

HazerGroupTM

Prospectus

Hazer Group Limited ACN 144 044 600 (**Company**)

A non-renounceable rights issue to Eligible Shareholders of 3 New Shares for every 16 Shares held at an issue price of \$0.48 per New Shares to raise approximately \$15,339,937 with 1 attaching New Option for every 2 New Shares allotted. Each New Option is exercisable at \$0.75 per Share and expires on 28 February 2025.

The Offer is lead managed and partially underwritten by Viriathus Capital Pty Ltd up to an amount of \$6,000,000.

This document is important and it should be read in its entirety

Payment of any Acceptance Money in relation to your Entitlements must be received by the Share Registry no later than 5.00pm (Sydney time) on the Closing Date. Please refer to the timetable set out in this Prospectus for the Important Dates.

If you are in any doubt as to the contents of this document, you should consult your stockbroker, solicitor, banker, financial advisor or accountant as soon as possible. The Securities offered by this Prospectus are considered to be speculative.

Not for release to US wire services or distribution in the United States

Important information

Offer statistics

| | |
|--|---|
| Issue Price of New Shares | \$0.48 |
| Offer Ratio | 3 New Shares for every 16 existing Shares |
| Issue Price of New Options | Nil |
| Exercise Price of New Options | \$0.75 |
| Maximum number of New Shares to be issued under the Offer^{1, 2} | 31,958,202 |
| Maximum number of New Options to be issued under the Offer^{1, 2} | 15,979,101 |
| Maximum number of Shares to be on issue following issue of the New Shares under the Offer¹ | 202,401,945 |
| Maximum number of Shares to be on issue following issue of the New Shares under the Offers and exercise of the New Options^{1, 3} | 218,381,046 |
| New Options Expiry Date | 28 February 2025 |

¹ Excludes any New Shares which may be issued in the event that any Existing Options are exercised prior to the Record Date. Some allowance has been made for rounding, with Fractional Entitlements being rounded up.

² Assumes that the maximum number of New Shares are issued pursuant to the Offer. The Offer is partially underwritten to the amount of \$6,000,000. Some allowance has been made for rounding, with Fractional Entitlements being rounded up.

³ Assumes that the maximum number of New Shares are issued pursuant to the Offer, and the maximum number of New Options are issued pursuant to the Offer, and are exercised. The issue of the New Shares under the Offer is partially underwritten to the amount of \$6,000,000.

Key dates for investors

| | |
|---|----------------|
| Company in Trading Halt | 27 July 2023 |
| Trading Halt lifted | 31 July 2023 |
| Announcement of Offer | 31 July 2023 |
| Record Date for the Offer | 3 August 2023 |
| Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders | 4 August 2023 |
| Opening Date of Offer (9am AEST) | |
| Closing Date* of Offer | 18 August 2023 |
| Issue of New Shares and New Options pursuant to Offer | 21 August 2023 |
| New Shares and New Options commence trading on ASX | 22 August 2023 |

* The Directors may extend the Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date.

Further details regarding the timetable for the Offer are set out in section 2.2. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Offer, subject to the Corporations Act and the Listing Rules, without prior notice. Eligible Shareholders are encouraged to make their payment or submit their Entitlement and Acceptance Forms as soon as possible after the Offer opens.

Subject to the requirements of the Listing Rules and the Corporations Act, the Directors reserve the right to:

- withdraw the Offer without prior notice; or
- vary any of the key dates set out in this Prospectus, including by extending the Offer.

Important notice

This Prospectus is dated 31 July 2023 and was lodged with the ASIC on the same date. Neither the ASIC nor the ASX takes any responsibility as to the contents of this Prospectus. No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

This Prospectus contains an offer to Eligible Shareholders of continuously quoted Securities (as defined in the Corporations Act) and options to acquire continuously quoted Securities and has been prepared in accordance with section 713 of the Corporations Act.

No person is authorised to give any information or to make any representation in connection with the Issue described in this document which is not contained in this document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Issue.

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. If you have any questions you should seek professional advice before deciding to invest. An investment in New Shares and New Options that are offered under this Prospectus should be considered speculative.

Foreign Shareholders

The Company has decided that it is unreasonable to make offers under the Prospectus to Shareholders with registered addresses outside of Australia, New Zealand, the United Kingdom, Singapore and Hong Kong having regard to the number of Shareholders in those places, the number and value of the New Shares and New Options they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares and New Options will be issued to Shareholders having registered addresses outside of Australia, New Zealand, the United Kingdom, Singapore and Hong Kong (and in the case of Shareholders having registered addresses in the United Kingdom, Singapore or Hong Kong to those who are not “qualified”, “institutional”, “accredited” or “professional” investors (as applicable) as set out below and in section 2.12).

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia, New Zealand, the United Kingdom, Singapore and Hong Kong, in which the Company’s Shareholders may reside. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside of Australia, New Zealand, the United Kingdom, Singapore and Hong Kong may be restricted by law and persons who come into possession of this Prospectus should observe those restrictions. Any failure to comply with restrictions could constitute a violation of applicable securities laws.

See section 2.12 for further information on Offer restrictions with respect to Shareholders who do not have registered addresses in Australia.

This document does not constitute an offer of New Shares and New Options in any jurisdiction in which it would be unlawful. New Shares and New Options may not be offered or sold in any country outside Australia except to the extent permitted below.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand)*. In addition, for Eligible Shareholders who subscribe for New Shares, the Company will issue New Options for no consideration.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013 (New Zealand)*. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares and New Options.

The New Shares and New Options may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 21 of the UK Prospectus Regulation. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares and New Options has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (“relevant persons”). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

Singapore

This Prospectus and any other materials relating to the New Shares and New Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares and New Options, may not be issued, circulated or distributed, nor may the New Shares and New Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (**SFA**) or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the New Shares and New Options being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares and New Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Hong Kong

This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). Accordingly, this Prospectus may not be distributed, and the New Shares and New Options may not be offered or sold, in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares and New Options has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares and New Options that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares and New Options may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

United States

This Prospectus may not be released to US wire services or distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Prospectus have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

How to accept Entitlement

Entitlements to New Shares and New Options can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Prospectus or by making payment of Acceptance Money by BPAY® or EFT in accordance with the instructions set out in this Prospectus and on the Entitlement and Acceptance Form.

This Prospectus is available in electronic form on the internet at www.hazergroup.com.au. If you wish to obtain a free copy of this Prospectus, please contact the Company on +61 8 9329 3358 to request a free copy of the Prospectus.

Enquiries

If you are an Eligible Shareholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form, or take up your Entitlement, please call the Share Registry on:

- 1300 441 601 for callers within Australia; or
- +61 2 9698 7164 for overseas callers.

Deciding to accept the Offer

No person named in this Prospectus, nor any other person, guarantees the performance of Hazer, the repayment of capital or the payment of a return on the New Shares or the New Options.

