications technology [1] [2]	2,145,455	2,090,067	(6,923,072)	(1,594,709)
Total for continuing operations	**2,145,455**	**2,090,067**	**(6,923,072)**	**(1,594,709)**
Subsea and asset integrity risk mitigation (discontinued operation) [2]	2,690,846	6,203,308	(790,324)	(3,365,386)
Total for continuing and discontinued operations	**4,836,301**	**8,293,375**	**(7,713,396)**	**(4,960,095)**
Other income			6,590	203,071
Finance income			9,365	19,524
Central and administration expenses			(6,060,971)	(6,502,045)
Finance expense			(603,856)	(566,837)
Loss before tax			**(14,362,268)**	**(11,806,382)**
Income tax benefit/ (expense)			(138,392)	1,567,723
Loss after tax			**(14,500,660)**	**(10,238,659)**

[1] The remote communications technology segment result includes an expense of $1,219,800 for amortisation 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	
	2022 $	2021 $	2022 $	2021 $
Australia	4,583,067	8,288,550	9,199,153	7,727,808
United States	253,234	4,825	2,993,663	3,342,320
United Kingdom	-	-	2,948	-
	4,836,301	**8,293,375**	**12,195,764**	**11,070,128**

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. Revenue is recognised at an amount that reflects the consideration the Group expects to be entitled to, net of goods and services tax.

a. ***Rendering of services***

Harvest Infinity ***(Infinity)*** *– Remote communications technology services*
Sales revenue from rendering of services in relation to the provision of remote communications technologies to customers operating in offshore and remote locations is recognised when the performance obligations to the customer have been fulfilled.

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

The Group has determined that the majority of contractual works that Infinity engages in incorporate components of satisfaction of performance obligations at a point in time as well as satisfaction of performance obligations over time. All point in time obligations refer to preparatory works to enable compatibility of customer operations with the requisite systems for service provision. After initial preparatory works, performance obligations are satisfied over time with the continuing fulfilment of telecommunication services relevant to customers.

Performance obligations are satisfied over time if one of the following criteria is satisfied:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternate use to the Group and it has an enforceable right to payment for performance completed to date.

*Harvest Technology (**Harvest**) – Offshore Subsea Services*
Sales revenue from rendering of services in relation to provision of technology-based solutions for subsea and asset integrity risk mitigation is recognised when the specific performance obligations to the customer have been fulfilled. The Group determines whether each performance obligation within a contract is satisfied over time or at a point in time. Criteria for determination if performance obligations are satisfied at a point in time or over time are noted above.

The Group has determined that the majority of contractual works Harvest engages in is over time rather than at a point in time as the contractual work for inspection, maintenance and repair pertains to assessment of assets held by customers across an agreed period of time to ensure appropriate upkeep and repair of assets to maintain their working order. As such, the customers receive and consume the benefits provided by the Group's performance as it is performed. For this reason, contract revenue is recognised over time and is measured using the input method by reference to labour hours incurred and actual costs incurred, relative to the total expected inputs to the satisfaction of the individual performance obligations.

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	
	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $
Revenue earned over time						
Remote communications technology	1,723,644	1,864,141	-	-	**1,723,644**	**1,864,141**
Offshore subsea services	2,690,846	6,203,308	-	-	**2,690,846**	**6,203,308**
Total Revenue	**4,414,490**	**8,067,449**	**-**	**-**	**4,414,490**	**8,067,449**
Revenue at a point in time						
Remote communications technology	-	-	421,811	225,926	**421,811**	**225,926**
Offshore subsea services	-	-	-	-	**-**	**-**
Total Revenue	**-**	**-**	**421,811**	**225,926**	**421,811**	**225,926**
	4,414,490	**8,067,449**	**421,811**	**225,926**	**4,836,301**	**8,293,375**

The Group has 2 customers where the revenue generated from these customers is more than 10% of the Group's revenue. Customer A generated 55% (2021: 0%) and Customer B generated 22% (2021: 12%) 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.

