



Harvest Technology plc  
Nineteen Twenty Three,  
Valletta Road, Marsa,  
MRS 3000, Malta

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E [info@harvest.tech](mailto:info@harvest.tech)

## COMPANY ANNOUNCEMENT

### Harvest Technology p.l.c.

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Date of Announcement	08 August 2024
Reference No:	60/2024
Capital Markets Rules:	5.16.4 / 5.16.20 / 5.16.5

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### QUOTE

#### Approval of Interim Financial Statements

The Company hereby announces that the Board of Directors has approved the Company's interim financial statements for the six-month period ended 30 June 2024. A copy of the interim financial statements is attached herewith and is also available for viewing on the Company's website <https://harvest.tech/financial-statements/>

#### Declaration of interim dividend

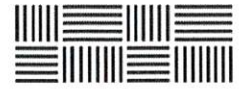
Furthermore, the Company wishes to announce that, having considered the position of the Company, it has resolved to distribute an interim net dividend of €683,419, equivalent to €0.03 per share (the 'Dividend'). Shareholders appearing on the Company's register of members maintained by the Central Securities Depository of the Malta Stock Exchange as at close of business on 19 August 2024 shall be entitled to receive their respective share of the Dividend. Payment of the Dividend shall be effected on or around 30 August 2024.

#### Change in Company Secretary

The Company also wishes to announce that Dr. Malcolm Falzon shall no longer occupy the office of Company Secretary of the Company and Mr Adrian Mercieca<sup>1</sup> will be appointed as Company Secretary in his stead with immediate effect. Mr Mercieca will also assume the role of secretary of the Audit Committee and of the Remuneration and Nominations Committee of the Company.

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<sup>1</sup> Holder of Maltese ID Card number 663682M, residing at 15, Triq il-Lunzjata, Zebbug, Malta.



**HARVEST**

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There is no matter concerning Mr. Mercieca that requires disclosure under the Capital Market Rules.

**UNQUOTE**

By order of the Board

**Mr. Keith Busuttil**  
Chairman

Harvest Technology p.l.c.

Interim Financial Report

For the period 1 January to 30 June 2024

Company Registration Number: C 63276

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## **Interim Directors' Report**

### **Pursuant to Listing Rules 5.75.2 for period 1 January to 30 June 2024**

The directors present the interim report, together with the unaudited interim condensed financial statements (“the condensed interim financial statements”) of the company and its subsidiaries (the “Group”) for the period 1 January to 30 June 2024.

### **Principal activities**

The principal activity of the parent company is that of acting as a holding company. The Group is mainly involved in the sale, maintenance and servicing of information technology solutions, security systems, building management solutions and to provide electronic payments solutions.

### **Business model**

Harvest Technology p.l.c. is a multi-brand information technology solutions provider to businesses and the public sector. In addition, Harvest Technology p.l.c. Group is a payments solutions provider offering e-commerce processing services for retailers and internet-based merchants together with the provision of a wide range of automation, building management solutions and security solutions catering to the banking, retail, hospitality, healthcare, law enforcement and other sectors.

Through the wide range of services and experience in technology, the Group is positioned to continue to develop and offer a broad range of state-of-the-art solutions and assure an excellent quality of service to its customers.

### **Performance review**

The published figures have been extracted from the unaudited management financial statements for the half-year ended 30 June 2024 and its comparative period in 2023.

### **The Group**

During the period under review, the Group registered an operating profit of € 930,756 (1 January to 30 June 2023: € 299,452) on revenue of € 9,089,978 (1 January to 30 June 2023: € 7,197,859). The profit before tax for the period amounted to € 917,424 (1 January to 30 June 2023: € 289,367). Profit after tax for the period amounted to € 608,998 (1 January to 30 June 2023: € 183,225). The Group's net assets at 30 June 2024 amounted to € 14,570,541 (31 December 2023: € 14,075,526).

The payment processing services segment experienced an improvement in revenue and profitability when compared to the same period in 2023. This is primarily attributable to the launch of the new Synthesis payment orchestration platform and also an increased focus of onboarding new customers in the airlines, hospitality and retail space. Furthermore, an improvement in the performance of the gaming segment of the business has been noted. During the first six months of the year, the average monthly processed transaction volume reached €109m, a 30% increase when compared to the average monthly processed volume in 2023.

In the first six months, the retail and IT solutions segment reported an increase in revenues and profitability, compared to the previous year. During the first half of 2024, this segment had been positively impacted by the completion of a number of significant projects, some of which were delayed from the prior year, which also bolstered the segment's profitability. The company's outlook for the second half of 2024 is prudently

optimistic, as a result of both APCO Limited and PTL Limited, which are anticipating the finalisation of key projects paired with a robust pipeline, which is expected to translate into higher revenue and profit recognition compared to 2023.

The Group remains committed to further investment in the organic growth of its various businesses, with a notable focus on expanding the payment processing business and internationalising the retail and IT solutions segment.

### **The Company**

The company earned investment income and management fees of € 615,262 and € 305,551 respectively (2023: € 615,261 and € 241,821, respectively). After accounting for finance income, finance costs and administrative expenditure, the company registered a profit after tax of € 254,617 (1 January to 30 June 2023: € 136,092). The net assets of the company at 30 June 2024 amounted to € 13,558,213 (31 December 2023: € 13,417,499).

### **Results and dividends**

The results for the period ended 30 June 2024 are shown in the statements of profit or loss on page 5. The Group's profit for the period after taxation was € 608,998 (1 January to 30 June 2023: € 183,225).

