

Harvest Technology p.l.c.

Interim Financial Report

For the period 1 January to 30 June 2021

## **Contents**

<b>Contents</b>	<b>1</b>
<b>Interim Directors' Report pursuant to Listing Rules 5.75.2</b>	<b>2</b>
<b>Condensed Statements of Profit or Loss for the period ended 30 June 2021</b>	<b>5</b>
<b>Condensed Statements of Financial Position at 30 June 2021</b>	<b>6</b>
<b>Statements of changes in equity</b>	<b>8</b>
<b>Condensed Statements of Cash Flows for the period ended 30 June 2021</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>12</b>
<b>Statement pursuant to Listing Rule 5.75.3</b>	<b>30</b>
<b>Independent auditor's report on review of the Condensed Consolidated Interim Financial Information</b>	<b>31</b>

## **Interim Directors' Report**

### **Pursuant to Listing Rules 5.75.2 for period 1 January to 30 June 2021**

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 2021.

### **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, and to provide electronic payments solutions.

### **Business model**

Harvest Technology p.l.c.'s business line in Malta 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 and security solutions catering to the banking, retail, fuel distribution 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 2021 and its comparative period in 2020.

### **The Group**

During the period under review, the Group registered an operating profit of €1,947,004 (1 January to 30 June 2020: € 1,860,849) on revenue of €7,880,391 (1 January to 30 June 2020: € 8,994,385). The profit before tax for the period amounted to € 1,933,284 (1 January to 30 June 2020: € 1,864,967) against a projected profit before tax of € 1,858,257. After accounting for other items of income, net finance costs and taxation, the Group registered a profit for the period of € 1,241,886 (1 January to 30 June 2020: € 1,195,407) against a projected profit for the period of € 1,197,575. The Group's net assets at 30 June 2021 amounted to € 12,858,228 (31 December 2020: €12,072,265).

The first half of 2021 has been characterised by a stable performance of the subsidiaries (PTL Limited, APCO Limited, APCO Systems Limited) and the Group. Whilst the scrutiny and governance around payment processing services has been increasing dramatically, APCO Systems still managed to post good results - a result of diversification and continued on-boarding of new clients. An increase in international partners also contributed to these results. A continued stream of the delivery of EMV cards, increasing the number of deposit machine sales and an additional Fuel Station software implementation, has also contributed to APCO Limited's satisfactory performance. When it comes to PTL, the successful

continuation of the delivery of the Mauritius project continued to provide a significant contribution to its performance. PTL's performance was further strengthened by the revenue from the work on the modernisation of the Health Information System stack and the out-sourcing effort at the Malta Police Force.

### **The Company**

The Company earned investment income and management fees of € 2,596,635 and € 120,661, respectively (2020: € 2,123,554 and € 195,954, respectively). After accounting for finance income, finance costs and administrative expenditure, the Company registered a profit after tax of €1,381,347 (2020: €1,224,014). The net assets of the Company at the end of 2021 amounted to €12,999,112 (31 December 2020: €12,073,378).

### **Results and dividends**

The results for the period ended 30 June 2021 are shown in the statements of profit or loss on page 5. The Group's profit for the period after taxation was € 1,241,886 (1 January to 30 June 2020: € 1,195,407).

During the period under review, the directors paid a final net dividend of €455,613, equivalent to €0.02 per share, relating to financial year ending 31 December 2020. This was paid by the company on 9 April 2021. During the prior period a net further dividend of € 410,165 (€ 0.018 per share), relating to financial year ended 31 December 2019, was paid on 15 May 2020. On 3 August 2021 the directors approved a net interim dividend for financial year ending 31 December 2021 of € 546,785 equivalent to € 0.024 per share, payable on 24 August 2021. This amount is the same to that paid last year.

### **Likely future business developments**

The directors consider that the period-end financial position was satisfactory. However future performance might be negatively affected due to COVID-19 pandemic.

### **Effects of the Financial Action Task Force decision**

On 25 June 2021, the Financial Action Task Force (FATF) placed Malta on its so-called grey list. The board of directors will actively watch the developments of the impact of the FATF listing, both at a national as well as at an international front. This to ensure that any immediate action required to this extent is taken should it be required.

### **Effects of the Covid-19 pandemic**

The pandemic can have an impact on the performance even though to date the group was not negatively impacted. Whilst the situation remains fluid and future events may have an adverse effect on the Group's future profitability, liquidity and financial position, the outlook remains cautiously optimistic.