	2022 $	2021 $
Government incentives/grants	-	197,839
Interest income	6,445	19,524
Gain on fixed asset disposal	763	5,232
Finance income	2,920	-
Wage subsidy	5,600	-
Other	227	-
	15,955	**222,595**

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	2022 $	2021 $
Wages and salaries		5,726,244	2,753,791
Directors' remuneration	7.4	730,153	871,700
Other KMP remuneration	7.4	1,217,580	1,749,695
Contributions to superannuation		451,940	212,232
Increase in liability for annual leave		115,133	88,290
Equity-settled share-based payments		613,398	837,016
Fringe benefits tax		3,831	16,750
Other associated personnel expenses		617,054	458,032
		9,475,333	**6,987,506**

	2022	2021
Shown as:		
Non-research and development expenses	5,783,466	5,916,136
Research and development related personnel expenses	3,691,867	1,071,370
	9,475,333	**6,987,506**

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.

	2022 $	2021 $
Current		
Salary accrual	(227,833)	(218,948)
Superannuation	(45,348)	(4,384)
Liability for annual leave	(374,858)	(253,288)
	(648,039)	**(476,620)**

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	2022 $	2021 $
Interest expense on financial liabilities measured at amortised cost			
Interest expense on convertible notes	6.2	455,443	443,434
Interest expense on deferred consideration	6.3	20,675	79,308
Interest expense on other borrowings		1,094	7,897
Interest on lease liabilities		67,200	12,406
Other finance charges		59,444	23,792
Finance expense recognised in profit or loss		**603,856**	**566,837**

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

	2022 $	2021 $
Current tax benefit / (expense)		
Current tax	(138,392)	-
Deferred tax	-	1,523,244
Over provision in prior year	-	44,479
Total income tax benefit / (expense)	**(138,392)**	**1,567,723**

(b) Reconciliation of Income Tax

	2022 $	2021 $
Loss after tax*	(13,710,336)	(10,238,659)
Total income tax (benefit) / expense	138,392	(1,567,723)
Loss excluding income tax	**(13,571,944)**	**(11,806,382)**
Income tax at the Australian tax rate of 25% (2021: 26%)	(3,392,986)	(3,069,659)
Tax effect of amounts which are non-deductible (taxable) in calculating taxable income:		
Entertainment	4,570	5,622
Share-based payments	96,158	556,055
Non assessable income	-	(27,344)
Amortisation of intellectual property	299,766	-
Other permanent differences	(167,768)	58,739
Change in corporate tax rate	-	(33,359)
Difference in foreign income tax rates	105,975	30,156
Under / (over) provision in prior years	-	(44,479)
Previously unrecognised deferred tax assets now brought to account	-	(348,669)
Foreign tax losses not brought to account	557,880	126,655
Deferred tax assets not brought to account	2,634,797	1,178,560
	138,392	**(1,567,723)**

* 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:

	2022 $	2021 $
Deferred tax liabilities at 25% (2021: 25%)		
Prepayments	38,073	38,539
Fixed Assets	76,083	28,054
Right of use assets	373,270	22,001
Intellectual Property	2,197,521	2,507,186
Other temporary differences	2,170	-
	2,687,117	2,595,780
Offset of deferred tax assets	(2,687,117)	(2,595,780)
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:

	2022 $	2021 $
Deferred tax assets		
Tax losses	1,697,794	1,902,579
Capital raising costs	332,769	252,353
Employee entitlements	93,691	64,394
Right of use assets lease liability	458,373	123,512
Provision for restoration	30,153	192,104
Other temporary differences	74,337	60,838
	2,687,117	**2,595,780**
Offset of deferred tax liabilities	(2,687,117)	(2,595,780)
Net deferred tax assets recognised	-	-
Net deferred tax assets unrecognised	**4,349,672**	**1,178,560**