During the period under review, the directors proposed a final net dividend of €113,983, equivalent to €0.005 per share for financial year ending 31 December 2023. This was paid by the company on 10 May 2024.

Moreover, on the 8 August 2024, the directors proposed an interim net dividend of €683,419, equivalent to € 0.03 per share for the financial year ending 31 December 2024. This is expected to be paid by 31 August 2024.

### **Likely future business developments**

The directors consider that the period-end financial position was satisfactory.

### **Post balance sheet events**

#### *Hardware business*

On 7 February 2024, two subsidiaries within the Harvest Technology plc group entered into an agreement for the transfer of the hardware business from one subsidiary to another, including the transfer of the associated maintenance and ancillary services tied to such business. The transaction will transfer all the related assets, inventory and the required human resources to the related company to ensure a smooth and seamless transition. The transition is expected to be completed during the third quarter of 2024.

**Preparation of the Condensed Consolidated Interim Financial Statements**

This report is being published in terms of the Listing Rule 5.75 of the Listing Rules issued by the Listing Authority, and has been prepared in accordance with the applicable listing Rules and International Accounting Standard 34 - Interim Financial Reporting. This half-yearly report comprises the condensed consolidated interim financial statements which have not been audited or reviewed by the Group's independent auditors. The financial statements published in this half-yearly report have been condensed in accordance with the requirements of IAS 34. These financial statements have been reviewed in accordance with the requirements of ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. The comparative statements have been extracted from the audited financial statements for the year ended 31 December 2023 and the management accounts for the period ending 30 June 2023.



**Mr. Keith Busuttill**  
Non-executive Chairman



**Mr. Stephen Paris**  
Non-executive Director

Registered address:  
Nineteen Twenty-Three  
Valletta Road  
Marsa MRS 3000  
Malta

8 August 2024

## Condensed Statements of Profit or Loss for the period ended 30 June 2024

	The group 1 January to 30 June 2024 (Unaudited)	The group 1 January to 30 June 2023 (Unaudited)	The company 1 January to 30 June 2024 (Unaudited)	The company 1 January to 30 June 2023 (Unaudited)
Revenue	9,089,978	7,197,859	305,551	241,821
Cost of sales	(5,636,351)	(4,578,429)	-	-
<b>Gross profit</b>	<b>3,453,627</b>	<b>2,619,430</b>	<b>305,551</b>	<b>281,821</b>
Administrative expenses	(2,522,871)	(2,319,978)	(532,139)	(633,768)
<b>Operating profit / (loss)</b>	<b>930,756</b>	<b>299,452</b>	<b>(226,588)</b>	<b>(391,947)</b>
Investment income	-	-	615,262	615,261
Finance income	9,132	1,028	19,923	-
Finance costs	(22,464)	(11,113)	(16,086)	(5,757)
<b>Profit before tax</b>	<b>917,424</b>	<b>289,367</b>	<b>392,511</b>	<b>217,557</b>
Tax expense	(308,426)	(106,142)	(137,894)	(81,465)
<b>Profit for the period</b>	<b>608,998</b>	<b>183,225</b>	<b>254,617</b>	<b>136,092</b>
<b>Earnings per share</b>	<b>0.027</b>	<b>0.008</b>	-	-



## Condensed Statements of financial position

		The group 30 June 2024	The group 31 December 2023 (Audited)	The company 30 June 2024	The company 31 December 2023 (Audited)
	Notes	(Unaudited) €	(Unaudited) €	(Unaudited) €	(Unaudited) €
<b>Assets</b>					
<b>Non-current</b>					
Goodwill	6	7,493,487	7,493,487	-	-
Intangible assets	7	1,530,561	1,311,256	4,428	5,905
Plant and equipment		157,442	182,629	94,332	104,876
Right-of-use assets	8	620,745	740,999	384,692	480,865
Investment in subsidiaries		-	-	11,119,723	11,119,723
Other investments		149,977	349,977	149,977	349,977
Deferred tax assets		778,918	759,632	133,573	127,889
		<b>10,731,130</b>	<b>10,837,980</b>	<b>11,886,725</b>	<b>12,189,235</b>
<b>Current</b>					
Inventories		1,497,299	1,618,841	-	-
Contract assets		773,063	1,114,392	-	-
Other assets		766,260	743,878	20,457	6,719
Trade and other receivables	9	4,826,439	3,330,219	1,772,126	1,353,611
Current tax assets		229,361	385,859	229,201	156,947
Cash and cash equivalents	10	1,985,366	2,614,268	124,174	314,638
		<b>10,077,788</b>	<b>9,807,457</b>	<b>2,145,958</b>	<b>1,831,915</b>
<b>Total assets</b>		<b>20,808,918</b>	<b>20,645,437</b>	<b>14,032,683</b>	<b>14,021,150</b>

## Condensed Statements of financial position – continued

		The group 30 June 2024 (Unaudited) €	The group 31 December 2023 (Audited) €	The company 30 June 2024 (Unaudited) €	The company 31 December 2023 (Audited) €
	Notes				
<b>Equity</b>					
Share capital		11,390,318	11,390,318	11,390,318	11,390,318
Other equity		(2,821,165)	(2,821,165)	-	-
Retained earnings		6,001,388	5,506,373	2,167,895	2,027,181
<b>Total equity</b>		<b>14,570,541</b>	<b>14,075,526</b>	<b>13,558,213</b>	<b>13,417,499</b>
<b>Liabilities</b>					
<b>Non-current</b>					
Lease liabilities		401,317	489,727	210,344	309,043
Deferred tax liabilities		241,375	255,784	-	-
		<b>642,692</b>	<b>745,511</b>	<b>210,344</b>	<b>309,043</b>
<b>Current</b>					
Bank borrowings	10	124,350	-	-	-
Lease liabilities		246,369	271,662	191,900	183,175
Trade and other payables	11	3,616,055	3,734,433	72,226	111,433
Contract liabilities		1,568,565	1,813,447	-	-
Current tax liabilities		40,346	4,858	-	-
		<b>5,595,685</b>	<b>5,824,400</b>	<b>264,126</b>	<b>294,608</b>
<b>Total liabilities</b>		<b>6,238,377</b>	<b>6,569,911</b>	<b>474,470</b>	<b>603,651</b>
<b>Total equity and liabilities</b>		<b>20,808,918</b>	<b>20,645,437</b>	<b>14,032,683</b>	<b>14,021,150</b>