Please read this Prospectus carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 1.4 of this Prospectus and set out in more detail in section 6 of this Prospectus. This Prospectus is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website at www.hazergroup.com.au.

Terms used

A number of terms and abbreviations used in this Prospectus have defined meanings, which are explained in the definitions and glossary in section 8.

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

Forward looking statements

Some of the information contained in this Prospectus constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Prospectus details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Prospectus.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus may not be relied on as having been authorised by the Company or its officers. This Prospectus does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Prospectus, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Target Market Determination

A Target Market Determination in respect of the New Options offered under this Prospectus has been prepared by the Company as required under section 994B of the Corporations Act and is available on the Company's website at www.hazergroup.com.au. Please refer to section 7.22 for further information in respect of the Target Market Determination.

Table of Contents

| | | |
|----|---|----|
| 1. | Investment summary | 9 |
| 2. | Details of the Offer | 17 |
| 3. | How to apply..... | 24 |
| 4. | Company Information | 27 |
| 5. | Effect of the Offer on the Company..... | 34 |
| 6. | Risk factors..... | 38 |
| 7. | Additional information..... | 44 |
| 8. | Definitions and glossary | 61 |

Chairman's letter

Dear Shareholders,

It is my pleasure to introduce this Prospectus and invite you to take up your Entitlement of New Shares and New Options in Hazer Group Limited (**Offer**).

As announced on 31 July 2023, the Directors wish to provide the opportunity for Eligible Shareholders to invest in New Shares together with attaching New Options under the Offer. The Offer is a non-renounceable rights issue of 3 New Shares for every 16 Shares held at an issue price of \$0.48 per New Share, to raise approximately \$15,339,937 (before Offer costs). For every 2 New Shares issued the Applicant will also receive 1 attaching New Option exercisable at \$0.75 per Share and expiring on 28 February 2025.

The issue price represents a 16.6% discount to the 15 day volume-weighted average Share price, being \$0.576 as at 26 July 2023 (the last trading day before lodgement of this Prospectus).

It is proposed that the funds raised from the Offer will be applied for the purposes of:

- supporting the ongoing operational performance for the Company's Commercial Demonstration Plant (**CDP**) post start up in 2023;
- R&D to advance and prepare the technology for commercial-scale deployment following CDP commissioning;
- advancing current commercial projects in North America, Japan and France, and unlock further commercial pipeline opportunities in Asia and North America,
- the costs of the Offer; and
- provide working capital.

The Directors intend to take up their full Entitlement.

A personalised Entitlement and Acceptance Form accompanies this Offer Document and sets out the number of New Shares you are entitled to subscribe for as an Eligible Shareholder (**Entitlement**). Entitlements to New Shares and attaching New Options can be accepted in full or in part by making payment of Acceptance Money by BPAY or EFT in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Subscription money for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

The Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

Viriathus Capital Pty Ltd is the Lead Manager of the Offer and the Offer is partially underwritten to the amount of \$6,000,000. The Company will work with the Lead Manager and Underwriter to place any shortfall to new investors of New Shares and attaching New Options not subscribed to by Eligible Shareholders.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely,



Tim Goldsmith
Chairman

1. Investment summary

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

1.1 The Offer

This Prospectus is for the non-renounceable rights issue of approximately 31,958,202 New Shares at an issue price of \$0.48 per New Share, on the basis of 3 New Shares for every 16 Shares held by Eligible Shareholders as at the Record Date with the issue of 1 attaching New Option for every 2 New Shares allotted. Each New Option is exercisable at \$0.75 per Share and expiring on 28 February 2025.

The Issue Price of \$0.48 per New Share represents a 16.6% discount to the 15 day volume-weighted average price for Shares (being \$0.576 as at 26 July 2023, the last trading day before lodgement of this Prospectus).

The Offer constitutes an offer to Eligible Shareholders only.

The Offer is partially underwritten to the amount of \$6,000,000 by the Underwriter, Viriathus Capital Pty Ltd. Further details of the underwriting appear in section 7.12.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of. An Entitlement and Acceptance Form setting out your Entitlement as an Eligible Shareholder accompanies this Prospectus.

Eligible Shareholders may subscribe for all or part of their Entitlement. Eligible Shareholders who accept their Entitlement in full may also apply for Shortfall Shares. Eligible Shareholders who do not take up all of their Entitlements will have their percentage shareholding in the Company diluted by the Entitlement Offer. Any New Shares issued under the Shortfall will dilute existing Shareholders. See section 5.3 for further details.

The Company has Existing Options on issue, which could increase the number of New Shares to be issued if the holders of Existing Options exercise their Existing Options prior to the Record Date.

On the same date as announcing the Offer, the Company announced the proposed issue of the New Shares and New Options. The Company intends to apply to the ASX for the New Shares and New Options to be granted Official Quotation on the ASX, which is expected to occur on or about 22 August 2023.

The Directors may at any time decide to withdraw this Prospectus and the offer of New Shares (together with the attaching New Options) made under this Prospectus, in which case the Company will return all applications moneys (without interest) in respect of any New Shares within 28 days of giving notice of such withdrawal.

Eligible Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are summarised in section 1.5 and set out in section 6 of this Prospectus.

1.2 Minimum subscription

There is no minimum subscription to the Issue.

1.3 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer for the purposes of:

- (a) supporting the ongoing operational performance for the Company's Commercial Demonstration Plant (**CDP**) post start up;
- (b) R&D to advance and prepare the technology for commercial-scale deployment following CDP commissioning;
- (c) advancing current commercial projects in North America, Japan and France, and unlock further commercial pipeline opportunities in Asia and North America,
- (d) the costs of the Offer; and
- (e) working capital.

The proceeds from the Offer (assuming it is fully subscribed) will to be allocated in the following manner:

| Proposed use of funds | |
|--|---------------------|
| Commercial Demonstration Plant related operating expenditure including operational performance testing and post start up R&D / reactor operating performance diagnostics | \$5,000,000 |
| Advancing current commercial projects in North America, Japan and France, and pursuing further opportunities in Asia and North America ¹ | \$3,800,000 |
| Estimated costs of the Offer ² | \$1,250,000 |
| Working capital | \$5,289,937 |
| Total (maximum raising) | \$15,339,937 |

¹ This includes:

- a. progressing British Columbia (BC) Project in Canada to final investment decision with partner FortisBC;
- b. progressing Hazer's participation in project development plans to advance Chubu/Chiyoda (Japan) and ENGIE (France) opportunities to Phase 1 FEED;
- c. progressing graphitic carbon market capture and offtake agreement discussions; and
- d. advancing existing discussions with project proponents in Korea, Singapore, and North America target markets.

² Includes legal fees of \$75,000, Lead Manager and Underwriter fees of \$1,050,000, Share Registry fees of \$55,000, ASX fees of \$29,000, ASIC fees of \$3,206 and other miscellaneous costs associated with the Offer. Assumes that the Offer is fully subscribed, and does not take account of brokerage (if any) discussed at section 3.1.