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

	2022 $	2021 $
Net loss for the year from continuing operations	(13,710,336)	(6,873,273)
Net loss for the year from discontinued operations	(790,324)	(3,365,386)
Net loss for the year attributable to ordinary shareholders	**(14,500,660)**	**(10,238,659)**
Issued ordinary shares at 1 July	522,049,444	436,378,203
Effect of shares issued	28,501,301	45,132,736
Weighted average number of ordinary shares at 30 June	**550,550,745**	**481,510,939**
Basic and diluted loss per share from continuing operations (cents per share)	(2.49)	(1.43)
Basic and diluted loss per share from discontinued operations (cents per share)	(0.14)	(0.70)
Basic and diluted loss per share (cents per share) *	**(2.63)**	**(2.13)**

* At 30 June 2022, 44,280,166 options (2021: 6,260,000 options), nil performance shares (2021: nil performance shares), 181,181,182 convertible note shares (2021: 181,181,182), and 56,000,000 performance rights (2021: 69,016,287 performance 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.

On 16 August 2021, the Group announced the long-term charter of the offshore support vessel VOS Shine would finish on 16 September 2021 and the vessel would be 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. 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 2022 $	30 June 2021 $
Sales	2,690,846	6,203,308
Cost of goods sold	(3,122,815)	(6,306,225)
Personnel expenses – other	(190,129)	(574,875)
General and administration	(163,263)	(34,235)
Depreciation and amortisation	(2,234)	(2,558,932)
Finance Expenses	(2,729)	(94,426)
Loss after tax from discontinued operations	**(790,324)**	**(3,365,386)**

Cash flows from discontinued operations

	2022 $	2021 $
Cash flows from operating activities		
Receipts from customers	7,518,305	1,847,664
Cash paid to suppliers and employees	(5,952,814)	(5,640,652)
Interest paid on lease liabilities	(2,729)	(94,426)
Net cash from / (used in) operating activities	**1,562,762**	**(3,887,414)**
Cash flows from investing activities		
Payments for plant and equipment	-	(1,234)
Net cash from / (used in) investing activities	**-**	**(1,234)**
Cash flows from financing activities		
Repayment of principal lease liabilities	(402,005)	(2,529,516)
Net cash from / (used in) financing activities	**(402,005)**	**(2,529,516)**
Net increase/(decrease) in cash and cash equivalents	**1,160,757**	**(6,418,164)**

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. No impairment was recognised 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. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intend to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a diminishing balance basis over three years, once the asset is ready for use.

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 2020	8,261,006	850	8,261,856
Additions [1]	3,346,441	-	3,346,441
Balance at 30 June 2021	11,607,447	850	11,608,297
Balance at 1 July 2021	11,607,447	850	11,608,297
Foreign currency translation	24,220	-	24,218
Balance at 30 June 2022	**11,631,667**	**850**	**11,632,515**
Amortisation			
Balance at 1 July 2020	470,764	-	470,764
Amortisation for the year	835,809	-	835,809
Balance at 30 June 2021	**1,306,573**	-	1,306,573
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**
Carrying amounts			
Balance at 30 June 2021	10,300,874	850	10,301,724
Balance at 30 June 2022 [2]	**9,105,294**	**850**	**9,106,144**

[1] The addition in the previous year represents the SnapSupport, Inc. intellectual property acquisition.

[2] The Harvest Infinity and SnapSupport intangible assets of $6.1M and $3M, represent the intellectual property acquired via business combinations.

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 2020	15,000	53,229	77,568	21,089	170,482	-	-	337,368
Additions	-	11,892	108,626	18,286	61,990	-	186,527	387,321
Disposals/Scrapping	(15,000)	-	(507)	(21,089)	-	-	-	(36,596)
Balance at 30 June 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**
Depreciation								
Balance at 1 July 2020	-	13,542	18,271	21,089	122,832	-	-	175,734
Depreciation for the period	-	17,637	40,679	10,069	35,674	-	-	104,059
Disposals/Scrapping	-	-	(98)	(21,089)	-	-	-	(21,187)
Balance at 30 June 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**
Carrying amounts								
Balance at 30 June 2021	-	33,942	126,835	8,217	73,966	-	186,527	429,487
Balance at 30 June 2022	**3,040**	**158,252**	**166,399**	**4,701**	**112,771**	**932,932**	**-**	**1,378,095**