The Group has instituted a work-from-home approach (3 days at the office, 2 days from home) in order to protect its staff from unnecessary travel as well as keeping in line with the Group's objective to introduce employee friendly measures when it comes to employment flexibility. This strategy proved to be successful with minimal disruptions to clients and other business partners.

The Group has utilised the Government's wage supplement which has assisted in creating stability and peace of mind to its employees while at the same time giving management the ability to further invest in a safer work environment that will be beneficial to its workforce in the longer term.

The board of directors have continued to actively watch the developments of the impact of the Covid-19 pandemic, both at a national as well as at an international front. This to ensure that any immediate action required to this extent is taken should it be required.

### **Post balance sheet events**

As part of its commitment to engage in byte sized investments, during July 2021, the company invested in six hundred and thirty-seven (637) Ordinary Class 'E' Shares, having a nominal value of one hundred and fifty-six Euro and ninety-five Euro cents (€156.95) each, in Tought3D. Thought 3D is involved in the advanced materials landscape - developing new materials and technologies to solve problems in additive manufacturing. Its products includes Magigoo® and Magigoo® Pro, which are all-in-one adhesives for 3D printing, designed specifically to keep 3D prints in place during the 3D printing process and allowing the easy removal when printing is complete. This total additional investment made amounts to € 99,977. To this extent, the total other investments as disclosed in the statement of financial position will increase from Eur50,000 to Eur149,977 subsequent to period-end.

Furthermore, the subsidiaries of the Group terminated all contracts for lease agreements with a related party. Subsequently, the company entered into a new lease agreement with the same related party with a shorter termination date and a reduction in the rented floor space. This measure was taken following the Group's assessment for space required for operations consequent to new work practices, in particular to the introduction of a work from home policy where employees can work from home for 2 days a week.

### **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 reviewed (but not audited) condensed consolidated interim financial statements. 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 2020 and the management accounts for the period ending 30 June 2020.



**Prof. Juanito Camilleri**  
Non-executive Chairman



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

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

3 August 2021

## Condensed Statement of Profit or Loss for the period ended 30 June 2021

	The group 1 January to 30 June 2021 (Unaudited)	The group 1 January to 30 June 2020 (Unaudited)	The company 1 January to 30 June 2021 (Unaudited)	The company 1 January to 30 June 2020 (Unaudited)
<b>Revenue</b>	<b>7,880,391</b>	<b>8,994,385</b>	<b>120,661</b>	<b>195,954</b>
Cost of sales	(3,907,100)	(4,996,722)	-	-
<b>Gross profit</b>	<b>3,973,291</b>	<b>3,997,663</b>	<b>120,661</b>	<b>195,954</b>
Other operating income	-	7,207	-	-
Administrative expenses	(2,026,287)	(2,144,021)	(602,744)	(415,349)
<b>Operating profit / (loss)</b>	<b>1,947,004</b>	<b>1,860,849</b>	<b>(482,083)</b>	<b>(219,395)</b>
Investment income	-	-	2,596,635	2,123,554
Other Income	29,536	86,575	-	-
Finance income	-	821	19,237	29,286
Finance costs	(43,256)	(83,278)	(8,642)	(47,115)
<b>Profit before tax</b>	<b>1,933,284</b>	<b>1,864,967</b>	<b>2,125,147</b>	<b>1,886,330</b>
Tax expense	(691,398)	(669,560)	(743,800)	(662,316)
<b>Profit for the period</b>	<b>1,241,886</b>	<b>1,195,407</b>	<b>1,381,347</b>	<b>1,224,014</b>
<b>Earnings per share</b>	<b>0.055</b>	<b>0.052</b>	-	-

## Condensed Statements of financial position

		The group 30 June 2021 (Unaudited) €	The group 31 December 2020 (Audited) €	The company 30 June 2021 (Unaudited) €	The company 31 December 2020 (Audited) €
	Notes				
<b>Assets</b>					
<b>Non-current</b>					
Goodwill	6	7,493,487	7,493,487	-	-
Intangible assets	7	1,225,237	1,273,980	6,082	8,110
Plant and equipment		166,502	191,944	3,918	2,618
Right-of-use assets	8	1,698,195	1,681,503	-	-
Investment in subsidiaries		-	-	11,119,723	11,119,723
Other investments		50,000	50,000	50,000	50,000
Loans and receivables		-	-	350,000	350,000
Deferred tax assets		398,366	395,548	105,824	105,223
		<b>11,031,787</b>	<b>11,086,462</b>	<b>11,635,547</b>	<b>11,635,674</b>
<b>Current</b>					
Inventories		1,593,503	2,023,647	-	-
Loans and receivables		-	-	100,000	443,000
Contract assets		1,736,496	1,749,577	-	-
Other assets		85,567	113,350	14,746	9,204
Trade and other receivables	9	3,065,091	2,697,327	56,249	5,000
Current tax assets		332,391	401,518	332,391	401,517
Cash and cash equivalents	10	3,424,785	2,554,041	1,036,753	226,415
		<b>10,237,833</b>	<b>9,539,460</b>	<b>1,540,139</b>	<b>1,085,136</b>
<b>Total assets</b>		<b>21,269,620</b>	<b>20,625,922</b>	<b>13,175,686</b>	<b>12,720,810</b>