However, in the event that circumstances change or other better opportunities arise, the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

1.4 Risk factors

Investing in the Company involves risk. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for New Shares and New Options, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

The following sets out a summary of some of the key risks relevant to the Company and its operations:

| Risk | Details |
|---|--|
| Technology development and commercialisation risk | <p>The Company has the intellectual property rights to the Hazer Process[®]. A material risk is whether the Hazer Process[®] can be scaled up to large commercial plants to produce graphitic carbon and high purity hydrogen consistently and reliably. The Company has built the Commercial Demonstration Plant to demonstrate the Hazer Process[®] on a continuous basis at industrial scale. The Commercial Demonstration Plant is scheduled to commence hot operations in 2023. There may be a material adverse impact on the Company's business objectives, operating and financial performance if the Commercial Demonstration Plant does not operate as intended. The Company is actively managing this risk through focused engineering and design work, process engineering and a research and development program. Whilst the Directors and management work to anticipate, identify and manage the risks inherent in the scale-up of the Hazer Process[®] and the operation of the Commercial Demonstration Plant, no assurance can be given that the Directors or management will be successful in these endeavours.</p> |
| Operational risks | <p>The Commercial Demonstration Plant and future commercial plants may be adversely affected by a range of technological and operational factors, including unanticipated operational and technical difficulties encountered in scaling up and production activities; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated reactor issues which may affect throughput; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p> |
| Future funding risk | <p>At the date of this Prospectus, the Company does not have any income-producing assets and therefore has not yet generated any revenue or profits. Until the Company is able to develop a project to generate appropriate cashflow, it is dependent upon being able to obtain future equity or debt funding to support the scale up of the Hazer Process[®]. Neither the Company nor any of the Directors nor any other party can provide any guarantee or assurance that any required future funding can be raised on terms acceptable to the Company.</p> <p>Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate positive cashflow. Any such project would be dependent on many factors, for example, scale up success, plant development and design, commissioning, and operational performance.</p> <p>If the Company is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations and/or scale back its expansion and development programs as the case may be.</p> |
| Strategic partner risk | <p>The Company's strategy is to collaborate with strategic partners to scale up and develop hydrogen facilities using the Hazer Process[®] in its target markets of North America, Asia and Europe. The Company currently has non-binding memorandums of understanding for projects in Canada, France and Japan.</p> <p>Each of these projects are at different stages of development and design. No assurance can be given that the Company will secure binding agreements with these strategic partners on appropriate terms or at all, or that the proposed hydrogen facilities will be completed.</p> |

| Risk | Details |
|---|--|
| | The Company is seeking to secure other strategic partners in the target markets. While the Company has had positive discussions with a number of potential partners, negotiations are ongoing and there is no guarantee that the Company will secure agreements with other partners. |
| Supply contracts/customer engagement risk | To successfully commercialise Hazer Process®, the Company will need to secure technology licensing and royalty agreements, related catalyst and services agreements, and/or bulk graphite sales agreements with customers to generate revenue. This will require customer engagement and the execution of relevant contracts. No customer agreements are currently in place. |
| Industry risk | There is projected to be significant investment in hydrogen projects around the world over the coming years. The effects of this investment are currently unknown. Industry investment could have a significantly positive, or a significantly negative, effect on the Company's operations and achievement of its intended business objectives. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business. |
| Government policy change risk | Shifts in government policy concerning the hydrogen industry could impact the Company's operational and financial performance. This could range from new regulations associated with the transitioning to a lower carbon economy, emerging regulatory frameworks and changing grant criteria directed towards renewable energy (electrolysis) produced hydrogen. These could result in the loss or reduction in grant funding or industry incentives, preventing development in the areas or jurisdictions in which the Company operates. Such changes could have a material adverse effect on the viability of a project or the business of the Company generally. |
| Tax law risk | <p>The Company has claimed and continues to intend to claim a refundable tax offset for eligible expenditure under the research and development (R&D) tax incentive scheme while it is able to do so. Changes in tax law, or changes in the way tax laws are interpreted (and in particular the R&D tax incentive scheme) may impact the ability of the Company to claim the R&D rebate and which may have a consequent impact on the Company's financial condition.</p> <p>There is a risk that the tax authorities may review the tax treatment of the Company's business and activities, and any transactions entered into by the Company now or in the future. Any actual or alleged failure to comply with, or any change in the application or interpretation of, tax rules applied in respect of such transactions, may increase the Company's tax liabilities or expose it to legal, regulatory or other actions. To minimise this risk the Company obtains external expert advice to perform a detailed review of the Company's total R&D expenditure to determine the potential claim under the R&D tax incentive legislation.</p> |
| Intellectual property risk | The Company has obtained a number of patents in relation to the Hazer Process®. The strength of these patents involves complex legal and scientific questions and can be uncertain. No assurance can be given that the Company's patents will afford the Company commercially significant protection of the Hazer Process® or that competitors will not develop competing technologies that circumvents such patents. |

| Risk | Details |
|---------------------------|--|
| Key personnel risk | The Company's future value will depend in part on the performance of its Directors, senior management and other key personnel. There is a risk that the Company may not be able to retain or hire all personnel necessary for the development and operations of its business, which may have a material adverse impact on the Company and its operations. |
| Management of growth | There is a risk that management of the Company will not be able to implement the Company's growth strategy. The capacity of the management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance. |
| Insurance | The Company intends to maintain appropriate insurance to cover its activities, however no assurance can be given that such insurance will be available on commercially reasonable terms or that any cover will be adequate and able to cover all potential claims. Insurance may not always be available for all aspects of the Company's operations. Where the Company suffers loss and does not carry adequate insurance, the Company may be exposed to material uninsured losses, which may have a material adverse impact on the viability of a project or the Company's business and financial condition generally. |
| Jurisdiction risk | The Company is currently collaborating with strategic partners to develop hydrogen facilities in Canada, Japan and France. As these projects develop the Company will be exposed to the risk of operating in each of these jurisdictions, and any other jurisdictions outside of Australia where it may develop future projects. These risks may include legal complications, taxation risks, exchange rate risks and geopolitical risks. The Company has engaged in-country consultants to provide expert advice to manage these risks. |
| Legal and regulatory risk | <p>The Company must comply with the legislation and regulatory frameworks in each of the jurisdictions in which it operates. A failure to do so could result in suspension or loss of permits or licenses as well as financial penalties, which could impact the Company's ability to scale up the Hazer Process® and which may affect the Company's operational and financial performance.</p> <p>Changes to laws and regulations in the future may provide for more onerous conditions with which the Company must comply. Any material adverse change in relevant laws or regulations may impact the Company's operational and financial performance.</p> |
| Environmental risk | <p>Operations at the Commercial Demonstration Plant are subject to environmental regulation under a range of Western Australian and Commonwealth laws and regulations. The Company's operations are undertaken in a responsible manner with appropriate resourcing to manage compliance.</p> <p>Despite this there is a risk that the Company's operations may cause harm to the environment due to an unexpected occurrence. Depending on the circumstances the Company may suffer reputational damage, may have an obligation to remediate the damage and may have its licences to operate suspended or revoked, all of which may have a material adverse effect on the business of the Company.</p> |

Eligible Shareholders should consider that any further investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares and New Options.