4.3 Right-Of-Use Assets

	Plant & Equipment $	Vessel $	Buildings $	Total $
Gross carrying amount				
Balance taken up 1 July 2020	9,144	5,714,810	328,257	6,052,211
Additions	-	3,361	-	3,361
Derecognition(1)	-	(425,396)	-	(425,396)
Balance at 30 June 2021	**9,144**	**5,292,775**	**328,257**	**5,630,176**
Additions	-	-	1,593,212	1,593,212
Derecognition(2)	-	(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**
Amortisation				
Balance at 1 July 2020	1,897	2,685,914	122,804	2,810,615
Amortisation for the period	1,892	2,606,861	122,805	2,731,558
Balance at 30 June 2021	**3,789**	**5,292,775**	**245,609**	**5,542,173**
Amortisation for the period	1,892	-	306,852	308,744
Derecognition(2)	-	(5,292,775)	(328,257)	(5,621,032)
Balance at 30 June 2022	**5,681**	**-**	**224,204**	**229,885**
Carrying amounts				
Balance at 30 June 2021	5,355	-	82,648	88,003
Balance at 30 June 2022	**3,463**	**-**	**1,489,618**	**1,493,081**

(1) Derecognition of the vessel right-of-use asset is a result of the change in the provision of restoration for the redelivery and off-hire of the VOS Shine to Singapore (note 6.5).

(2) Both the VOS Shine and the King St office building leases ended during the year and were derecognised from the right of use assets balances.

4.4 Other Bonds and Deposits

	Note	2022 $	2021 $
Current			
Lease bonds		-	65,362
Deposit on VOS Shine work		-	49,246
Cash deposit to provide security over a bank guarantee	(i)	443,163	462,025
		443,163	**576,633**
Non-current			
Lease bonds		-	33,015
Cash deposit to provide security over new premises	(ii)	218,444	217,899
		218,444	**250,914**
		661,607	**827,547**

(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

	2022 $	2021 $
Cash and cash equivalents in the statement of cash flows	4,497,315	6,756,988

(b) Reconciliation of cash flows from operating activities

	2022 $	2021 $
Cash flows from operating activities		
Operating loss after tax	(14,500,660)	(10,238,659)
Adjustments for:		
Depreciation and amortisation	1,842,986	3,620,557
Equity-settled share-based payment transactions	468,634	2,138,643
Net finance expense	196,332	197,858
Loss/ (gain) on disposal of property, plant and equipment	(763)	(63)
Loss/ (gain) on cashflow hedge	(12,976)	-
Loss/ (gain) on disposal of Financial Asset held at FVTPL	-	(5,169)
Change in operating assets and liabilities:		
Change in trade and other receivables	5,095,529	(4,794,450)
Change in prepayments	7,654	(59,838)
Change in inventories	(369,833)	(110,667)
Change in other operating assets	(1,524)	-
Change in current tax assets	(2,323)	(1,568,983)
Change in trade and other payables	(2,026,192)	1,529,954
Change in contract liabilities	127,178	5,077
Change in employee entitlements	171,419	243,952
Net cash used in operating activities	**(9,004,539)**	**(9,041,788)**

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 objective evidence 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.

	2022 $	2021 $
Current		
Trade debtors (1)	589,342	2,986,687
Allowance for expected credit losses	(138,743)	(36,550)
	450,599	2,950,137
Accrued income	15,645	2,820,845
Other receivables	243,464	34,256
	709,708	**5,805,238**

(1) The average credit period on sales of goods and rendering of services is 30 days. An allowance (2022: $138,743, 2021: $96,750) 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.

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	
	2022 $	2021 $	2022 $	2021 $
Current	353,115	2,548,999	-	-
1 to 30 days overdue	38,046	205,227	-	-
31 to 60 days overdue	13,680	179,734	-	-
61 to 90 days overdue	49,942	6,795	13,668	-
Over 90 days overdue	134,559	45,932	125,075	36,550
	589,342	**2,986,687**	**138,743**	**36,550**

Movements in allowance for expected credit losses

	2022 $	2021 $
Balance at 1 July	36,550	-
Impaired receivables written off	(36,550)	
Impairment losses recognised on receivables	138,743	36,550
Balance at the end of the year	**138,743**	**36,550**

The Group has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to COVID-19 pandemic. As a result, 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.