## Condensed Statements of financial position – continued

		The group 30 June 2021 (Unaudited) €	The group 31 December 2020 (Audited) €	The company 30 June 2021 (Unaudited) €	The company 31 December 2020 (Audited) €
<b>Equity</b>					
Share capital		11,390,318	11,390,318	11,390,318	11,390,318
Other equity		(2,821,365)	(2,821,365)	-	-
Retained earnings		4,289,275	3,503,312	1,608,794	683,060
<b>Total equity</b>		<b>12,858,228</b>	<b>12,072,265</b>	<b>12,999,112</b>	<b>12,073,378</b>
<b>Liabilities</b>					
<b>Non-current</b>					
Lease liabilities		1,480,766	1,473,305	-	-
Deferred tax liabilities		333,846	349,628	-	-
		<b>1,814,612</b>	<b>1,822,933</b>	-	-
<b>Current</b>					
Bank borrowings	11	590,456	465,476	-	-
Lease liabilities	8	283,496	267,613	-	-
Trade and other payables	12	2,463,640	3,043,445	176,574	147,432
Contract liabilities		1,546,436	1,315,246	-	-
Other financial liabilities		-	500,000	-	500,000
Current tax liabilities		1,712,752	1,138,944	-	-
		<b>6,596,780</b>	<b>6,730,724</b>	<b>176,574</b>	<b>647,432</b>
<b>Total liabilities</b>		<b>8,411,392</b>	<b>8,553,657</b>	<b>176,574</b>	<b>647,432</b>
<b>Total equity and liabilities</b>		<b>21,269,620</b>	<b>20,625,922</b>	<b>13,175,686</b>	<b>12,720,810</b>



Prof. Juanito Camilleri  
 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 2020	11,390,318	(2,821,365)	1,784,463	10,353,416
Dividends	-	-	(410,309)	(410,309)
<b>Transactions with owners</b>	-	-	<b>(410,309)</b>	<b>(410,309)</b>
Profit for the period	-	-	1,195,407	1,195,407
<b>Total comprehensive income</b>	-	-	<b>1,195,407</b>	<b>1,195,407</b>
<b>At 30 June 2020</b>	<b>11,390,318</b>	<b>(2,821,365)</b>	<b>2,569,561</b>	<b>11,138,514</b>
At 1 January 2021	11,390,318	(2,821,365)	3,503,312	12,072,265
Dividends	-	-	(455,923)	(455,923)
<b>Transactions with owners</b>	-	-	<b>(455,923)</b>	<b>(455,923)</b>
Profit for the period	-	-	1,241,886	1,241,886
<b>Total comprehensive income</b>	-	-	<b>1,241,886</b>	<b>1,241,886</b>
<b>At 30 June 2021</b>	<b>11,390,318</b>	<b>(2,821,365)</b>	<b>4,289,275</b>	<b>12,858,228</b>

## Statement of changes in equity – the company

	Share capital	Retained earnings	Total equity
	€	€	€
At 1 January 2020	11,390,318	194,693	11,585,011
Dividends	-	(410,165)	(410,165)
<b>Transactions with owners</b>	<b>-</b>	<b>(410,165)</b>	<b>(410,165)</b>
Profit for the period	-	1,224,014	1,224,014
<b>Total comprehensive income</b>	<b>-</b>	<b>1,224,014</b>	<b>1,224,014</b>
<b>At 30 June 2020</b>	<b>11,390,318</b>	<b>1,008,542</b>	<b>12,398,860</b>
At 1 January 2021	11,390,318	683,060	12,073,378
Dividends	-	(455,613)	(455,613)
<b>Transactions with owners</b>	<b>-</b>	<b>(455,613)</b>	<b>(455,613)</b>
Profit for the period	-	1,381,347	1,381,347
<b>Total comprehensive income</b>	<b>-</b>	<b>1,381,347</b>	<b>1,381,347</b>
<b>At 30 June 2021</b>	<b>11,390,318</b>	<b>1,608,794</b>	<b>12,999,112</b>