  
**Mr. Keith Busuttill**  
Non-executive Chairman

  
**Mr. Stephen Paris**  
Non-executive Director

## Statement of changes in equity - the group

	Share capital	Other equity	Retained earnings	Total equity
	€	€	€	€
At 1 January 2023	11,390,318	(2,821,165)	5,031,644	13,600,797
Dividends	-	-	(113,982)	(113,982)
Transactions with owners	-	-	(113,982)	(113,982)
Profit for the period	-	-	183,225	183,225
Total comprehensive income	-	-	183,225	183,225
<b>At 30 June 2023</b>	<b>11,390,318</b>	<b>(2,821,165)</b>	<b>5,100,887</b>	<b>13,670,040</b>
At 1 January 2024	11,390,318	(2,821,165)	5,506,373	14,075,526
Dividends	-	-	(113,983)	(113,983)
Transactions with owners	-	-	(113,983)	(113,983)
Profit for the period	-	-	608,998	608,998
Total comprehensive income	-	-	608,998	608,998
<b>At 30 June 2024</b>	<b>11,390,318</b>	<b>(2,821,165)</b>	<b>6,001,388</b>	<b>14,570,541</b>

## Statement of changes in equity – the company

	Share capital	Retained earnings	Total equity
	€	€	€
At 1 January 2023	11,390,318	1,357,098	12,747,416
Dividends	-	(113,906)	(113,906)
Transactions with owners	-	(113,906)	(113,906)
Profit for the period	-	136,092	136,092
Total comprehensive income	-	136,092	136,092
<b>At 30 June 2023</b>	<b>11,390,318</b>	<b>1,379,287</b>	<b>12,769,605</b>
At 1 January 2024	11,390,318	2,027,181	13,417,499
Dividends	-	(113,903)	(113,903)
Transactions with owners	-	(113,903)	(113,903)
Profit for the period	-	254,617	254,617
Total comprehensive income	-	254,617	254,617
<b>At 30 June 2024</b>	<b>11,390,318</b>	<b>2,167,895</b>	<b>13,558,213</b>

## Condensed Statements of Cash Flows for the period ended 30 June 2024

	The group 1 January to 30 June 2024 (Unaudited) €	The group 1 January to 30 June 2023 (Unaudited) €	The company 1 January to 30 June 2024 (Unaudited) €	The company 1 January to 30 June 2023 (Unaudited) €
<b>Operating activities</b>				
Profit before tax	917,424	289,367	392,511	217,557
Adjustments	429,292	412,504	(503,798)	(482,152)
Net changes in working capital	(1,408,385)	60,505	(470,513)	(276,870)
Tax paid	(228,293)	(322,582)	-	-
Tax refunded	90,016	431,037	-	314,432
<b>Net cash (used in) generated from operating activities</b>	<b>(199,946)</b>	<b>870,831</b>	<b>(581,800)</b>	<b>(227,033)</b>
<b>Investing activities</b>				
Payments to acquire property, plant and equipment	(10,828)	(72,948)	(949)	(89,882)
Payments to acquire intangible assets	(472,587)	(245,575)	-	(4,920)
Proceeds from disposal of other investments	200,000	-	200,000	-
Payment to acquire other investments	-	-	-	(100)
Dividends received from subsidiaries	-	-	399,921	399,920
<b>Net cash (used in) generated from investing activities</b>	<b>(283,415)</b>	<b>(318,523)</b>	<b>598,972</b>	<b>305,018</b>

## Condensed Statements of Cash Flows for the period ended 30 June 2024

	The group 1 January to 30 June 2024 (Unaudited) €	The group 1 January to 30 June 2023 (Unaudited) €	The company 1 January to 30 June 2024 (Unaudited) €	The company 1 January to 30 June 2023 (Unaudited) €
<b>Financing activities</b>				
Payments for lease obligations to third parties	(52,602)	(51,659)	-	-
Payments for lease obligations to related company	(89,974)	(108,458)	(89,974)	(108,458)
Interest paid on leasing arrangements with third parties	(6,378)	(5,356)	-	-
Interest paid on leasing arrangements with a related company	(16,086)	(5,757)	(16,086)	(5,757)
Interest received	9,132	-	12,327	-
Interest paid on other financial liabilities	-	(1,028)	-	-
Dividends paid	(113,983)	(113,982)	(113,903)	(113,903)
<b>Net cash used in financing activities</b>	<b>(269,891)</b>	<b>(286,240)</b>	<b>(207,636)</b>	<b>(228,118)</b>
Net change in cash and cash equivalents	(753,252)	266,068	(190,464)	(150,133)
Cash and cash equivalents, beginning of period	2,614,268	2,716,977	314,638	726,830
<b>Cash and cash equivalents, end of period</b>	<b>1,861,016</b>	<b>2,983,045</b>	<b>124,174</b>	<b>576,697</b>

## Notes to the financial statements

### **1 Nature of operations**

The principal activities of the Group are the sale, maintenance and servicing of information technology solutions, security systems and operates an electronic payment gateway.