Further details regarding risks which may affect the Company in the future are set out in section 6.

The New Shares and New Options offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

1.5 **New Share terms**

Upon issue, each New Share will rank equally with all existing Shares then on issue. A summary of the rights attaching to the New Shares is set out in section 7.3.

1.6 **New Option terms**

A summary of the rights attaching to the New Options is set out in section 7.4.

1.7 **Acceptance of Entitlement**

The number of New Shares to which an Eligible Shareholder is entitled and the total amount an Eligible Shareholder would have to pay if they choose to take up all of their rights to subscribe for New Shares is shown on the Entitlement and Acceptance Form accompanying this Prospectus. This Prospectus is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares and New Options. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares and New Options can be accepted in full or in part by making payment of Acceptance Money by BPAY or EFT in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Acceptance Money should be rounded up to the nearest cent.

Acceptance Money for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

1.8 **Directors intentions in respect of Entitlements**

As at the date of this Prospectus, the Directors of Hazer have either a direct or indirect interest in Shares. Set out below is a table summarising the Entitlement of each Director (based on their current holding) and how they intend to treat their Entitlement.

| Director | Shares¹ | New Share Entitlement | New Option Entitlement | Intention |
|----------------------|---------------------------|------------------------------|-------------------------------|------------------|
| Tim Goldsmith | 1,528,237 | 286,545 | 143,273 | Full entitlement |
| Glenn Corrie | 38,871 | 7,289 | 3,645 | Full entitlement |
| Danielle Lee | 682,608 | 127,989 | 63,996 | Full entitlement |
| John (Jack) Hamilton | 74,678 | 14,003 | 7,002 | Full entitlement |
| Andrew Hinkly | 8,796,549 ² | 1,649,353 | 824,677 | Full entitlement |

¹ Details of Options held by the Directors are set out in section 7.6.

² Mr Hinkly holds an indirect interest in all of these Shares, on the basis they are held by AP Ventures, which is a major Shareholder in the Company. Mr Hinkly is the Managing Partner of AP Ventures. AP Ventures intends to take up its full entitlement under the Offer.

1.9 **Lead Manager**

Viriathus Capital Pty Ltd has been appointed as the lead manager to the Offer. Further details of the terms of appointment are set out in section 7.11.

1.10 **Underwriting**

Viriathus Capital Pty Ltd has been appointed as the underwriter to the Offer. Further details of the terms of appointment are set out in section 7.12.

The Offer is partially underwritten to the amount of \$6,000,000.

1.11 **Shortfall Offer**

In the event that Eligible Shareholders do not accept their Entitlements in full, a Shortfall will arise which will be placed by the Underwriter and the Company in the Company's sole and absolute discretion, the Corporations Act and the ASX Listing Rules (**Shortfall Offer**).

The offer of any Shortfall is a separate offer made pursuant to this Prospectus and will remain open after the Closing Date for a period of up to three (3) months from the Closing Date (or such shorter date as determined by the Lead Manager and Underwriter and the Company at the Company's sole and absolute discretion). The Shortfall will be offered at the same price and on the same terms as the New Shares and New Options were offered under the Offer. The Shortfall Securities, once issued, will have the same rights as the New Shares and new Options issued pursuant to the Offer.

The Directors do not represent that any application to participate in the Shortfall Offer will be successful. The Lead Manager and Underwriter and the Company have the right, at the Company's sole and absolute discretion, to issue to an Applicant for the Shortfall a lesser number of Shortfall Securities than the number applied for or reject an application or not proceed with the issuing of the Shortfall or part thereof. If the number of Shortfall Securities issued is less than the number applied for, the surplus Acceptance Monies or application monies will be refunded in full. Interest will not be paid on any refunded Acceptance Monies or application monies.

If Eligible Shareholders wish to apply for any Shortfall they should pay an amount equal to the value of Shortfall Securities over the value of their full Entitlement when taking up their full Entitlement as described in section 3.1 of this Prospectus. See sections 2.3 and 2.4 for further information in relation to the allotment and allocation policy of the Offer and the issue of Shortfall Securities under the Shortfall.

1.12 **Shortfall and dilution of Shareholder's interests**

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company, in consultation with the Lead Manager and Underwriter, to other parties in which case their interest in the Company may be significantly diluted. See section 5.3 for further details.

Further the Offer is not being extended to Shareholders with registered addresses outside of Australia, New Zealand, the United Kingdom, Singapore, and Hong Kong and the holdings of those Shareholders in the Company will be diluted by the Offer. Given the terms of the Offer, the interests of a Shareholder in the Company may be diluted by up to 15.8% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed (or up to 21.9% on a fully diluted basis in the event all New Options on issue after completion of the Offer are exercised).

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or

obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a Relevant Interest in the Company of not more than 19.9%, subject to a number of exemptions.

2. Details of the Offer

2.1 Offer to Eligible Shareholders

The Directors of Hazer have approved a non-renounceable rights issue of approximately 31,958,202 New Shares at \$0.48 per New Share to raise approximately \$15,339,937. Eligible Shareholders of Hazer are entitled to subscribe for 3 New Shares for every 16 Shares held (with 1 attaching New Option for every 2 New Shares held). Only those Shareholders shown on the Share Register at 7.00pm (Sydney time) on the Record Date with a registered address in Australia, New Zealand, the United Kingdom, Singapore, and Hong Kong will be entitled to participate in the Offer.

There are currently 10,632,890 Existing Options on issue in the Company. If any of the Existing Options are exercised prior to the Record Date, additional New Shares and New Options will be offered under this Prospectus. If all Existing Options on issue at the date of this Prospectus were exercised prior to the Record Date, the Company's issued Shares would increase by 10,632,890 Shares, resulting in a further 1,993,667 New Shares (approximately) and 996,834 New Options (approximately) being offered pursuant to this Prospectus. This would increase the Company's total Shares and Options on issue after completion of the Offer to 215,208,502 Shares and 16,975,934 Options.

Hazer has applied to the ASX for the New Shares and New Options to be granted Official Quotation on the ASX. Official quotation of the New Shares and New Options is expected to occur on or about 22 August 2023. ASX Participating Organisations (as defined in the ASX Business Rules) cannot deal in the New Shares or New Options either as principal or agent until Official Quotation is granted.