## Condensed Statements of Cash Flows for the period ended 30 June 2021

	The group 1 January to 30 June 2021 (Unaudited) €	The group 1 January to 30 June 2020 (Unaudited) €	The company 1 January to 30 June 2021 (Unaudited) €	The company 1 January to 30 June 2020 (Unaudited) €
<b>Operating activities</b>				
Profit before tax	1,933,284	1,864,967	2,125,147	1,886,330
Adjustments	405,164	573,618	(2,603,488)	(2,120,755)
Net changes in working capital	(210,327)	(940,618)	(27,645)	(174,334)
Tax paid	(288,132)	(103,171)	-	-
Tax refunded	221,668	189,077	221,668	189,077
<b>Net cash generated from (used in) operating activities</b>	<b>2,061,657</b>	<b>1,583,873</b>	<b>(284,318)</b>	<b>(219,682)</b>
<b>Investing activities</b>				
Payments to acquire property, plant and equipment	(12,165)	(17,971)	(3,014)	(3,005)
Proceeds from disposal of plant and equipment	3,841	-	-	-
Payments to acquire intangible assets	(132,121)	(264,995)	-	(12,165)
<b>Net cash used in investing activities</b>	<b>(140,445)</b>	<b>(282,966)</b>	<b>(3,014)</b>	<b>(15,170)</b>

## Condensed Statements of Cash Flows for the period ended 30 June 2021

	The group 1 January to 30 June 2021 (Unaudited) €	The group 1 January to 30 June 2020 (Unaudited) €	The company 1 January to 30 June 2021 (Unaudited) €	The company 1 January to 30 June 2020 (Unaudited) €
<b>Financing activities</b>				
Payments for lease obligations	(176,269)	(143,045)	-	-
Interest paid on leasing arrangements	(33,989)	(38,498)	-	-
Movement in loans and receivables	-	-	343,000	161,963
Movement in other financial liabilities	(500,000)	(500,000)	(500,000)	(500,000)
Proceeds from bank loan	-	446,510	-	-
Repayment of bank loan	(292,197)	(50,000)	-	-
Dividend received from subsidiaries	-	-	1,699,688	1,399,755
Interest received	-	-	19,237	65,181
Interest paid on other financial liabilities	(9,267)	(34,157)	(8,642)	(44,193)
Dividends paid	(455,923)	(410,308)	(455,613)	(410,165)
<b>Net cash (used in) generated from financing activities</b>	<b>(1,467,645)</b>	<b>(729,498)</b>	<b>1,097,670</b>	<b>672,541</b>
Net change in cash and cash equivalents	453,567	571,409	810,338	437,689
Cash and cash equivalents, beginning of period	2,380,762	1,829,338	226,415	236,710
<b>Cash and cash equivalents, end of period</b>	<b>2,834,329</b>	<b>2,400,747</b>	<b>1,036,753</b>	<b>674,399</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 2021 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 2020, 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 2021**

Some accounting amendments which have become effective from 1 January 2021 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 2021.

#### **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. There were no intersegment sales in the period. 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 interim periods ended 30 June 2021 and 30 June 2020, the Group had one significant contract which generated revenue of € 761,711 (2020: € 1,872,298) and which accounted for 9.67% (2020: 21%) of the Group's revenue for the period ended 30 June. This contract comprises of the installation of the Mauritius border security system.

As at the end of the reporting period the group total amount of intangible assets (including goodwill) and plant and equipment amounted to € 8,718,724 - unaudited (31 December 2020: € 8,767,467 - audited) and € 166,502 - unaudited (31 December 2020 - audited: €191,944) respectively.

##### **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.

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

**Profit and loss before tax**

	<b>1 January to 30 June 2021 (Unaudited) €</b>	<b>1 January to 30 June 2020 (Unaudited) €</b>
Total profit for reportable segments	2,391,276	2,088,694
Unallocated amounts:		
Other unallocated amounts	(457,992)	(223,727)
	<b>1,933,284</b>	<b>1,864,967</b>

**Assets**

	<b>30 June 2021 (Unaudited) €</b>	<b>31 December 2020 (Audited) €</b>
Total assets for reportable segments	12,753,063	12,993,094
Elimination of receivables	(1,032,893)	(1,365,353)
Unallocated amounts:		
Plant and equipment	3,918	2,618
Goodwill	7,493,487	7,493,487
Intangible assets	6,082	8,110
Other investments	50,000	50,000
Loans and receivables	450,000	705,811
Trade and other receivables	70,995	5,000
Cash and cash equivalents	1,036,753	226,415
Deferred tax	105,824	105,223
Current tax asset	332,391	401,517
	<b>21,269,620</b>	<b>20,625,922</b>

