



Operations Update | ASX:HTG

Solving Remote

June 2023

Welcome



Jeff Sengelman
Chairman

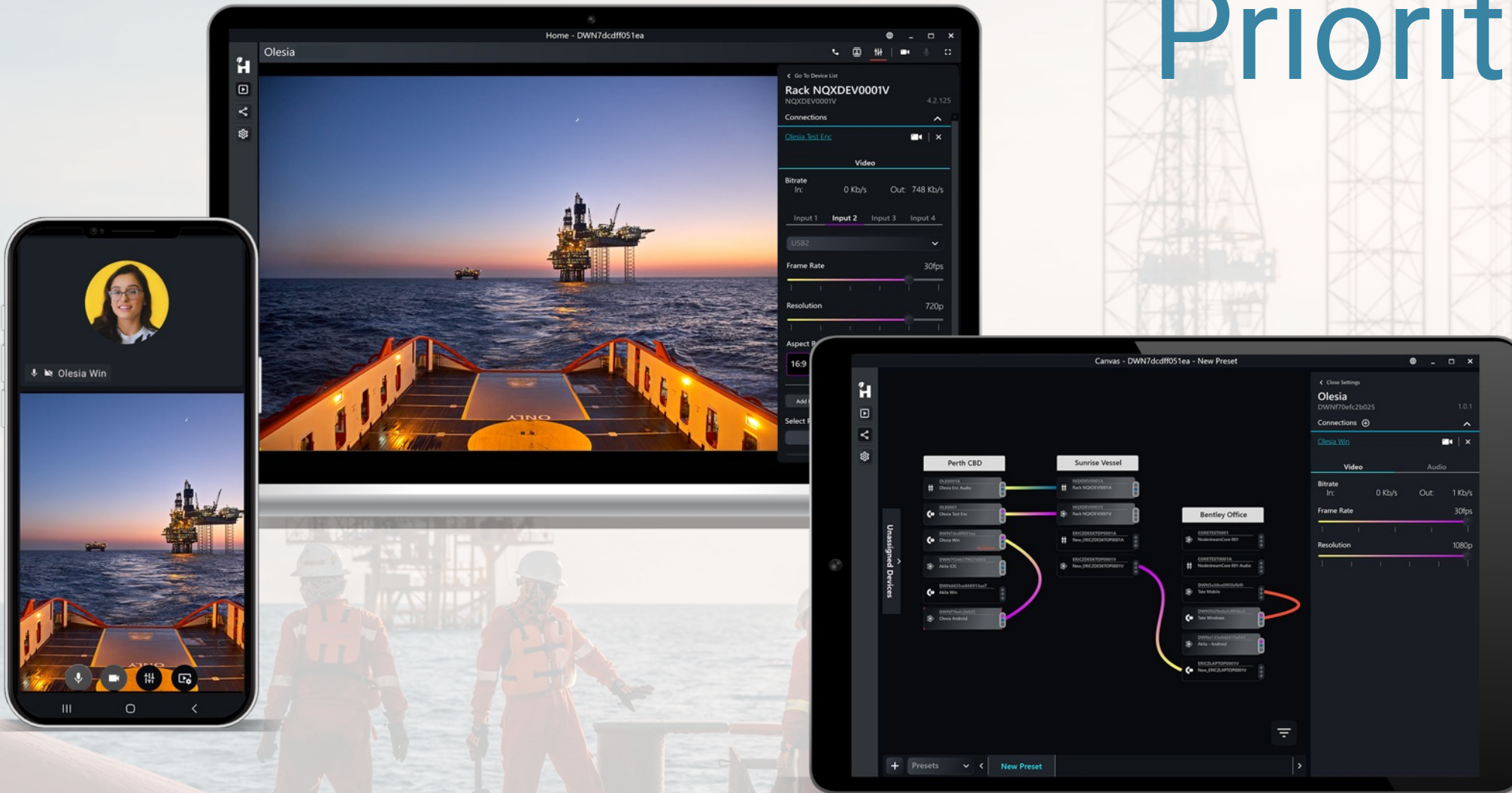
Operations Update



Paul Guilfoyle
Group CEO

ARMADA 78 01

Priorities





DIVERSIFY INCOME

- Recruitment of Chief Sales Officer - starts June 2023
- Restructure and grow an experienced global sales team with recruitment of technology sales roles in APAC and UK/EMEA
- Enhance business development support and lead generation activities
- Bids/collaborations for defence and government opportunities



