



Harvest Technology plc
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COMPANY ANNOUNCEMENT

Harvest Technology p.l.c.

Review of 2020 performance, and outlook for 2021

Date of Announcement	9 December 2020
Reference No:	12/2020
In terms of Chapter 5 of the Listing Rules	

QUOTE

The purpose of the present company announcement is for the Board of Directors of Harvest Technology p.l.c. (the “**Company**”) to provide the market with an update on the Company’s 2020 performance to date, and expectations for the next financial year.

Review of 2020 financial performance and expectations for 2021

Year to date, the Company has outperformed its 2020 forecast and, as highlighted in the company announcement published on 4th November 2020 (ref HRV10), as at 30th September, 2020 had generated a profit before tax of €2.9M against the €2.4M forecast for the first nine months of 2020. This positive trend is expected to be sustained for the remainder of 2020.

The Board of Directors reasonably expects the Company to experience growth in profit in its consolidated performance in 2021, notwithstanding the current economic challenges resulting primarily from the Covid-19 pandemic. Although news about the prospective imminent availability of a vaccine is encouraging, the first half of 2021 is expected to remain challenging, with the economic outlook projected to start improving in the second half of 2021. The second half of 2021 is expected, however, to witness significant improvement. Indeed, for the financial year ending 31st December, 2021, the Company projects revenue in the region of €19.5M, as against the €18.3M projected for the period reported in the Registration Document forming part of the Prospectus issued by the Company dated 18 November, 2019. Similarly, Profit Before Tax is projected at €4.0M as against the €3.4M



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projected in the prospectus, and Earnings per Share are projected at €0.11 as against the €0.09,7 projected in the prospectus. Administration costs are expected to remain broadly unchanged in 2021. EBITDA margins are projected to increase to 25%, as against the increase to 23.9% projected in the prospectus.

Having considered the above, dividends per share of €0.06 per annum are expected to be maintained in 2021. However, the Board considers it prudent to clarify that no firm commitment is being made at this juncture in this respect: the Board will consider the distribution of additional dividends as and when appropriate.

Business update

By the end of Q2 2021, the Company aims to achieve important development milestones in key business areas pursued by the group of companies of which Harvest Technology p.l.c. is the parent (the “**Group**”).

The Group will invest further to upgrade its technology platforms to ensure that *Apcopay* services are both scalable as well as versatile. With clients in more than 25 countries, the Group will be working on increasing its international presence and diversifying in industries it serves, extending its partners network and introducing new online payment products and services.

Whilst consolidating its local presence in terms of business opportunities, as travel starts to reopen the Group will step up its focus on internationalization across all subsidiaries. The success registered by *PTL* in Mauritius in partnership with IBM, has provided the Company with invaluable experience in this respect. Moreover, *APCO Ltd* is actively exploring new opportunities in South Africa, and a significant amount of preparatory work has already been concluded.

In addition, the Group’s projected steady cashflow generation is expected to support future large contract financing and funding for potential M&A opportunities. Aside from focusing on developing its growth internationally as aforesaid, the Group will also be considering



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investment opportunities with a view to strengthening and complementing its business portfolio.

Whilst the Board recognizes the prevailing volatile economic environment and the risk of unforeseen events impacting the Company going forward, it looks towards 2021 with optimism, expecting the Company to continue building on the success achieved in 2020.

BY ORDER OF THE BOARD

UNQUOTE

Dr Malcolm Falzon
Company Secretary