### **2 General information and basis of preparation**

The company was incorporated on 23 December 2013 as a holding company. The registered address and principal place of business of the company is Nineteen Twenty-Three, Valletta Road, Marsa MRS 3000, Malta.

The condensed consolidated interim financial statements as at end of 30 June 2024 has been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, "Interim Financial Reporting"). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS as adopted by the EU.

### **3 New or revised Standards or Interpretations**

#### **3.1 New standards, amendments and interpretations adopted as at 1 January 2024**

Some accounting amendments which have become effective from 1 January 2024 and have been adopted by the Group and the company do not have a significant impact on the Group and company's financial results or position. Accordingly, the Group and the company have made no changes to its accounting policies in 2024.

Other Standards and amendments that are effective for the first time in 2024 and could be applicable to the Group are:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lack of Exchangeability (Amendments to IAS 21)

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

### **3.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group**

Several new, but not yet effective, standards, amendments to existing standards, and interpretations have been published by the IASB. None of these standards, amendments or Interpretations have been adopted early by the Group and the company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations neither adopted nor listed by the Group and the company have not been disclosed as they are not expected to have a material impact on the Group and company's financial statements.

## **4 Segment reporting**

The Group operates two business activities which are the sale of payment processing services and the provision of IT solutions and security systems. Each of these operating segments is managed separately as each of these lines requires different resources. All inter segment transfers for management services are carried out on a cost basis.

The accounting policy for identifying segments is based on internal management reporting information that is regularly reviewed by management.

Revenue reported below represents revenue generated from external customers. The Group's reportable segments under IFRS 8 are direct sales attributable to each line of business.

The sale of payment processing services and the provision of IT solutions and security systems are derived from Malta, EU and non-EU countries.

During the first six months of 2024, the Group had one contract which individually represented 10% or more of the total revenue of the Group. The total revenue on this contract recognised during the period amounted to € 952,000 and represented 10% of the revenue for the six months ended 30 June 2024. In 2023, the Group did not have any clients or contracts which individually represented 10% or more of the total revenue of the Group.

As at the end of the reporting period the total amount of intangible assets (including goodwill) and plant and equipment amounted to € 9,024,048 - unaudited (31 December 2023: € 8,804,743 - audited) and € 157,442 - unaudited (31 December 2023 - audited: € 182,629) respectively.

### **4.1 Measurement of operating segment profit or loss, assets, and liabilities**

Segment profit represents the profit earned by each segment after allocation of central administration costs and finance costs based on services and finance provided. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.



**Harvest Technology p.l.c.**  
**Condensed Consolidated Interim Financial Statements**  
**For the period 1 January to 30 June 2024**

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Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to consolidated totals are reported below:

**Profit and loss before tax**

	1 January to 30 June 2024 (Unaudited) €	1 January to 30 June 2023 (Unaudited) €
Total profit for reportable segments	1,126,677	673,572
Unallocated amounts:		
Other unallocated amounts	(209,253)	(384,205)
	<u>917,424</u>	<u>289,367</u>

**Assets**

	30 June 2024 (Unaudited) €	31 December 2023 (Audited) €
Total assets for reportable segments	13,372,952	12,543,007
Elimination of receivables	(2,968,569)	(2,277,078)
Unallocated amounts:		
Plant and equipment	94,332	104,876
Goodwill	7,493,487	7,493,487
Intangible assets	2,516	5,905
Other investments	149,977	349,977
Trade and other receivables	1,792,583	1,344,924
Cash and cash equivalents	124,174	314,638
Deferred tax	133,573	127,889
Current tax asset	229,201	156,947
Right-of-use-asset	384,692	480,865
	<u>20,808,918</u>	<u>20,645,437</u>

**Liabilities**

	30 June 2024 (Unaudited) €	31 December 2023 (Audited) €
Total liabilities for reportable segments	8,732,477	8,243,347
Elimination of liabilities	(2,968,570)	(2,277,086)
Unallocated amounts:		
Trade and other payables	72,226	111,433
Lease liability	402,244	492,218
	<u>6,238,377</u>	<u>6,569,912</u>

**Harvest Technology p.l.c.  
Condensed Consolidated Interim Financial Statements  
For the period 1 January to 30 June 2024**

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The Group's revenue and results from continuing operations from external customers and information about its assets and liabilities by reportable segment are detailed below:

	Payment processing services €	Retail and IT solutions €	Total €	Unallocated €	Eliminations and adjustments €	Consolidated €
<b>1 January to 30 June 2024</b>						
Revenue	2,577,385	6,959,908	9,537,293	69,547	(516,862)	9,089,978
Profit before tax	730,026	396,651	1,126,677	392,511	(601,764)	917,424
Depreciation and amortisation	260,938	83,279	344,217	107,705	(13,498)	438,424
Income tax expense	255,754	130,119	385,873	137,894	(215,341)	308,426
Segment assets	3,851,225	9,521,727	13,372,952	14,032,683	(6,596,717)	20,808,918
Capital expenditure	398,889	85,545	484,434	949	(1,968)	483,415
Segment liabilities	1,876,565	6,855,912	8,732,477	474,470	(2,968,570)	6,238,377
<b>1 January to 30 June 2023</b>						
Revenue	2,120,168	5,456,281	7,576,449	5,811	(384,401)	7,197,859
Profit before tax	497,741	175,831	673,572	217,557	(601,762)	289,367
Depreciation and amortisation	228,510	70,140	298,650	127,352	(13,498)	412,504
Income tax expense	176,335	63,683	240,018	81,465	(215,341)	106,142
Segment assets	3,510,680	7,134,818	10,645,498	13,146,010	(5,490,531)	18,300,977
Capital expenditure	248,008	15,426	263,434	94,802	(39,713)	318,523
Segment liabilities	1,653,965	4,464,762	6,118,727	376,404	(1,864,194)	4,630,937

## 5 Dividends

During the period under review, the directors proposed a final net dividend of € 113,983 equivalent to € 0.005 per share. This was paid by the company on 10 May 2024. During January to June 2023 a final net dividend of € 113,903 (€ 0.005 per share) was paid on 5 May 2023.