	2022 $	2021 $
Current		
Raw materials – at cost	363,671	80,525
Finished goods	195,964	109,277
Total	**559,635**	**189,802**

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

	2022 $	2021 $
Current		
Trade payables	324,667	2,143,540
Authorised government agencies	132,389	112,114
Non-trade payables and accrued expenses	189,489	417,083
	646,545	**2,672,737**

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.

	2022 $	2021 $
Current		
Revenue received in advance	**132,256**	**5,077**

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 $	
	2022	2021	2022	2021
Movement in ordinary shares on issue:				
On issue at 1 July	**522,049,444**	**436,378,203**	**31,671,048**	**20,666,186**
Shares issued and expensed during the year:				
Issue of fully paid shares for cash	57,663,994	23,842,185	9,798,229	7,679,500
Issue of fully paid shares in business acquisition	-	22,491,283	-	2,028,761
Issued on conversion of performance rights	-	500,000	-	-
Issued on conversion of options	500,000	28,096,433	60,000	1,599,378
Issue of fully paid shares in lieu of bonuses	8,713,205	10,741,340	491,629	196,650
Capital raising costs incurred (net of tax benefit)	-	-	(766,119)	(499,427)
On issue at 30 June	**588,926,643**	**522,049,444**	**41,254,787**	**31,671,048**

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

	2022 $	2021 $
Balance at 1 July	2,028,761	1,738,628
Deferred consideration on acquisition of subsidiary (1)	-	1,278,761
Deferred consideration shares issued (2)	-	(750,000)
Options exercised	-	(41,978)
Shares in lieu of bonus (3)	84,000	-
Shares in lieu of bonus issued	-	(196,650)
Balance at 30 June	**2,112,761**	**2,028,761**

(1) Acquisition of SnapSupport, Inc. which was completed in June 2021.
(2) The first tranche of deferred consideration shares for Harvest Infinity Pty Ltd was issued in December 2020. The final deferred consideration tranche will be issued in December 2022.
(3) $63,000 relates to KMP Patrick Neise. A total of 750,000 shares valued at $0.084 per share on grant date will be issued at a later date.

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.

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.

	2022 $	2021 $
Unsecured		
Premium funding facility	100,406	-
	100,406	**-**
Secured		
Convertible notes [(1)]	3,714,594	3,619,151
Total Borrowings	**3,714,594**	**3,619,151**
Current	100,406	-
Non-current	3,714,594	3,619,151
	3,815,000	**3,619,151**

[(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 2020	**94,355**	**3,535,717**	**21,165**
Interest costs charged	-	443,434	-
Less repaid [(1)]	(94,355)	(360,000)	(21,165)
Balance at 30 June 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**	**-**

[(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 2022 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

	2022	2021
	$	$
Balance at 1 July	729,325	1,400,017
Interest charges	20,675	79,308
Deferred consideration paid	(750,000)	(750,000)
Balance at 30 June	**-**	**729,325**

Current	-	729,325
Non-current	-	-
Closing balance	**-**	**729,325**

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

	2022 $	2021 $
Balance at 1 July	494,049	3,131,451
Lease inception	2,043,212	-
Increase in right-of-use asset	-	3,361
Principal repayments	(782,883)	(2,676,706)
Interest expense	69,929	106,904
Exchange differences	9,189	(70,961)
Balance at 30 June	**1,833,496**	**494,049**
Classification		
Current	251,657	490,266
Non-current	1,581,839	3,783
	1,833,496	**494,049**

Refer to Note 7.2 for further disclosures on lease liabilities.

6.5 Provisions

	2022 $	2021 $
Balance at 1 July	768,415	1,244,678
Recognition of provision for restoration requirements in regard of right-of-use assets	120,610	-
Derecognition of provision for changes in restoration requirements [1]	(768,415)	(476,263)
Balance at 30 June	**120,610**	**768,415**
Classification		
Current	-	768,415
Non-current	120,610	-
	120,610	**768,415**

[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.