2.2 Important dates

| | |
|---|----------------|
| Announcement of Issue | 31 July 2023 |
| Lodgement of Prospectus with ASIC | 31 July 2023 |
| Notice to Option Holders | 31 July 2023 |
| Notice to Security holders containing Appendix 3B information | 31 July 2023 |
| Shares commence trading on an ex rights basis | 2 August 2023 |
| Record Date for the Offer | 3 August 2023 |
| Prospectus and Entitlement and Acceptance Form despatched to Shareholders | 4 August 2023 |
| Opening Date of Offer (9am Sydney time) | 4 August 2023 |
| Closing Date of Offer (5pm Sydney time) | 18 August 2023 |
| Company to advise ASX of any Shortfall | 21 August 2023 |
| Expected date of issue of New Shares and New Options | 21 August 2023 |
| Commencement of trading of New Shares and New Options on ASX | 22 August 2023 |
| Expected date of despatch of holding statements for New Shares and New Options | 24 August 2023 |

The dates set out in this table are subject to change and are indicative only. The Company, in consultation with the Lead Manager and Underwriter, reserves the right to alter this timetable at any time.

The Directors, subject to the requirements of the Listing Rules and the Corporations Act, reserve the right to:

- (a) withdraw the Offer without prior notice; or
- (b) vary any of the important dates set out in this Offer, including extending the Offer.

2.3 Allotment and allocation policy

The Company will proceed to allocate New Shares and New Options under the Offer as soon as possible after the Closing Date and receiving ASX permission for Official Quotation of the New Shares and New Options. The Company expects to issue and allot New Shares and New Options under the Offer on 21 August 2023.

In the case that there is less than full subscription by Shareholders of their Entitlements under this Prospectus, the Directors in consultation with the Lead Manager and Underwriter, reserve the right, as contemplated within the ASX Listing Rules to issue any Shortfall in accordance with this allocation policy. Any Shortfall will be issued within three months after the Closing Date at an issue price being not less than the Offer Price.

Successful Applicants will be notified in writing of the number of New Shares and New Options allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares and New Options allocated to them prior to trading in New Shares and New Options. Applicants who sell New Shares and New Options before they receive notice of the number of New Shares and New Options allocated to them do so at their own risk. No New Shares or New Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

Where a Shortfall exists, the allocation and allotment of Shortfall Securities applied for will be made in accordance with the following policy:

- (a) The Directors may allocate any Shortfall to Eligible Shareholders that have applied to take up their full Entitlement and, in addition, have indicated that they wish to take up Shortfall Securities as provided for in section 2.4.
- (b) The Directors reserve the right, as contemplated within the Listing Rules and subject to the terms of the Underwriting Agreement to allocate any Shortfall Securities in their discretion in consultation with the Lead Manager and Underwriter so as to ensure a maximum amount of funds is raised. They will do so in a manner which will ensure that no Shareholder or other investor will, as a consequence of being placed with any Shortfall, hold a Relevant Interest in more than 19.9% of all of the Shares in the Company after the allocation of any (and all) Shortfall (except as contemplated by the Underwriting Agreement or permitted under the Corporations Act or FATA).
- (c) The Directors of the Company (and any other related parties of the Company) are not permitted to apply for Shortfall Securities under the Shortfall but may take up their Entitlements and participate as a sub-underwriter as disclosed in this Prospectus.
- (d) Shortfall Securities issued pursuant to the Shortfall will be issued at the same time as all other New Shares and New Options are issued under the Offer.
- (e) Eligible Shareholders wishing to apply for Shortfall Securities under the Shortfall must consider whether or not the issue of the Shortfall Securities applied for would breach the Corporations Act, the Listing Rules or FATA, having regard to their own circumstances.

- (f) Any Shortfall not subscribed for by Eligible Shareholders or the Lead Manager and Underwriter may be placed by the Company at the Company's sole discretion subject to the provisions of the Underwriting Agreement, the Corporations Act and the Listing Rules. Any remaining Shortfall after the allocation of any Shortfall Securities will be issued within three months after the Offer Closing Date at an offer price being not less than the Offer Price.

The Company reserves the right to scale back any applications for Shortfall Securities under the Shortfall Offer. If this occurs, application monies will be returned (without interest) to the extent of the scale back. There is no guarantee that Eligible Shareholders will be successful in being allocated any of the Shortfall Securities that they apply for under the Shortfall. The Company may reject any application for Shortfall Securities or allocate fewer Shortfall Securities than applied for by Eligible Shareholders for Shortfall Securities in accordance with the policy set out above.

2.4 **Shortfall Securities under Shortfall**

Applications for Shortfall Securities by Eligible Shareholders must be made by making payment of any Acceptance Money relating to the Shortfall Securities. Any Shortfall Securities allocated will be issued together with any New Shares and New Options to be issued to an Eligible Shareholder under the terms of the Entitlement Offer, provided that the Eligible Shareholder who has applied for Shortfall Securities has applied for their full Entitlement under the Offer.

Shortfall Securities will be issued at the absolute discretion of the Company and its Directors (in consultation with the Underwriter) and as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders. The Company will have no liability to any Eligible Shareholders who receives less than the number of Shortfall Securities they applied for.

Further, the Company will not issue any Shortfall Securities to any person, if that would result in a breach of the takeover provisions of the Corporations Act or the FATA.

Any Acceptance Money paid for Shortfall Securities which are not issued by the Company will be refunded without interest within the time prescribed by the Corporations Act.

2.5 **ASX quotation**

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be issued pursuant to this Prospectus to be listed for Official Quotation by the ASX. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

Additionally, on the same date as announcing the Offer, the Company applied to the ASX for the New Options, being a new class of Securities, to be issued pursuant to this Prospectus to be listed for Official Quotation by the ASX.

If the New Options are approved for admission to quotation, Official Quotation of the New Options issued under the Offer will commence as soon as practicable after the allotment of the New Options to Applicants. It is the responsibility of the Applicants to determine their allocation of New Options prior to trading.

Should the New Shares and New Options not be granted Official Quotation on the ASX within three months after the date of this Prospectus, none of the New Shares and New Options offered to Eligible Shareholders under this Prospectus will be issued and all Acceptance Money will be refunded without interest to Applicants within the time prescribed by the Corporations Act.

2.6 **CHESS**

The Company will apply to ASX Settlement for the New Shares and the New Options to participate in the Securities Clearing House Electronic Subregister System known as CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

The Company will not issue certificates to Shareholders with respect to the New Shares and New Options. After allotment of the New Shares and New Options, Eligible Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS holders will receive an allotment advice for the New Shares and New Options.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares and New Options allotted to each successful Applicant pursuant to this Prospectus. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

2.7 **No rights trading**

Entitlements to the New Shares and attaching New Options pursuant to the Offer are non-renounceable and accordingly will not be traded on the ASX.

2.8 **Minimum subscription**

There is no minimum subscription to the Offer.

2.9 **Lead Manager**

Viriathus Capital Pty Ltd has been appointed the lead manager to the Offer. Further details of the appointment of the lead manager are set out in section 7.11.

2.10 **Underwriting**

The Offer is partially underwritten to the amount of \$6,000,000 by Viriathus Capital Pty Ltd. Further details of the appointment of the underwriter are set out in section 7.12.