INCREASE AWARENESS

- Engaging new and current partners to drive awareness
- Increase digital marketing presence – website revamp, SEO campaigns
- Increased thought leadership, industry editorials and PR activities
- Dedicated Chief managing investor relations, PR and marketing to drive and expand our global market awareness



MAINTAIN ADVANTAGE

- “NS2” Cloud Application - Beta Release October 2023
- Rapid self onboarding
- Ability to scale the platform within customer business
- Consume media anywhere, anytime and on any device
- New revenue streams e.g. data and content management
- Maintain unique competitive advantage

Progress



PEOPLE

- Ross McKinnon joined the Board - bringing significant technology sector experience
- Recruitment of Chief Sales Officer - commences end of June.
- Growth of our technology development team to launch NS2
- Restructure and growth of global sales team to focus on building revenue

PARTNERS

- Executed reseller agreement/solution partnership with Shamal Technologies in Saudi Arabia
- Final negotiations on global reseller and solution partnership with AST Group
- Digital Edge Subsea – global reseller agreement for AVR2 software embedded into their remote inspection system. Ability to onboard, manage, increase users without support from Harvest (= scaling)

CUSTOMERS

- Delivery of smart buoy to energy customer
- European Defence Force – phased scope for roll-out across field assets near completion
- Working with Fugro Middle East to expand hybrid solution into USV fleet
- Secured next 2 x Armada fleet vessels with Ocean Infinity. Total: 5 vessels
- TechnipFMC, Inpex and Fugro Australia renewed licensing contracts

TECHNOLOGY

- Release of Nodestream™ V2 with RiS™ upgrade capability
- Completion of hybrid integration of the Nodestream™ /RiS™ technology applications including successful deployment as a Beta application with Fugro onto their Australian based USV fleet.
- Continued “NS2” Cloud Application development

AWARENESS

- Carried out 2x maritime industry webinars
- Exhibited at multiple global events including Oceanology, OTC, Ocean Business, RobotoKAUST
- 650%  marketing leads
-  82% website traffic
-  40% followers
- 22 million views of articles referring to Harvest in April
- Implementation of Investor Hub to increase investor engagement



Key learnings



1. The bigger the partner, the longer it takes to get traction with regional sales/product teams – multiple stakeholders and decision makers
2. Our technology remains validated by global customers as best in market
3. As a small emerging technology provider listed on the ASX, we must strike a suitable balance on the information we provide to market. Maintaining technical advantage over technology, customers and industry perception is critical to longer term success
4. Customers must trust technology before adoption to ensure successful implementation – “land and expand”. Our sales metrics support this.
5. Global or Tier 1/2 customers =
 - longer sales cycle – average >6 months to convert
 - more stakeholders involved in the buying decision



6. The tech stack will truly scale with the cloud platform :
 - Increasing use of cloud services and platforms seen as a requirement to run large complex businesses
 - Easier onboarding for users and assets
 - Option to create system integrated APIs which can open up new revenue avenues
7. Large asset roll-outs and bespoke projects can take ≥ 24 months to deliver. This is normal within any business looking to integrate new operating systems that have a significant impact on the way a business operates
8. Negative impacts to customer margins and cashflows due to tendered projects that were pre-/during COVID reducing customer ability to fund projects and CAPEX spend
9. Longer term prospects now re-engaging with us on projects that were scoped 18 months ago
10. Focussed marketing and PR with partners is critical to gaining market awareness of our solutions to a global audience