Moreover, on the 8 of August 2024, the directors proposed an interim net dividend of € 683,419, equivalent to € 0.03 per share for the financial period ending 31 December 2024. This is expected to be paid by 31 August 2024.

## 6 Goodwill

The movements in the carrying amount of goodwill are as follows:

	The group €
At 1 January 2023	7,493,487
<b>At 31 December 2023</b>	<b>7,493,487</b>
At 1 January 2024	7,493,487
<b>At 30 June 2024</b>	<b>7,493,487</b>
<b>Carrying amount</b>	
<b>At 31 December 2023</b>	<b>7,493,487</b>
<b>At 30 June 2024</b>	<b>7,493,487</b>

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

The Group tests goodwill semi-annually for impairment, or more frequently if there are indications that goodwill or intangibles might be impaired. Determining whether the carrying amounts of goodwill can be realised requires an estimation of the recoverable amount of the cash generating units. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate to calculate present value.

Goodwill arising on a business combination is allocated, to the cash-generating units ("CGUs") that are expected to benefit from that business combination.

At 30 June 2024, goodwill was allocated as follows:

- € 3,860,898 (at 31 December 2023: € 3,860,898) to Apcopay Limited which operates the electronic payment gateway.
- € 2,168,112 (at 31 December 2023: € 2,168,112) to APCO Limited which operates in the business of selling and maintenance of IT solutions and security systems.
- € 1,464,477 (at 31 December 2023: € 1,464,477) to PTL Limited which provides IT services and software development.

*CGU – Payment Processing Services*

The recoverable amount of the CGUs is determined from the value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The assessment of recoverability of the carrying amount of goodwill and intangible assets with indefinite useful life includes:

- forecasted cash flow projections for the next three years and projection of terminal value using the perpetuity method;
- terminal growth rate of 2% (2023: 2%); and
- use of 21.6% (pre-tax) (2023: 23.3%) to discount the projected cash flows to net present values

Based on the above assessment, the directors expect the carrying amount of goodwill to be recoverable.

*CGU – IT Solutions and Security Systems*

The recoverable amount of the CGUs is determined from the value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The assessment of recoverability of the carrying amount of goodwill and intangible assets with indefinite useful life includes:

- forecasted cash flow projections for the next three years and projection of terminal value using the perpetuity method;
- terminal growth rate of 2% (2023: 2%); and
- use of 20.6% - 24.3% (pre-tax) (2023: 21.4% - 24.4%) to discount the projected cash flows to net present values

Based on the above assessment, the directors expect the carrying amount of goodwill to be recoverable.

**7 Intangible assets**

The group	Total €
<b>Gross carrying amount</b>	
At 1 January 2023	3,208,939
Additions	690,458
Disposals	(261,967)
<b>At 31 December 2023</b>	<u><b>3,637,430</b></u>
<b>Gross carrying amount</b>	
At 1 January 2024	3,637,430
Additions	472,587
<b>At 30 June 2024</b>	<u><b>4,110,017</b></u>
<b>Amortisation</b>	
At 1 January 2023	2,088,314
Provision for the year	439,788
Disposal	(201,928)
<b>At 31 December 2023</b>	<u><b>2,326,174</b></u>
At 1 January 2024	2,326,174
Provision for the period	253,282
<b>At 30 June 2024</b>	<u><b>2,579,456</b></u>
<b>Carrying amount</b>	
<b>At 31 December 2023</b>	<u><b>1,311,256</b></u>
<b>At 30 June 2024</b>	<u><b>1,530,561</b></u>

The amortisation charge was included in administrative expenses.

Intangible assets include the payment gateway together with development costs, software, licences etc.

The Group tests intangible assets with an indefinite useful life annually for impairment or more frequently if there are indications that intangibles might be impaired. Determining whether the carrying amounts of these assets can be realised requires an estimation of the recoverable amount of the cash generating units. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value.

Based on the assessments carried out as disclosed in note 6, the directors expect the carrying amount of intangible assets with an indefinite useful life to be recoverable.

**7 Intangible assets – continued**

	Total €
The company	
<b>Gross carrying amount</b>	
At 1 January 2023	41,550
Additions	8,857
<b>At 31 December 2023</b>	<u>50,407</u>
At 1 January 2024	50,407
Additions	-
<b>At 30 June 2024</b>	<u>50,407</u>
<b>Amortisation</b>	
At 1 January 2023	41,550
Provision for the year	2,952
<b>At 31 December 2023</b>	<u>44,502</u>
At 1 January 2024	44,502
Provision for the period	1,477
<b>At 30 June 2024</b>	<u>45,979</u>
<b>Carrying amount</b>	
<b>At 31 December 2023</b>	<u>5,905</u>
<b>At 30 June 2024</b>	<u>4,428</u>

**8 Right-of-use assets**

The following assets have been recognised as right-of-use assets of the Group:

The group	Buildings €	Motor vehicles €	Total €
<b>Gross carrying amount</b>			
At 1 January 2023	644,214	564,449	1,208,663
Additions	577,037	132,823	709,860
Termination of lease	(644,214)	(110,874)	(755,088)
<b>At 31 December 2023</b>	<b>577,037</b>	<b>586,398</b>	<b>1,163,435</b>
At 1 January 2024	577,037	586,398	1,163,435
Additions	-	28,872	28,872
Disposals	-	(73,534)	(73,534)
<b>At 30 June 2024</b>	<b>577,037</b>	<b>541,736</b>	<b>1,118,773</b>
<b>Depreciation</b>			
At 1 January 2023	322,107	330,681	652,788
Provision for the year	203,541	104,634	308,175
Termination of lease	(429,476)	(109,051)	(538,527)
<b>At 31 December 2023</b>	<b>96,172</b>	<b>326,264</b>	<b>422,436</b>
At 1 January 2024	96,172	326,264	422,436
Provision for the period	96,173	52,953	149,126
Depreciation released on disposal	-	(73,534)	(73,534)
<b>At 30 June 2024</b>	<b>192,345</b>	<b>305,683</b>	<b>498,028</b>
<b>Carrying amount</b>			
<b>At 31 December 2023</b>	<b>480,865</b>	<b>260,134</b>	<b>740,999</b>
<b>At 30 June 2024</b>	<b>384,692</b>	<b>236,053</b>	<b>620,745</b>

The following assets have been recognised as right-of-use assets of the company:

The company	Buildings €
<b>Gross carrying amount</b>	
At 1 January 2023	644,214
Additions	577,037
Termination of lease	(644,214)
<b>At 31 December 2023 and 2024</b>	<b>577,037</b>
At 1 January 2024	577,037
<b>At 30 June 2024</b>	<b>577,037</b>
<b>Depreciation</b>	
At 1 January 2023	322,107
Provision for the year	203,541
Termination of lease	(429,476)
<b>At 31 December 2023</b>	<b>96,172</b>
At 1 January 2024	96,172
Provision for the period	96,173
<b>At 30 June 2024</b>	<b>192,345</b>
<b>Carrying amount</b>	
<b>At 31 December 2023</b>	<b>480,865</b>
<b>At 30 June 2024</b>	<b>384,692</b>

The depreciation charge on right-of-use assets was included in administrative expenses.

The Group and the company have elected to disclose right-of-use assets separately in these financial statements. The information pertaining to the gross carrying amount, depreciation recognised during the year and other movements in right-of-use assets is included in the above tables.

Up to 31 December 2022, the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS16 was 3.93%. As from 2023, the incremental borrowing rate applied ranged from 5.37% during that year to 7.2% applied to new leases during 2024. The incremental borrowing rate will be re-assessed every time a new lease is entered into by the Group and the corresponding right-of-use asset recognised. New leases are assessed on a case-by-case basis.

As at 30 June 2024, the Group's leases comprise of its office space and its motor vehicles.

## **9 Trade and other receivables**

Trade and other receivables consist of the following:

	The group 30 June 2024 (Unaudited) €	The group 31 December 2023 (Audited) €	The company 30 June 2024 (Unaudited) €	The company 31 December 2023 (Audited) €
Trade receivables – gross	4,892,139	3,463,455	-	-
Allowance for expected credit losses	(317,885)	(338,446)	-	-
Trade receivables – net	4,574,254	3,125,009	-	-
Amounts owed to ultimate parent	38,572	-	-	-
Amounts owed by parent company	1,241	7,068	-	-
Amounts owed by subsidiaries	-	-	1,761,756	1,350,834
Advance payments	9,642	8,557	-	-
Other receivables	26,361	56,511	641	2,777
Amounts owed by other related parties	145,734	123,492	-	-
<b>Financial assets</b>	<b>4,795,804</b>	<b>3,320,637</b>	<b>1,762,397</b>	<b>1,353,611</b>
Other receivables	30,635	9,582	9,729	-
<b>Trade and other receivables – current</b>	<b>4,826,439</b>	<b>3,330,219</b>	<b>1,772,126</b>	<b>1,353,611</b>

The carrying value of financial assets is considered a reasonable approximation of fair value.

No interest is charged on trade and other receivables.

Amounts owed by ultimate parent and other related parties are unsecured, interest free and repayable on demand.



**10 Cash and cash equivalents**

Cash and cash equivalents include the following component:

	The group 30 June 2023 (Unaudited) €	The group 31 December 2023 (Audited) €	The company 30 June 2024 (Unaudited) €	The company 31 December 2023 (Audited) €
Cash and bank balances	1,985,366	2,614,268	124,174	314,638
Bank Overdraft	(124,350)	-	-	-
<b>Cash and cash equivalents in the Statements of cash flows and the statements of financial position</b>	<b>1,861,016</b>	<b>2,614,268</b>	<b>124,174</b>	<b>314,638</b>

The Group did not have any restrictions on its cash at bank as at the end of the reporting period.

**11 Trade and other payables**

	The group 30 June 2024 (Unaudited) €	The group 31 December 2023 (Audited) €	The company 30 June 2024 (Unaudited) €	The company 31 December 2023 (Audited) €
Trade payables	1,646,972	1,400,599	4,109	17,183
Amounts payable to ultimate parent	972	9,611	972	9,611
Amounts payable to immediate parent	12,841	2,574	10,030	-
Amounts payable to related parties	2,948	21,596	-	20,856
Other payables	62,332	1,034,551	40	17,456
Accrued expenses	1,047,910	827,343	49,822	46,327
<b>Financial liabilities</b>	<b>2,773,975</b>	<b>3,296,274</b>	<b>64,973</b>	<b>111,433</b>
Other creditors	842,080	438,159	7,253	-
<b>Trade and other payables – current</b>	<b>3,616,055</b>	<b>3,734,433</b>	<b>72,226</b>	<b>111,433</b>

The carrying values of financial liabilities are considered to be a reasonable approximation of fair value.