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:

	2022 $	2021 $
(a) Expensed in personnel expenses		
Options issued to Directors	-	2,776
Options issued to employees	-	-
Rights to shares to employees	313,741	1,882,390
Rights issued to Directors	70,893	253,507
(b) Expensed in professional fees		
Options issued to consultants of the Company	-	-

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 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	-

During the year ended 30 June 2022, nil options were forfeited, cancelled or lapsed (2021: nil). Options are settled by the physical delivery of shares.

At 30 June 2021, 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
23-Nov-17	31-Dec-18	31-Dec-20	10	6,000,000	-	(6,000,000)	-	-
10-Apr-18	24-Apr-18	31-Dec-20	10	1,500,000	-	(1,500,000)	-	-
10-Apr-18	24-Apr-18	8-Feb-21	5	1,000,000	-	(1,000,000)	-	-
22-Nov-18	22-Nov-18	28-Nov-21	5	1,000,000	-	(1,000,000)	-	-
22-Nov-18	22-Nov-19	29-Nov-21	8	1,000,000	-	(1,000,000)	-	-
22-Nov-18	22-Nov-20	30-Nov-21	12	1,000,000	-	(500,000)	500,000	500,000
18-Feb-20	18-Feb-20	18-Feb-23	6.5	4,000,000	-	(160,000)	3,840,000	3,840,000
18-Feb-20	18-Feb-20	18-Feb-23	10	2,000,000	-	(80,000)	1,920,000	1,920,000
31-Mar-20	31-Mar-20	1-Apr-21	4	4,000,000	-	(4,000,000)	-	-
31-Mar-20	31-Mar-20	1-Apr-21	7	4,400,000	-	(4,400,000)	-	-
31-Mar-20	31-Mar-20	1-Apr-21	10	4,400,000	-	(4,400,000)	-	-
31-Mar-20	31-Mar-20	1-Apr-21	15	400,000	-	(400,000)	-	-
Total				**30,700,000**	**-**	**(24,440,000)**	**6,260,000**	**6,260,000**
Weighted average exercise price (cents)				8.07	-	8.09	8.01	8.01
Weighted average remaining contractual life (years)				1.51	-	-	1.54	-

During the year ended 30 June 2021, nil options were forfeited, cancelled or lapsed (2020: 4,400,000). 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 6	Tranche 7	Tranche 8
Exercise price (cents)	12	6.5	10
Grant date	22-Nov-18	18-Feb-20	18-Feb-20
Expiry date	30-Dec-21	18-Feb-23	18-Feb-23
Life of the options (years)	3.02	5.00	5.00
Volatility	95.79%	101.46%	101.46%
Risk free rate	2.00%	0.76%	0.76%

Vesting Conditions

Tranches 6 to 8

Each option vested and were exercisable immediately after they were issued.

Performance Rights

At 30 June 2022, 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-22	5	6,947,883	-	(6,947,833)	-	-	-
(iv)	24-Jun-20	30-Jun-23	6	6,068,404	-	(1,354,118)	4,714,286	-	313,741
(v)	23-Nov-20	1-Sep-21	B	500,000	-	-	500,000	-	22,862
(vi)	23-Nov-20	1-Mar-22	C	500,000	-	-	500,000	-	48,031

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 5 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 7 cents)]/market price at 30 June. The market price must exceed 7 cents for the performance rights to be eligible for conversion to shares.

(iv) 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.

(v) 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.

(vi) 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.

Tranche 2 and 3 performance rights relate to the acquisition of Harvest Technology. The Directors assessed at acquisition date the likelihood the above vesting conditions will be met. Tranche 2 did not meet the performance conditions during the year, and will not vest. For Tranche 3, the Directors determined that there was insufficient information at present to indicate that the performance rights would vest, and as such no value has been apportioned to them at acquisition date. There will be no remeasurement of the value of the performance rights granted from the valuation determined at grant date.