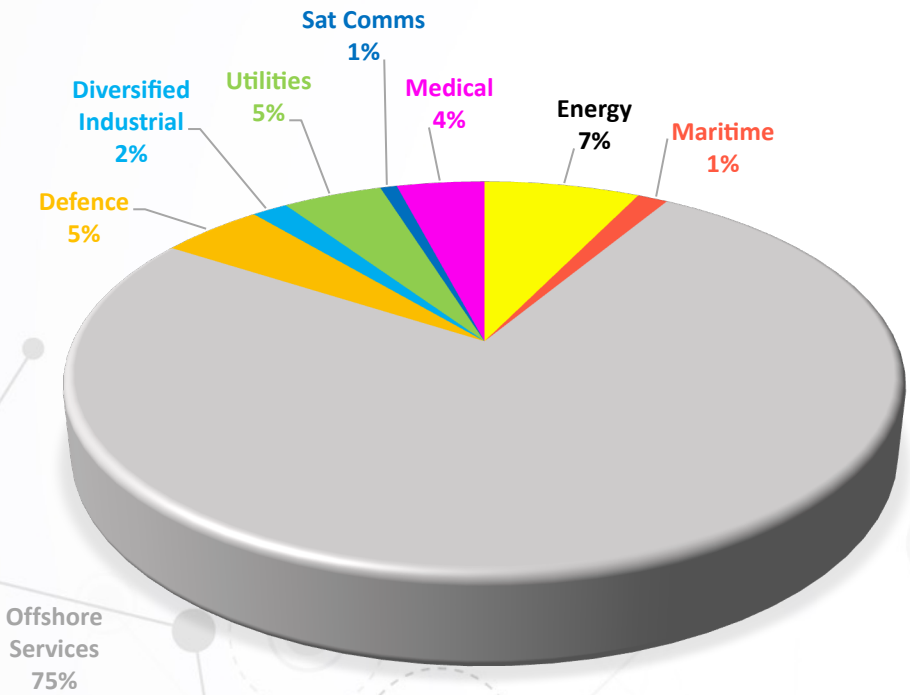
Revenue



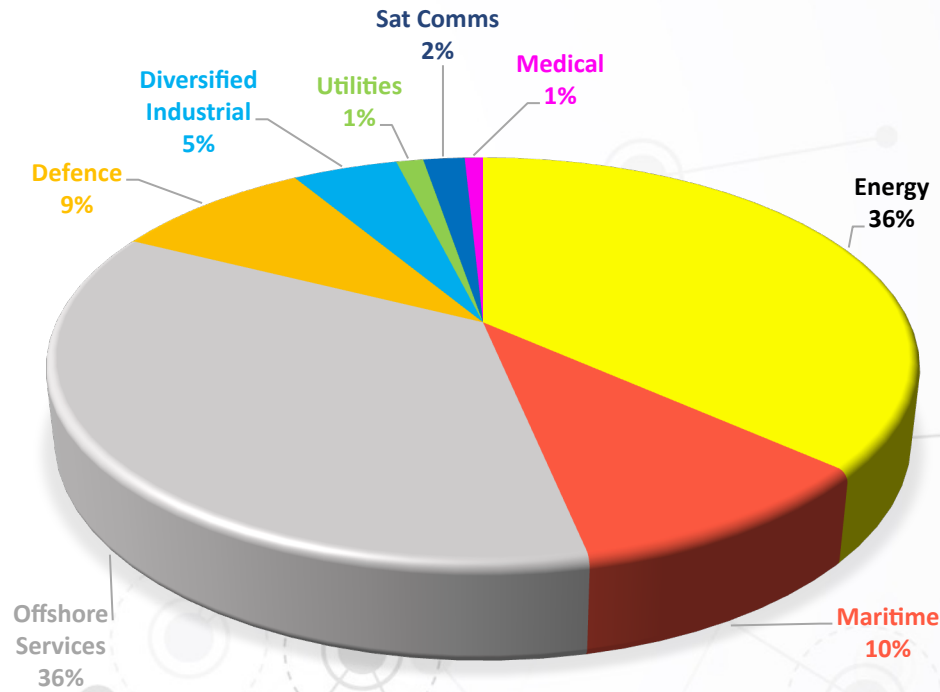
Diversification of revenue



REVENUE BY SECTOR - MARCH 2022 YTD



REVENUE BY SECTOR - MARCH 2023 YTD

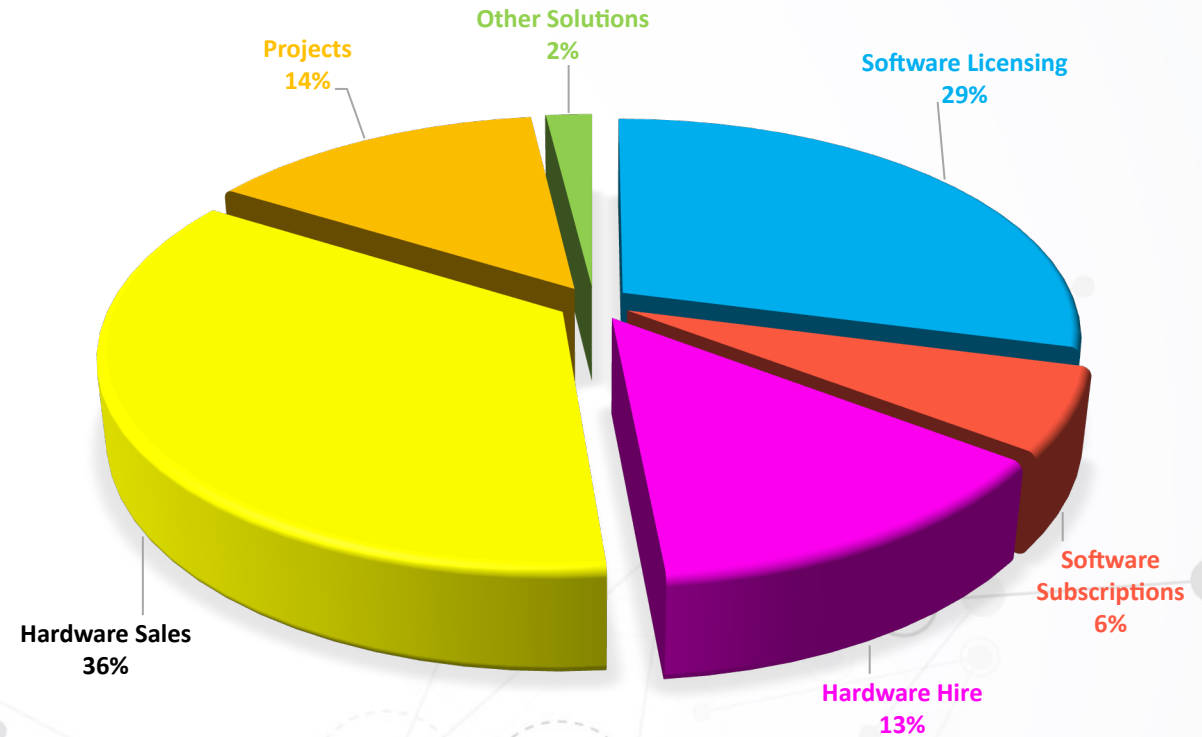


Primary target markets – Maritime, Energy & Offshore Services

Revenue by sales mix

- In line with our strategy, diversification of revenue streams via expansions into new sectors and regions
- Growing list of global energy partners
- Diverse revenue streams – not a pure software/SaaS business
- Our sales mix continues to develop between recurring licensing, hire and subscription revenue and more variable revenue derived from bespoke projects, hardware sales and the on-sale of third-party products as part of collaboration sales
- Individual projects and hardware sales can impact month-to-month reported revenues

SALES MIX - MARCH 2023 YTD



Customer sales

67% - Upsell to existing customers
33% - New customer sales

Financial highlights – March 2023 YTD

- Revenue continues to grow on a YOY basis despite challenging economic/market conditions
- Growing awareness of our technology and solutions across expanding global network
- Project delays and sales conversions adversely impacted March Qtr revenue, but we continue to work on those opportunities whilst growing strong pipeline
- In active negotiations with new customers for new orders
- In discussion with existing customers for roll-out across wider asset base