**Liabilities**

	<b>30 June 2021 (Unaudited) €</b>	<b>31 December 2020 (Audited) €</b>
Total liabilities for reportable segments	9,267,710	9,271,578
Elimination of liabilities	(1,032,892)	(1,365,353)
Unallocated amounts:		
Trade and other payables	176,574	147,432
Other financial liabilities	-	500,000
	<b>8,411,392</b>	<b>8,553,657</b>

**Harvest Technology p.l.c.**  
**Condensed Consolidated Interim Financial Statements**  
**For the period 1 January to 30 June 2021**

15

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:

	<b>Payment processing services €</b>	<b>Retail and IT solutions €</b>	<b>Total €</b>	<b>Unallocated €</b>	<b>Eliminations and adjustments €</b>	<b>Consolidated €</b>
<b>1 January to 30 June 2021</b>						
Revenue	3,483,799	5,024,090	8,507,889	120,661	(748,159)	7,880,391
Profit before tax	1,756,240	635,036	2,391,276	2,125,147	(2,583,139)	1,933,284
Depreciation and amortisation	206,584	170,579	377,163	3,742	(13,498)	367,407
Income tax expense	620,017	224,528	844,545	743,800	(896,947)	691,398
Segment assets	4,505,406	8,247,657	12,753,063	13,175,687	(4,659,130)	21,269,620
Capital expenditure	130,797	10,475	141,272	3,014	-	144,286
Segment liabilities	2,964,101	6,303,609	9,267,710	176,575	(1,032,893)	8,411,392
<b>1 January to 30 June 2020</b>						
Revenue	3,780,326	5,991,195	9,771,521	195,954	(973,090)	8,994,385
Profit before tax	1,927,043	161,651	2,088,694	1,117,253	(1,340,980)	1,864,967
Depreciation and amortisation	190,696	186,774	377,470	2,800	(13,498)	366,772
Income tax expense	674,473	56,570	731,043	393,139	(454,622)	669,560
Segment assets	4,911,707	8,081,387	12,993,094	12,720,810	(5,087,982)	20,625,922
Capital expenditure	215,634	51,601	267,235	15,730	-	282,965
Segment liabilities	2,723,732	6,547,846	9,271,578	647,432	(1,365,353)	8,553,657



## 5 Dividends

During the period under review, the directors paid a final net dividend of € 455,613, equivalent to € 0.02 per share, relating to the financial year ended 31 December 2020. This was paid by the company on 9 April 2021. During the prior period a net further dividend of € 410,165 (€ 0.018 per share), relating to financial year ended 31 December 2019, was paid on 15 May 2020.

On 3 August 2021 the directors approved a net interim dividend for financial year ending 31 December 2021 of € 546,785 equivalent to € 0.024 per share, payable on 24 August 2021. This amount is the same to that paid last year.

## 6 Goodwill

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

	<b>The group</b> €
At 1 January 2020	7,493,487
<b>At 31 December 2020</b>	<b>7,493,487</b>
At 1 January 2021	7,493,487
<b>At 30 June 2021</b>	<b>7,493,487</b>
<b>Carrying amount</b>	
<b>At 31 December 2020</b>	<b>7,493,487</b>
<b>At 30 June 2021</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 in order 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 in order 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 2021, goodwill was allocated as follows:

- € 3,860,898 (at 31 December 2020: € 3,860,898) to APCO Systems Limited which operates the electronic payment gateway.
- € 2,168,112 (at 31 December 2020: € 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 2020: € 1,464,477) to PTL Limited business.

*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 five years and projection of terminal value using the perpetuity method;
- growth rates to perpetuity of 0.01% (2020: 0.1%); and
- use of 16% (pre-tax) (2020: 17.9%) 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 five years and projection of terminal value using the perpetuity method;
- growth rates to perpetuity of 0.01% (2020: 0.1%); and
- use of 14.2% - 22.6% (pre-tax) (2020: 14.8% - 25.6%) 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**