No interest is charged on trade and other payables.

**12 Related party transactions**

Harvest Technology p.l.c. is the parent company of the Group comprising PTL Limited, PTLTech (Mauritius) Limited, APCO Limited, Apcopay Limited, Apcopay Greece SA and Ipsyon Limited. The majority shareholder of Harvest Technology p.l.c. is 1923 Investments p.l.c. which is incorporated in Malta which is in turn owned by Hili Ventures Limited. The registered office of 1923 Investments p.l.c. and Hili Ventures Limited, is Nineteen Twenty Three, Valletta Road, Marsa, MRS 3000, Malta.

During the year under review, the Group entered into transactions with related parties as set out below:

	<u>1 January to 30 June 2024</u>			<u>1 January to 30 June 2023</u>		
	<u>(Unaudited)</u>			<u>(Unaudited)</u>		
	<b>Related party activity Unaudited</b>	<b>Total activity Unaudited</b>		<b>Related party activity Unaudited</b>	<b>Total activity Unaudited</b>	
	€	€	%	€	€	%
<b>Revenue:</b>						
Related party transactions with:						
Ultimate parent	36,094			45,980		
Parent company	28,746			32,034		
Other related parties	277,815			235,151		
	<b>342,655</b>	<b>9,089,978</b>	<b>3.77%</b>	<b>313,165</b>	<b>7,197,859</b>	<b>4.35%</b>
<b>Cost of sales:</b>						
Related party transactions with:						
Ultimate Parent	-			-		
Parent company	-			-		
Other related parties	-			-		
	<b>-</b>	<b>5,636,351</b>	<b>0.00%</b>	<b>-</b>	<b>4,578,429</b>	<b>0.00%</b>
<b>Administrative expenses:</b>						
Related party transactions with:						
Ultimate parent	5,090			5,159		
Parent company	52,778			704		
Other related parties	106,285			127,574		
	<b>164,153</b>	<b>2,522,871</b>	<b>6.51%</b>	<b>133,437</b>	<b>2,319,978</b>	<b>5.75%</b>
<b>Finance Income:</b>						
Related party transactions with:						
Ultimate Parent	-			-		
Parent company	-			-		
Other related parties	-			-		
	<b>-</b>	<b>9,132</b>	<b>0.00%</b>	<b>-</b>	<b>1,028</b>	<b>0.00%</b>
<b>Finance cost:</b>						
Related party transactions with:						
Other related parties	16,086			5,757		
	<b>16,086</b>	<b>22,464</b>	<b>71.60%</b>	<b>5,757</b>	<b>11,113</b>	<b>51.80%</b>

**12 Related party transactions – continued**

	<u>1 January to 30 June 2024</u>			<u>1 January to 30 June 2023</u>		
	(Unaudited)			(Unaudited)		
	Related party activity	Total activity		Related party activity	Total activity	
The company	Unaudited	Unaudited	%	Unaudited	Unaudited	%
	€	€		€	€	
<b>Revenue:</b>						
Related party transactions with:						
Subsidiaries	305,551			241,821		
	<b>305,551</b>	<b>305,551</b>	<b>100%</b>	<b>241,821</b>	<b>241,821</b>	<b>100%</b>
<b>Administrative expenses:</b>						
Related party transactions with:						
Ultimate parent	2,041			5,159		
Parent company	51,015			15		
Other related parties	111,933			124,253		
	<b>164,989</b>	<b>532,139</b>	<b>31.00%</b>	<b>129,427</b>	<b>633,768</b>	<b>20.42%</b>
<b>Finance income:</b>						
Related party transactions with:						
Subsidiaries	19,744			-	-	
	<b>19,744</b>	<b>19,923</b>	<b>99.10%</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>Finance cost:</b>						
Related party transactions with:						
Other related parties	16,086			5,757	-	-
	<b>16,086</b>	<b>16,086</b>	<b>100%</b>	<b>5,757</b>	<b>5,757</b>	<b>100%</b>

Other related parties consist of related parties other than the parent, entities with joint control or significant influence over the company, subsidiaries, joint ventures in which the company is venture and key management personnel of the company or its parent company.

The directors consider the ultimate controlling party to be Mr Carmelo (sive Melo) Hili, who, through his interest in Hili Ventures Limited, APM Holdings Limited and Premier Capital p.l.c, holds 68.36% (June 2023: 68.36%) of the voting rights in Harvest Technology p.l.c.

No expense has been recognised in the period for impairments in respect of amounts due by related parties and there are no provisions for impairment in respect of outstanding amounts due by related parties.

### **13 Financial instrument risk**

#### **Risk management objectives and policies**

The Group is exposed to various risks in relation to financial instruments.

The Group's risk management is coordinated by the directors and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial risks.

The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development. Where applicable, any significant changes in the Group's exposure to financial risks or the manner in which the Group manages and measures these risks are disclosed below. Any re-assessment of risk considered by management to be of significance has been disclosed in the appropriate risk analysis below.

#### **13.1 Market risk analysis**

##### **Foreign currency risk**

Foreign currency transactions arise when the Group buys or sells goods or services whose price is denominated in a foreign currency, borrows or lends funds when the amounts payable or receivable are denominated in a foreign currency or acquires or disposes of assets, or incurs or settles liabilities, denominated in a foreign currency. Foreign currency transactions comprise mainly transactions in USD and GBP.