REVENUE GROWTH

+51.9%

March 2023 YTD

+44.9%

Last 12 Months

OPERATING COSTS

-24.2%

Reduction in
Last 12 Months

EBITDA

+57.3%

Reduction in Net Loss
Last 12 Months

CASH BURN

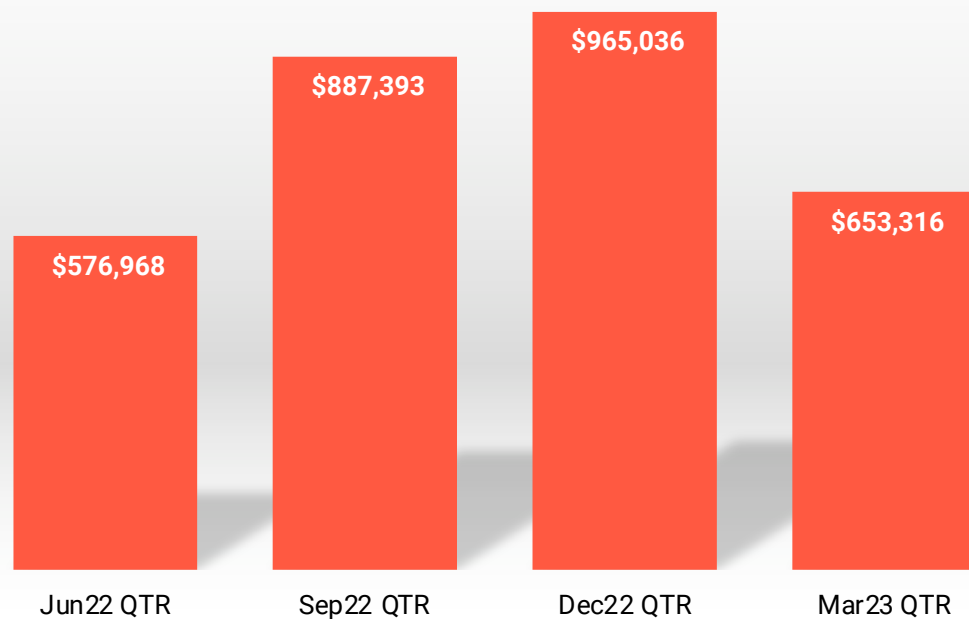
-47.4%

Reduction in Net
Operating Cash Outflow
March 2023 YTD

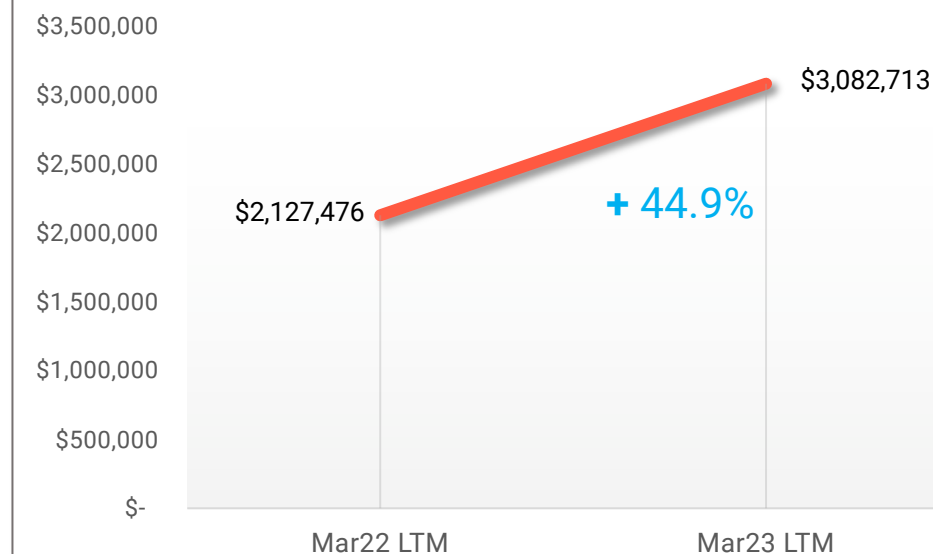
Revenue – March 2023 YTD



Group Revenue by Quarter - Last 12 Months



Growth in Revenue - Last 12 Months (LTM)