	<b>Total</b>
	<b>€</b>
<b>The group</b>	
<b>Gross carrying amount</b>	
At 1 January 2020	2,173,645
Additions	407,266
<b>At 31 December 2020</b>	<b>2,580,911</b>
<b>Gross carrying amount</b>	
At 1 January 2021	2,580,911
Additions	132,121
<b>At 30 June 2021</b>	<b>2,713,032</b>
<b>Amortisation</b>	
At 1 January 2020	957,722
Provision for the year	349,209
<b>At 31 December 2020</b>	<b>1,306,931</b>
At 1 January 2021	1,306,931
Provision for the period	180,864
<b>At 30 June 2021</b>	<b>1,487,795</b>
<b>Carrying amount</b>	
<b>At 31 December 2020</b>	<b>1,273,980</b>
<b>At 30 June 2021</b>	<b>1,225,237</b>

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**

	<b>Total</b>
	<b>€</b>
<b>The company</b>	
<b>Gross carrying amount</b>	
At 1 January 2020	29,385
Additions	12,165
<b>At 31 December 2020</b>	<b>41,550</b>
At 1 January 2021	41,550
Additions	-
<b>At 30 June 2021</b>	<b>41,550</b>
<b>Amortisation</b>	
At 1 January 2020	29,385
Provision for the year	4,055
<b>At 31 December 2020</b>	<b>33,440</b>
At 1 January 2021	33,440
Provision for the period	2,028
<b>At 30 June 2021</b>	<b>35,468</b>
<b>Carrying amount</b>	
<b>At 31 December 2020</b>	<b>8,110</b>
<b>At 30 June 2021</b>	<b>6,082</b>

## 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 2020	1,870,349	423,114	2,293,463
Additions	-	23,691	23,691
<b>At 31 December 2020</b>	<b>1,870,349</b>	<b>446,805</b>	<b>2,317,154</b>
At 1 January 2021	1,870,349	446,805	2,317,154
Additions	154,157	45,456	199,613
Disposals	(30,144)	-	(30,144)
<b>At 30 June 2021</b>	<b>1,994,362</b>	<b>492,261</b>	<b>2,486,623</b>
<b>Depreciation</b>			
At 1 January 2020	224,738	86,106	310,844
Provision for the year	224,813	99,994	324,807
<b>At 31 December 2020</b>	<b>449,551</b>	<b>186,100</b>	<b>635,651</b>
At 1 January 2021	449,551	186,100	635,651
Provision for the period	110,692	48,431	159,123
Released on disposal	(6,346)	-	(6,346)
<b>At 30 June 2021</b>	<b>553,897</b>	<b>234,531</b>	<b>788,428</b>
<b>Carrying amount</b>			
<b>At 31 December 2020</b>	<b>1,420,798</b>	<b>260,705</b>	<b>1,681,503</b>
<b>At 30 June 2021</b>	<b>1,440,465</b>	<b>257,730</b>	<b>1,698,195</b>

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

The information pertaining to the gross carrying amount, depreciation recognised during the period/year and other movements in right-of-use assets is included in the above table.

The Group has elected to disclose right-of-use assets separately in this financial report. The information pertaining to the gross carrying amount, depreciation recognised during the period/year and other movements in right-of-use assets is included in the above table.

The weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 is 3.93%. 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.

The Group does not have any other short-term leases (leases with an effected term of 12 months or less) and leases of low-value underlying assets and variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales). The Group classifies its right-of-use assets in a consistent manner to its plant and equipment as applicable.

The Group's leases comprise mainly of its office space and car park lease and its motor vehicles.

## 9 Trade and other receivables

Trade and other receivables consist of the following:

	The group 30 June 2021 (Unaudited) €	The group 31 December 2020 (Audited) €	The company 30 June 2021 (Unaudited) €	The company 31 December 2020 (Audited) €
Trade receivables – gross	2,925,263	2,382,975	-	-
Allowance for expected credit losses	(112,746)	(153,288)	-	-
Trade receivables – net	2,812,517	2,229,687	-	-
Amounts owed by parent company	4,080	16,025	-	-
Amounts owed by subsidiaries	-	-	54,230	-
Advance payments	-	6,623	-	-
Other receivables	28,638	43,172	-	-
Amounts due from associates	-	5,000	-	5,000
Amounts owed by other related parties	17,661	25,602	-	-
<b>Financial assets</b>	<b>2,862,896</b>	<b>2,326,109</b>	<b>54,230</b>	<b>5,000</b>
Other receivables	202,195	371,218	2,019	-
<b>Trade and other receivables – current</b>	<b>3,065,091</b>	<b>2,697,327</b>	<b>56,249</b>	<b>5,000</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 2021 (Unaudited) €	The group 31 December 2020 (Audited) €	The company 30 June 2021 (Unaudited) €	The company 31 December 2020 (Audited) €
Cash and bank balances	3,424,785	2,554,041	1,036,753	226,415
<b>Cash and cash equivalents in the statements of financial position</b>	<b>3,424,785</b>	<b>2,554,041</b>	<b>1,036,753</b>	<b>226,415</b>
Bank overdrafts	(590,456)	(173,279)	-	-
<b>Cash and cash equivalents in the statements of cash flows</b>	<b>2,834,329</b>	<b>2,380,762</b>	<b>1,036,753</b>	<b>226,415</b>

The Group did not have any restrictions on its cash at bank as at the end of the reporting period. Any interest earned on cash at bank is based on market rates.