For further information regarding the potential effect of the underwriting on control of the Company, please refer to section 5.3.

2.11 **Option Holders**

Option Holders will not be entitled to participate in the Offer unless they:

- (a) have become entitled to exercise their Existing Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Offer as a result of being an Eligible Shareholder at 7.00pm (Sydney time) on the Record Date.

If all holders of Existing Options elect to exercise their Options prior to the Record Date, and are eligible to participate in the Offer, a further 1,993,667 New Shares (approximately) and 996,834 New Options (approximately) may be issued under this Prospectus. Details of the Existing Options are set out in section 5.2. However, having regard to the exercise price and performance hurdles of the Existing Options and the Offer Price, the Directors believe that it is unlikely that any Existing Options will be exercised prior to the Record Date.

2.12 Overseas Shareholders

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia, New Zealand, the United Kingdom, Singapore, and Hong Kong in which the Company's Shareholders reside.

This Prospectus and accompanying forms do not, and are not intended to, constitute an offer of New Shares and New Options in any place outside of Australia, New Zealand, the United Kingdom, Singapore, and Hong Kong in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form.

The distribution of this Prospectus in places outside of Australia, New Zealand, the United Kingdom, Singapore and Hong Kong may be restricted by law and persons who come into possession of this Prospectus should observe those restrictions, including those set out below. Any failure to comply with those restrictions could violate applicable securities laws.

The Company has decided that it is unreasonable to make offers under this Prospectus to Shareholders with registered addresses outside of Australia, New Zealand, the United Kingdom, Singapore, and Hong Kong (and in the case of Shareholders with registered addresses in the United Kingdom, Singapore or Hong Kong, Shareholders who are not "qualified", "institutional", "accredited" or "professional" investors as set out below) (**Ineligible Shareholders**) having regard to the number of Shareholders in those places, the number and value of the New Shares and New Options they would be offered and the legal and regulatory requirements in those places and costs of complying with those requirements. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by Ineligible Shareholders and no New Shares and New Options will be issued to Ineligible Shareholders.

In particular this Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any other country except Australia and New Zealand and, to the extent permitted below, the United Kingdom, Singapore and Hong Kong.

This Prospectus does not constitute an offer of New Shares and New Options in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand)*. In addition, for Eligible Shareholders who subscribe for New Shares, the Company will issue New Options for no consideration.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013 (New Zealand)*. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the FMSA has been published or is intended to be published in respect of the New Shares and New Options.

The New Shares and New Options may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2 which of the UK Prospectus Regulation. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares and New Options has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the FPO, (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (“relevant persons”). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

Singapore

This Prospectus and any other materials relating to the New Shares and New Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares and New Options, may not be issued, circulated or distributed, nor may the New Shares and New Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the SFA or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the New Shares and New Options being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares and New Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Hong Kong

This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the SFO. Accordingly, this Prospectus may not be distributed, and the New Shares and New Options may not be offered or sold, in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares and New Options has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities

laws of Hong Kong) other than with respect to New Shares and New Options that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares and New Options may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

2.13 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this Prospectus in the United States or in any other country outside of Australia and New Zealand, except to beneficial Shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

2.14 Electronic prospectus

An electronic version of this Prospectus is available at www.hazergroup.com.au.

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Prospectus. The Company will not accept an application payment if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company, the Share Registry or a financial adviser.

3. How to apply

3.1 How to accept your Entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part. The number of New Shares which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Prospectus.

Eligible Shareholders may participate in the Offer as follows:

Take up your Entitlement in full

If you are an Eligible Shareholder and wish to take up all of your Entitlement, please pay for your full Entitlement by BPAY or EFT so that payment is received by no later than 5.00pm (Sydney time) on the Closing Date or such later date as the Directors determine. There is no need to return the Entitlement and Acceptance Form, but you must ensure that your payment is received by no later than 5.00pm (Sydney time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY and EFT may take one or more Business Days to clear. Please refer to the additional information below.

Take up some of your Entitlement

If you are an Eligible Shareholder and wish to take up only some of your Entitlement, please pay for the portion of your Entitlement that you wish to take up by BPAY or EFT so that payment is received by no later than 5.00pm (Sydney time) on the Closing Date or such later date as the Directors determine. There is no need to return the Entitlement and Acceptance Form, but you must ensure that your payment is received by no later than 5.00pm (Sydney time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY and EFT may take one or more Business Days to clear. Please refer to the additional information below.

Do nothing

You may do nothing, in which case you will have no right to subscribe for New Shares and New Options and no New Shares or New Options will be issued to you. However, if you are an Eligible Shareholder and you do nothing, then the New Shares and New Options representing your Entitlement may be issued and allotted to an Eligible Shareholder who applies for additional New Shares or to third parties procured by the Directors in exercising their discretion in placing any Shortfall.

You should also note that, if you do not take up your Entitlement, then although you will continue to own the same number of Shares, your percentage shareholding in the Company will decrease.

Applying for Shortfall Securities

You may apply for Shortfall Securities from any Shortfall that arises in relation to the Offer by completing and returning the Entitlement and Acceptance Form accompanying this Prospectus and making payment of any Acceptance Money relating to the Shortfall Securities.

Allocation and allotment of any Shortfall Securities applied for will be made in accordance with the following policy:

- (a) the Directors may allocate any Shortfall to Eligible Shareholders that have applied to take up their full Entitlement and, in addition, have indicated that they wish to take up Shortfall Securities as provided for in section 2.4.

- (b) The Directors reserve the right, as contemplated within the Listing Rules and subject to the terms of the Underwriting Agreement to allocate any Shortfall Securities in their discretion in consultation with the Lead Manager and Underwriter so as to ensure a maximum amount of funds is raised. They will do so in a manner which will ensure that no Shareholder or other investor will, as a consequence of being placed with any Shortfall, hold a Relevant Interest in more than 19.9% of all of the Shares in the Company after the allocation of any (and all) Shortfall (except as contemplated by the Underwriting Agreement or permitted under the Corporations Act or FATA).
- (c) Directors of the Company (and any other related parties of the Company) are not permitted to apply for Shortfall Securities under the Shortfall but may take up their Entitlements or participate as a sub-underwriter as disclosed in this Prospectus.
- (d) Shortfall Securities issued pursuant to the Shortfall will be issued at the same time as all other New Shares and New Options are issued under the Offer.
- (e) Eligible Shareholders wishing to apply for Shortfall Securities under the Shortfall must consider whether or not the issue of the Shortfall Securities applied for would breach the Corporations Act, the Listing Rules or FATA, having regard to their own circumstances.
- (f) Any Shortfall not subscribed for by Eligible Shareholders (or the Lead Manager and Underwriter under the Underwriting Agreement) may be placed by the Company at the Company's sole discretion subject to the provisions of the Corporations Act and the Listing Rules. Any remaining Shortfall after the allocation of any Shortfall Securities may be issued by the Company within three months after the Offer Closing Date at an offer price being not less than the Offer Price.