Opsivity™ update



- In 2021/2022 Harvest rebuilt the core SnapSupport application by adding increased functionality and rebranding to Opsivity™
- As previously announced, in response to a significant increase in opportunities for our Nodestream™ technology and changing market conditions, we took steps during 2022 to prioritise the continued development and support of the Nodestream™ solution over the Opsivity™ application
- This enabled transition of technology roles back to Perth from the U.S. (at a much-reduced cost) and streamline US operations by licensing the Opsivity™ platform to a third-party distributor in return for monthly licence fees
- The goal remains to integrate the Opsivity™ platform as an industry specific plug-in to our cloud-based “NS2” platform – creating additional industry applications to the platform and a new revenue channel
- The re-prioritisation of operational overheads and structure has contributed to the operational cost reductions across the business whilst continuing to generate revenue from the platform

Opportunity



Why there is growing opportunity for the tech

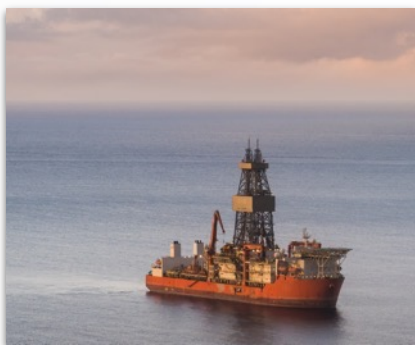


- Need for immediate access to data for critical decision making has created a paradigm shift in business mindset towards remote operations and digitalisation of manual activities to streamline workflows, improve communication, increase productivity and provide a competitive edge, while decreasing operational costs and risk
- Growing data requirements requires more bandwidth – exponential growth in data transfer and storage
- Rising demand for bandwidth optimisation to support bandwidth-intensive applications e.g. video streaming and cloud services
- Limited bandwidth resources in remote areas – no guarantee of throughput or capacity
- Costly to pay for increased bandwidth requirements and costly to upgrade systems and infrastructure
- Increasing requirements for security and privacy of data
- Sustainability requires reductions in energy consumption and environmental footprint, e.g. less people required = smaller vessels = less energy consumption
- Digitalisation of modern warfare and ability to maintain connectivity in contested environments

Where the opportunities are

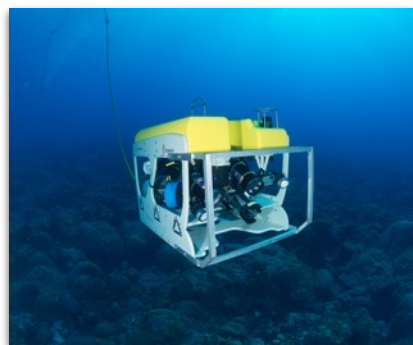


Maritime



- Remote connectivity
- Remote expert & maintenance
- Remote monitoring & surveillance
- Situational awareness
- Medical support
- Crew welfare & communications
- Vessel security

Offshore Services



- Remote inspection
- Remote control ROVs
- USVs
- Remote expert
- Remote monitoring & surveillance
- Situational awareness
- Remote connectivity
- Medical support

Energy



- Asset integrity & security
- Remote monitoring & surveillance
- Remote expert
- Maintain connectivity
- Communications
- Medical support

Uncrewed Assets



- ISR
- Surveillance
- Remote monitoring
- Deliveries
- Medical support
- Asset security
- Situational awareness
- Inspection

Defence/Government



- Command & control
- Battlespace communications
- Autonomous systems, e.g. drones, USVs
- Mission data security
- ISR
- Maintain connectivity
- Crew welfare
- Medical support



Recap



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Thank you



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