Tranches 5 and 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 9 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
<u>Financial assets at amortised cost</u>
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 2021.

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	
	2022	2021	2022	2021
	$	$	$	$
Currency				
United States Dollars	288,388	170,313	17,697	49,224
Euro	443,163	511,271	-	390,078
British Pound Sterling	2,927	-	-	-

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	
	2022	2021
	$	$
If AUD strengthens by 5% (2021: 5%)		
United States Dollar	(13,535)	(6,054)
Euro	(22,158)	(6,060)
British Pound Sterling	(146)	-
If AUD weakens by 5% (2021: 5%)		
United States Dollar	13,535	6,054
Euro	22,158	6,060
British Pound Sterling	146	-

The Group's sensitivity to USD exchange rates has increased from last year due to expansion of the Group. The exposure to Euro exchange rates has decreased with the off-hire of the vessel VOS Shine during the year and the reduction in the provision of restoration.

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 $22,487 / ($22,487).

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 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**
30 June 2021				
Trade and other payables	-	2,672,737	-	-
Lease liabilities	5.50	456,789	33,477	3,783
		3,129,526	**33,477**	**3,783**

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 2022				
Convertible notes	9.00	181,479	178,521	4,509,918
		181,479	**178,521**	**4,509,918**
30 June 2021				
Convertible notes	9.00	181,479	178,521	4,869,918
		181,479	**178,521**	**4,869,918**

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	2022 $	2021 $
Short-term employee benefits		1,503,101	1,229,305
Post-employment benefits		97,766	90,433
Share-based payments		346,866	1,301,657
	2.4	**1,947,733**	**2,621,395**

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 2022 %	2021 %
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	-
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

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 2022, the parent entity of the Group was Harvest Technology Group Limited.

	2022 $	2021 $
Result of the parent entity		
Loss for the year	(13,774,224)	(3,490,850)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(13,774,224)**	**(3,490,850)**
Financial position of parent entity at year end		
Current assets	4,140,370	6,364,221
Total assets	**15,293,070**	**20,460,253**
Current liabilities	(157,893)	(1,002,371)
Total liabilities	**(3,874,258)**	**(4,625,305)**
Total equity of the parent entity comprising of:		
Share capital	41,254,787	32,365,333
Unissued capital	2,112,761	2,028,761
Reserves	5,824,283	5,439,650
Accumulated losses	(37,773,019)	(23,998,795)
Total equity	**11,418,812**	**15,834,948**

7.9 Auditors' Remuneration

	2022 $	2021 $
HLB Mann Judd:		
Audit and review of financial reports	73,693	68,800
Non-audit services	-	-
TOTAL AUDITORS' REMUNERATION	**73,693**	**68,800**

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 2022 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 2022.

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

Jeff Sengelman

JEFFERY SENGELMAN
Chairman

Dated this 29th day of August 2022

Independent Audit 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 2022, 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 2022 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to 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.

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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. In addition to the matter described in the *Material Uncertainty Related to Going Concern Basis for Qualified Opinion* 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 2022 the Group has an intangible assets balance of $9.1m which arose on the acquisitions of Harvest Infinity Pty Ltd and SnapSupport Inc. 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: - Considering the existence of potential indicators of impairment; - Critically evaluating management's methodology in the value-in-use model and the basis for key assumptions; - Reviewing the mathematical accuracy of the value-in-use model; - Performing sensitivity analyses around the key inputs used in the model such as future revenue and forecast costs; - Considering the appropriateness of the discount rate used; - Ensuring the carrying value of the cash-generating unit had been correctly determined; - Comparing value-in-use to the carrying amount of the cash-generating unit; and - Assessing 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 2022, 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.

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 the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Harvest Technology Group Limited for the year ended 30 June 2022 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
29 August 2022

D I Buckley
Partner

Corporate Directory

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Paul Guilfoyle
Stuart Carmichael
Rod Evans
Marcus Machin

Secretary
Jack Rosagro

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Shares: HTG

Legal Form of Entity
Public company

Country of Incorporation and Domicile
Australia