**11 Bank borrowings**

	The group 30 June 2021 (Unaudited) €	The group 31 December 2020 (Audited) €	The company 30 June 2021 (Unaudited) €	The company 31 December 2020 (Audited) €
Bank overdrafts	590,456	173,279	-	-
Bank loans	-	292,197	-	-
	<b>590,456</b>	<b>465,476</b>	-	-
<b>Comprising:</b>				
<b>Current liabilities</b>				
Bank overdrafts	590,456	173,279	-	-
Bank loans	-	292,197	-	-
	<b>590,456</b>	<b>465,476</b>	-	-

As at 31 December 2020, a subsidiary had a facility of USD 1,000,000 and the outstanding loan from this facility amounted to € 292,197 as shown above. The loan bore an interest of 2.5% per annum over 3-month LIBOR and was secured by a first general hypothec over the company's assets and a guarantee by the parent company. The loan was fully repaid by the end of January 2021.

The Group has three overdraft facilities in two of its subsidiaries. One of the overdraft facilities bears interest at 4.85% per annum and is secured by a second general hypothec over the one of the subsidiaries' assets. The other overdraft facility available to the same subsidiary bears interest at 5.5% per annum and is unsecured. The Group has another bank overdraft in another subsidiary which bears interest at 3.5% per annum and is secured by a first general hypothec over the assets of that subsidiary.

Bank overdrafts and loans are repayable as follows:

	The group 30 June 2021 (Unaudited) €	The group 31 December 2020 (Audited) €	The company 30 June 2021 (Unaudited) €	The company 31 December 2020 (Audited) €
On demand or within one year	590,456	465,476	-	-
	<b>590,456</b>	<b>465,476</b>	-	-

**12 Trade and other payables**

	The group 30 June 2021 (Unaudited)	The group 31 December 2020 (Audited)	The company 30 June 2021 (Unaudited) €	The company 31 December 2020 (Audited) €
Trade payables	779,643	924,186	11,733	1,770
Amounts payable to ultimate parent	-	4,833	-	4,833
Amounts payable to related parties	813	963	-	-
Other payables	194,119	87,647	-	-
Accrued expenses	1,040,737	1,411,391	146,993	119,788
<b>Financial liabilities</b>	<b>2,015,312</b>	<b>2,429,020</b>	<b>158,726</b>	<b>126,391</b>
Other creditors	448,328	614,425	17,848	21,041
<b>Trade and other payables – current</b>	<b>2,463,640</b>	<b>3,043,445</b>	<b>176,574</b>	<b>147,432</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.



**13 Related party transactions**

Harvest Technology p.l.c. is the parent company of the Group comprising PTL Limited, APCO Limited, APCO Systems Limited 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 periods under review, the Group entered into transactions with related parties as set out below:

	<u>1 January to 30 June 2021</u>			<u>1 January to 30 June 2020</u>		
	<b>(Unaudited)</b>			<b>(Unaudited)</b>		
	<b>Related party activity Unaudited</b>	<b>Total activity Unaudited</b>	<b>%</b>	<b>Related party activity Unaudited</b>	<b>Total activity Unaudited</b>	<b>%</b>
	€	€		€	€	
<b>Revenue:</b>						
Related party transactions with:						
Ultimate parent	29,530			8,703		
Parent company	2,821			132,230		
Other related parties	60,495			78,175		
	<u>92,846</u>	<u>7,880,391</u>	<u>1.18</u>	<u>219,108</u>	<u>8,994,385</u>	<u>2.44</u>
<b>Cost of sales:</b>						
Related party transactions with:						
Other related parties	183			9,116		
	<u>183</u>	<u>3,907,100</u>	<u>0.00</u>	<u>9,116</u>	<u>4,996,722</u>	<u>0.18</u>
<b>Administrative expenses:</b>						
Related party transactions with:						
Ultimate parent	368			122		
Parent company	-			6,345		
Other related parties	132,352			123,040		
	<u>132,720</u>	<u>2,026,287</u>	<u>6.55</u>	<u>129,507</u>	<u>2,144,021</u>	<u>6.04</u>
<b>Finance income:</b>						
Related party transactions with:						
Ultimate parent	-			-		
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>821</u>	<u>0.00</u>
<b>Finance cost:</b>						
Related party transactions with:						
Parent company	5,190			34,158		
Other related parties	29,111			31,954		
	<u>34,301</u>	<u>43,256</u>	<u>79.30</u>	<u>66,112</u>	<u>83,278</u>	<u>79.39</u>

