

29 October 2020

ASX ANNOUNCEMENT

SEPTEMBER 2020 QUARTERLY ACTIVITIES REPORT

Highlights

*** HT8 1st quarter revenue ending 30 September 2020 was \$9.8 million (unaudited).**

Comparable September 2019 quarter revenue was \$2 million.

Previous June 2020 quarter revenue was \$6.823 million

*** HT8 profit before tax for 1st quarter ending 30 September 2020 is \$835,000 (unaudited preliminary management financial account) compared to 1st quarter FY2019 loss of \$110,000.**

*** The Company successfully raised \$4.9 million (before costs) in new capital during the quarter. The raising was in two tranches via a Share Purchase Plan and Private Placement.**

*** Total Equity has improved to \$1.6 million at 30 September 2020 from a negative base at end of June 2020.**

*** New capital raised has been utilised for the acquisition of additional inventory to cater for business growth. Inventory increased from \$2.2 million at end of June 2020 to \$4.74 million at end of September 2020. The inventory build resulted in a negative operating cash flow being reported for the quarter, but it positions the company strongly ahead of significant upcoming trading events in the second quarter including Black Friday/Cyber Monday and the Christmas trading period.**

Operations Update

The revenue of \$9.8 million (unaudited) and profit before tax of \$835,000 (unaudited) achieved in the September 2020 quarter were the highest quarterly amounts of revenue and profit before tax achieved by the Company in its history.

US independent research firm Marketplace Pulse gave HT8 the highest ranking for all tech sellers on Amazon Australia in July 2020 and HT8 has retained that position to date. The ranking is based on feedback from Australian shoppers after a purchase on the Amazon marketplace (<https://www.marketplacepulse.com/amazon/top-amazon-australia-sellers>).

Amazon customers have given HT8 a 99% of customer satisfaction review rating in September (https://www.amazon.com.au/sp?_encoding=UTF8&asin=&isAmazonFulfilled=1&isCBA=&marketplaceID=A39IBJ37TRP1C6&orderID=&protocol=current&seller=ANISKM2DCJT3D&sshPath)

HT8 participated in the Amazon Australian Prime Event on 13 and 14 October 2020. On each of those days, HT8 achieved the highest ever daily sales on Amazon in its history, achieving the following results:

- 13 October 2020 - \$118,673
- 14 October 2020 - \$206,879

Harris Technology expanded sales further on Mydeal (www.mydeal.com.au), Groupon (www.groupon.com.au) and recently signed an agreement with another B-B e-commerce marketplace operator – tradesquare.com.au.

The Company is working to enter the Homeware and Kitchenware category and will initially focus sales on the Amazon platform.

The Company has in recent months been focusing on growing its gaming product sales and has added more gaming brands to its portfolio.

Capital raising

The Company raised \$4.9 million in new capital during the quarter. The net amount raised after costs was \$4.674 million. The raising was in two tranches via a Share Purchase Plan and Private Placement.

Expenditure incurred during quarter

Expenditure incurred during the quarter included the following:

Expenditure Category	Amount \$
Purchase of inventory	11,311,000
Advertising	5,000
Staff administrative and corporate costs	350,000
GST paid	30,000
Total	11,696,000

Related Party Payment

Section 6 of the appendix 4C released today discloses payments to related parties of \$7,000. These payments were non-executive director fees.

Looking Forward

HT8 will be participating in the upcoming Black Friday/Cyber Monday sales event and expects to increase sales of its Technology products during the Christmas shopping season.

The Board of HT8 believes that the COVID-19 pandemic has structurally and permanently changed the public's shopping behaviour by moving to greater adoption of online shopping. HT8 can be expected to benefit from this shift into the future.

The Pro-Hygiene business took advantage of the surging demand during the second wave of COVID-19 in Victoria. In an ASX release dated 28 September 2020, the directors noted that they expect that Pro-Hygiene sales may slow down due to COVID-19 reducing in infection numbers across Victoria. The extent of the reduction is unclear at this stage.

The release of this announcement was authorised by the Company's Chairman on behalf of the HT8 Board.

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***About Harris Technology Group Limited**

Harris Technology Group Limited is a publicly listed company on Australia Stocks Exchange (ASX code: HT8). The company's main business is the e-commerce business of Harris Technology (HT) – www.ht.com.au. Harris Technology is a well-known brand with a 30+ year history in IT/CE retail market covering a very wide range of IT products for small and medium businesses in Australia. Harris Technology was previously owned by Officeworks under Westfamers and prior to this, it was owned by Coles Myer Group. Harris Technology no longer operates any physical shopfronts – all businesses of Harris Technology is conducted online both on www.ht.com.au and via the major online platforms such as Amazon, Kogan, Catch and eBay etc.