The Group is not expected to have significant movements on exchange as it continues to monitor and manage its risks closely to minimise any impact from currency movements. In view of the Group's significant transactions being carried out in the US Dollar on one of its international projects, it matches inflows and outflows using the US Dollar to minimise the impact of currency movements on its financial performance and cash flows. As a result, management does not expect to have significant currency movements on such transactions.

##### **Interest rate risk**

The Group has loans and receivables and other financial liabilities with a fixed coupon. The Group also has cash at bank which is not subject to significant fluctuations in interest rates.

As a result, the Group is not exposed to significant interest rate risk as most of its interest bearing receivables and payables are either subject to a fixed interest rate or to a rate which is not considered by management to be subject to significant fluctuations until full settlement of the borrowings, which comprise mainly borrowings from bank.

#### **13.2 Credit risk analysis**

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, loans and receivables, trade and other receivables.

##### **Credit risk management**

The credit risk is managed both at the level of each individual subsidiary as well as on a Group basis, based on the Group's credit risk management policies and procedures.

Loans and receivables and certain trade receivables comprise amounts due from related parties. The Group and company's concentration to credit risk arising from these receivables are considered limited as there were no indications that these counterparties are unable to meet their obligations. Management considers these to be of good credit quality.

The Group and the company hold money exclusively with institutions having high quality external credit ratings. The cash and cash equivalents held with such banks at 30 June 2024 and 31 December 2023 are callable on demand. One of the banks with whom cash and cash equivalents are held forms part of an international Group with an A credit rating by Standard and Poor's and similar high ratings by other agencies.

The Group also holds cash with a local bank having a credit rating of BBB- by Standard and Poor's. Cash held by the Group with other local banks for which no credit rating is available are not significant. Management considers the probability of default from such banks to be close to zero and the amount calculated using the 12-month expected credit loss model to be very insignificant. Therefore, based on the above, no loss allowance has been recognised by the Group and the company.

The Group assesses the credit quality of its customers by taking into account their financial standing, past experience and other factors, such as bank references and the customers' financial position.

Management is responsible for the quality of the Group's credit portfolios and has established credit processes involving delegated approval authorities and credit procedures, the objective of which is to build and maintain assets of high quality.

Individual risk limits are set in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Each new individual customer is analysed individually for creditworthiness before the company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from management. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

The Group's policy is to deal only with credit worthy counterparties. The credit terms is generally between 30 and 90 days. The credit terms for customers as negotiated with customers are subject to an internal approval process as abovementioned. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

Trade receivables consist of a large number of customers in various industries and mainly in Malta.

The Expected Credit Loss (ECL) as at 30 June 2024 and 31 December 2023 was estimated based on a range of forecast economic scenarios as at that date.

### **Trade receivables**

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 36 months before 30 June 2024 and 31 December 2023 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Group has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

There are no particular indicators that suggest that the assessment of the expected credit risk model adopted by the Group materially varies from expectations of collectability and previous patterns of payments from such customers. While the Group continues to closely monitor all of its financial assets at more frequent intervals as a result of such events, management considers that the level of ECL provisions at period end remains adequate.

### **13.3 Liquidity risk**

The Group's exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise trade and other payables and other financial liabilities. Prudent liquidity risk management includes maintaining sufficient cash to ensure the availability of an adequate amount of funding to meet the Group's and company's obligations when they become due.

Management considers that the Group is not exposed to a significant amount of liquidity risk as it continues to efficiently manage its liquidity needs on a timely basis. The Group has not encountered any particular difficulties to collect amounts due from customers and collections remain within expectations as explained above.

### **13.4 Financial instruments measured at fair value**

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 or indirectly
- Level 3: unobservable inputs for the asset or liability.

At 30 June 2024 and 31 December 2023, the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short-term maturities of these assets and liabilities.

The fair values of non-current financial liabilities and the non-current loans and receivables are not materially different from their carrying amounts due to the fact that the interest rates are considered to represent market rates at the year-end or because they are repayable on demand. The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the company and the Group determine when transfers are deemed to have occurred between Levels in the hierarchy at the end of each reporting period.

## **14 Contingent liabilities and guarantees**

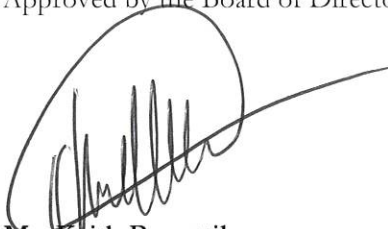
At 30 June 2024, the group's subsidiaries had guarantees amounting to € 266,195 (at 31 December 2023: € 1,088,584) in favour of third parties on major projects being executed in Malta.

## Statement Pursuant to Listing Rules 5.75.3 issued by the Listing Authority for the period 1 January to 30 June 2024

We confirm that to the best of our knowledge:

- a) the condensed interim financial statements give a true and fair view of the financial position of Harvest Technology p.l.c. (the “company”) and its subsidiaries (the “Group”) as at 30 June 2024, and the financial performance and cash flows of the company and the Group for the half year then ended, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 – Interim Financial Reporting); and
- b) the interim Directors’ report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

Approved by the Board of Directors on 8 August 2024 and signed on its behalf by:



**Mr. Keith Busuttil**  
Non-executive Chairman



**Mr. Stephen Paris**  
Non-executive Director

Registered address:  
Nineteen Twenty-Three  
Valletta Road  
Marsa MRS 3000  
Malta