No related party or Eligible Shareholder associated with the Directors may participate in the Shortfall facility (except as Sub-Underwriters pursuant to their obligations under their sub-underwriting agreements with the Company).

The Company will not allocate or issue Shortfall Securities under the Shortfall facility, where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law including FATA. Eligible Shareholders wishing to apply for Shortfall Securities must consider whether or not the issue of the Shortfall Securities applied for would breach the Corporations Act, or the Listing Rules or FATA having regard to their own circumstances.

There is no guarantee that Eligible Shareholders will be successful in being allocated any of the Shortfall Securities that they apply for under the Shortfall. The Company may reject any application for Shortfall Securities or allocate fewer Shortfall Securities than applied for by Eligible Shareholders for Shortfall Securities in accordance with the policy set out above. The Directors reserve the right at their discretion (in consultation with the Underwriter and in accordance with the terms of the Underwriting Agreement) to place a maximum on the number of Shortfall Securities that will be issued to Eligible Shareholders who apply for Shortfall Securities.

Any Acceptance Money paid for Shortfall Securities which are not issued by the Company will be refunded without interest within the time prescribed by the Corporations Act.

General

If you have any queries concerning your Entitlement, please contact the Share Registry on 1300 441 601 (within Australia) or +61 2 9698 7164 (outside Australia) or contact your stockbroker or professional adviser.

Applications received after the Closing Date may not be accepted. The Company will not be responsible for postal or delivery delays.

The Offer Price of \$0.48 for each New Share is payable in full on acceptance of part or all of your Entitlement.

If an Eligible Shareholder makes payment using BPAY or EFT, they must contact their bank, credit union or building society to make payment of the Acceptance Money from their cheque or savings account. Refer to the Entitlement and Acceptance Form for payment instructions. Eligible Shareholders who have multiple holdings will have multiple reference numbers.

Payment will only be accepted in Australian currency.

No stamp duty, brokerage or handling fees are payable by the Applicant for the New Shares and New Options offered by this Prospectus.

The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Money will be held in trust in a subscription account until allotment of the New Shares and New Options. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Acceptance Money will be retained by the Company irrespective of whether allotment takes place.

3.2 Binding effect of Payment

A payment made through BPAY or EFT constitutes a binding offer to acquire New Shares and New Options on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn. The Directors' decision whether to treat an acceptance as valid is final.

By making a payment by BPAY or EFT, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares or New Options under the Offer;
- (b) you acknowledge that the New Shares and New Options have not been, and will not be, registered under the US Securities Act and a public offer is not permissible outside of Australia; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

4. Company Information

4.1 Company overview

Hazer is an Australian technology company driving global decarbonization efforts with the commercialisation of the Hazer Process[®], a world-leading low-emission methane pyrolysis technology that enables the production of hydrogen and high-quality graphite.

Founded in 2010 out of the University of Western Australia, the Hazer Process[®] uses a hydrocarbon feedstock (natural gas, biogas) and iron ore as a catalyst to produce clean and low-cost hydrogen. The Hazer Process[®] also produces high-purity graphitic carbon as a co-product that will help the company focus on multiple markets.

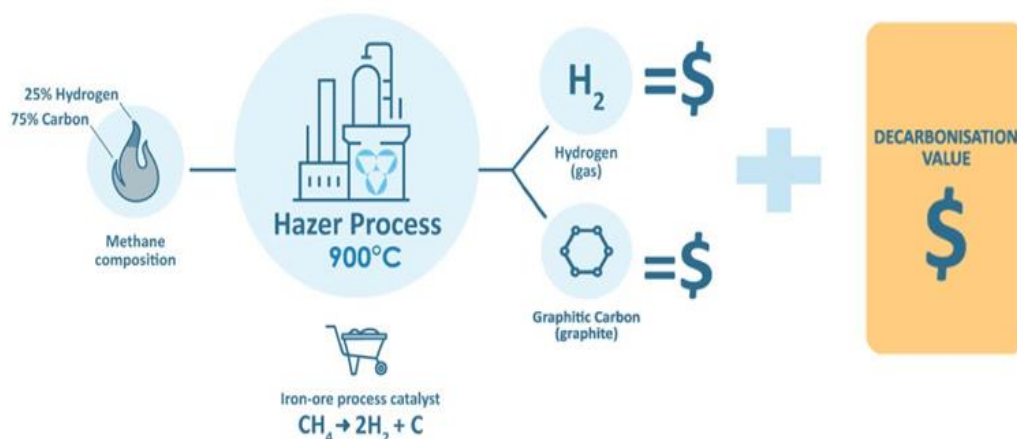
Driving its licensing business model, Hazer is nearing construction completion of a Commercial Demonstration Plant in Perth, Western Australia with nameplate capacity to produce 100 tonnes of low-emission Hydrogen per annum.

In conjunction with the commissioning of the CDP, Hazer has demonstrated a clear pathway to deploy and license its technology across the globe and has executed several agreements and memorandums of understanding to form partnerships in strategic markets with tier one partners, such as FortisBC in North America, Mitsui, Chubu Electric & Chiyoda in Japan, and ENGIE in Europe. In addition, the Company is pursuing several new commercial opportunities in these target markets:

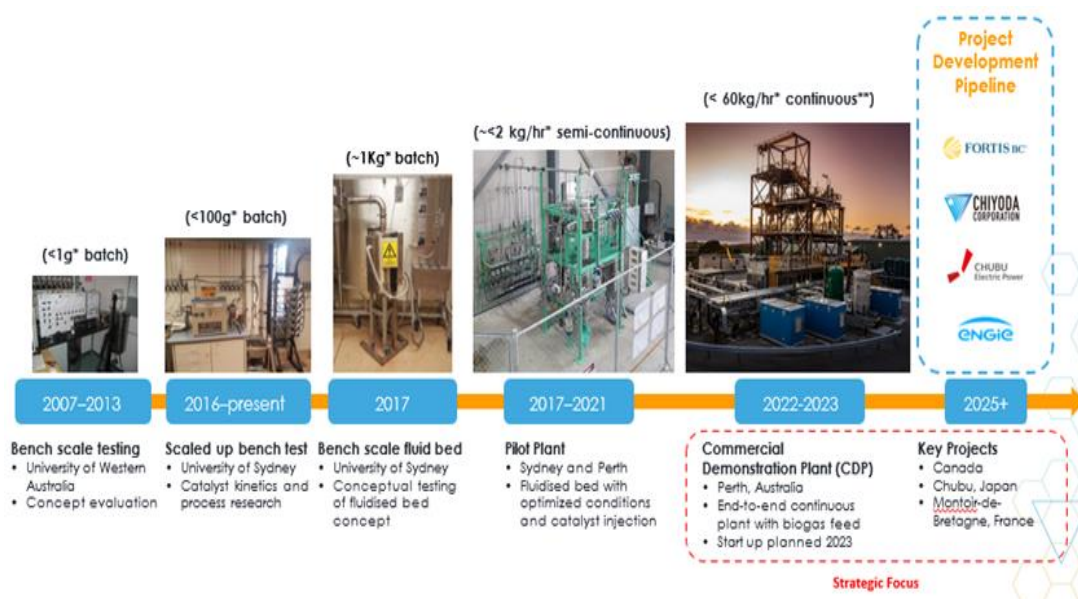


4.2 The Hazer Process[®]

The Hazer Process[®] utilises a hydrocarbon feedstock, preferably pure methane, biomethane, or natural gas. The feedstock is subsequently combined with an iron-ore catalyst under pressure in a fluidized bed reactor. The reactor is then heated to initiate the cracking process, during which the methane is converted into hydrogen gas and solid graphite particles, which enclose themselves around the micro shards of elemental iron formed during the catalyst dusting process and exit the reactor as a solid product.