**13 Related party transactions – continued**

	<u>1 January to 30 June 2021</u>			<u>1 January to 30 June 2020</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	120,661			195,954		
	120,661	120,661	100	195,954	195,954	100
<b>Administrative expenses:</b>						
Related party transactions with:						
Ultimate parent	195					
Parent company	-					
Other related parties	1,140			2,781		
Subsidiaries	-			19,000		
	1,335	602,744	0.00	21,781	415,349	5.24
<b>Finance income:</b>						
Related party transactions with:						
Subsidiaries	19,237			29,286	29,286	
	19,237	19,237	100	29,286	29,286	100
<b>Finance cost:</b>						
Related party transactions with:						
Parent company	5,190			34,157		
Subsidiaries	3,452			12,958		
	8,642	8,642	100	47,115	47,115	100

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, holds 48.87% 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.

## **14 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.

### **14.1 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. During 2020, the Group has taken out interest-bearing facilities as disclosed in note 11. The interest rates on all of the Group's bank borrowings and the terms of such borrowings are disclosed accordingly within such note.

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.

## **14.2 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 2021 and 31 December 2020 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 has also considered the financial position of institutions with whom the Group holds significant cash to determine whether the impact of Covid-19 has increased the likelihood of default which may pose significant risks on the Group's cash held with them. The Group has determined that such financial institutions do not pose a significant risk on the recoverability on the Group's cash resources.

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. At 30 June 2021 and 31 December 2020, the Group also had a significant financial asset on its ongoing project in Mauritius as contract assets.

The Expected Credit Loss (ECL) at 30 June 2021 and 31 December 2020 was estimated based on a range of forecast economic scenarios as at that date, including management's assessment of any impact from the effects of Covid-19 on the Group as explained further below.

### **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 2021 and 31 December 2020 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.

In addition to the above assessments on the recoverability and expected credit loss provisions on trade and other financial assets, the Group has considered the effects of Covid-19 on the economies in which its customers are based, including Malta and the Mauritius, where significant business is being conducted. It has also taken into consideration the financial position of, and risk exposure to, large customers in order to determine whether the Group's credit risk has increased as a result of the pandemic. 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.

### **14.3 Liquidity risk**

The Group's exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise bank borrowings, 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, even with the onset of the Covid-19 pandemic. The Group has not encountered any particular difficulties to collect amounts due from customers and collections remain within expectations as explained above.

#### **14.4 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 2021 and 31 December 2020, 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 period/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.

#### **15 Contingent liabilities and guarantees**

During 2020, one of the subsidiaries of the Group issued special guarantees totalling € 1,394,000 in favour of third parties in relation to the major overseas technology implementation project carried out in collaboration with IBM in Mauritius. Such guarantees were still in place at 30 June 2021.

The same subsidiary also had guarantees amounting to € 225,300 (31 December 2020: € 225,300) to third parties in Malta as collateral for liabilities.

## **Statement Pursuant to Listing Rules 5.75.3 issued by the Listing Authority for the period 1 January to 30 June 2021**

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 2021, 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 3 August 2021 and signed on its behalf by:



**Prof. Juanito Camilleri**  
Non-Executive Chairman



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

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

3 August 2021

## Report on review of interim financial information

To the Board of Directors of Harvest Technology plc

### Introduction

We have reviewed the accompanying consolidated condensed statement of financial position of Harvest Technology plc and its subsidiaries (the Group) for the period ended 30 June 2021 and the related consolidated condensed profit or loss account, consolidated condensed statement of changes in equity, consolidated condensed statement of cash flows for the period then ended, and selected explanatory notes (the “interim financial information”). The Directors are responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 'Interim Financial Reporting'). Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 (Revised), *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the consolidated financial position of Harvest Technology plc as at 30 June 2021 and of its financial performance and cash flows for the period then ended in accordance with International Accounting Standard 34 – Interim financial reporting.



Mark Bugeja (Partner) for and on behalf of  
**GRANT THORNTON**

Fort Business Centre  
Triq L-Intornjatur, Zone 1  
Central Business District  
Birkirkara CBD 1050  
Malta

3 August 2021