The Hazer Process® aims to replace the currently utilised hydrogen manufacturing methods, such as ‘steam methane reforming’, which necessitates high CO₂ emissions and expensive CCS (Carbon Capture and Storage) to address these emissions. Another hydrogen-producing method using electrolysis is highly energy and cost intensive and requires substantial water and renewable energy.



Hazer has a CAPEX LITE approach which focusses on Hazer’s strength as a technology provider and licensee. Their partnership model targets tier one project proponents who have expertise in project management and in engineering, procurement and construction. This approach also ensures that any CAPEX exposure is risk assessed based on each project’s strategic and commercial merit.

4.3 The Directors

The Directors of Hazer bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

The following persons are directors of the Company as at the date of this Prospectus:

Tim Goldsmith – Non-Executive Chairman

| | |
|-------------------------------------|--|
| Length of service | Director since 24 July 2017 |
| Qualifications | Bachelor of Commerce from the Polytechnic of North London (now North London University). Member of the Institute of Chartered Accountants Australia and New Zealand. |
| Experience and expertise | <p>Tim was CEO of Rincon Ltd from November 2017, assisting with addressing corporate issues and maintaining solvency. After that was overcome in 2020, Tim ceased that role and became CEO of its subsidiary Rincon Mining Pty Ltd which evaluated and readied for development the strategically important Rincon lithium project in Salta Province in Argentina. In March 2021 this asset was sold to Rio Tinto and Tim completed his role. He was also executive chairman for another subsidiary, Natural Soda, an operating bicarbonate of soda mine in Colorado, US. This asset was sold in December 2020.</p> <p>Prior to that time, Tim was a partner at global professional services firm PricewaterhouseCoopers (PwC) for over 20 years. Tim was PwC's Global Mining Leader. Tim was also an early participator in the China growth story and initiated a China focus in 2002 and worked with many Chinese companies over the following 15 years as they looked to invest offshore.</p> |
| Other current directorships | Non-Executive Director of Costa Group Holdings Ltd (ASX: CGC) |
| Former directorships (last 3 years) | Chairman of Angel Seafood Holdings Limited (ASX: AS1) |
| Special responsibilities | Member of the Audit and Risk Committee and Member of Remuneration and Nomination Committee |

Glenn Corrie – Managing Director and CEO

| | |
|--------------------------|---|
| Length of service | Director since 10 October 2022 |
| Qualifications | Honours degree in Geophysics and an MBA from University of Chicago – Booth School of Business. |
| Experience and expertise | <p>Glenn is a proven business leader and senior executive with over 25 years of international energy industry, private equity and investment experience, and a track record of successfully leading large listed and private equity backed companies. He brings substantial capital markets experience across the equity and debt markets as well as extensive global M&A experience across Asia, China, Africa, Latin America, US and Europe.</p> <p>Glenn was previously an executive board member of Suriname's State Oil company, Staatsolie, responsible for the offshore directorate and advising on strategic financing projects. He was the founding CEO of NEO Energy in the UK, a private equity backed full-lifecycle oil and gas start-up, and prior to that, the CEO and Managing Director of ASX listed Sino Gas and Energy, a leading China focused natural gas production and development firm. During his career, has also</p> |

| | |
|-------------------------------------|--|
| | held senior positions with Ophir Energy PLC and Temasek Holdings Ltd, Singapore's state-owned investment company responsible for global energy investments, including renewables. From 1998-2010 he held a variety of senior positions with Shell International. |
| Other current directorships | - |
| Former directorships (last 3 years) | - |
| Special responsibilities | - |

Danielle Lee – Non-Executive Director

| | |
|-------------------------------------|--|
| Length of service | Director since 16 September 2015 |
| Qualifications | Bachelor of Economics from the University of Western Australia, Bachelor of Laws from the University of Western Australia (first class honours), Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia |
| Experience and expertise | Danielle is an experienced corporate lawyer with more than 25 years' experience. She has a broad range of skills and legal experience in the areas of corporate advisory, governance and equity capital markets. She has advised Australian public and private companies in a range of industries on corporate transactions, including capital raisings, ASX listings, business and share acquisitions, shareholder agreements and joint venture arrangements. |
| Other current directorships | Non-Executive Director of Rare Foods Australia Ltd (ASX:RFA) |
| Former directorships (last 3 years) | Non-Executive Director of Openn Negotiation Ltd (ASX:OPN) |
| Special responsibilities | Chair of Audit and Risk Committee and Member of Remuneration and Nomination Committee |

John (Jack) Hamilton – Non-Executive Director

| | |
|-------------------|---|
| Length of service | Director since 1 November 2021 |
| Qualifications | Bachelor of Engineering (Chemical) and Doctorate of Philosophy (Engineering) from the University of Melbourne. A Fellow of the Australian Institute of Energy (FAIE) and a Fellow of the Australian Institute of Company Directors (FAICD). |

| | |
|-------------------------------------|---|
| Experience and expertise | <p>Jack Hamilton is a highly experienced senior executive and board director with extensive expertise across technology, operations and manufacturing, project management, business development and commercial ventures.</p> <p>Dr Hamilton has held senior positions locally and internationally across the energy sector, including heading up Australia's largest resource project as Director of North West Shelf Ventures for Woodside Energy Ltd.</p> |
| Other current directorships | - |
| Former directorships (last 3 years) | Non-executive director with Calix Ltd (ASX:CXL) Chairman of AnteoTech (ASX:ADO) |
| Special responsibilities | Chair of Remuneration and Nomination Committee and member of the Audit and Risk Committee |

Andrew Hinkly – Non-Executive Director

| | |
|-------------------------------------|--|
| Length of service | Director since 21 April 2021 |
| Qualifications | Master of Business Administration from the University of Manchester and Bachelor of Science in Civil Engineering from the University of Loughborough. |
| Experience and expertise | <p>Andrew is the Founding Managing Partner of AP Ventures. As Managing Partner at AP Ventures, Andrew has been involved in numerous investments in the hydrogen sector across all aspects of the hydrogen value chain.</p> <p>Prior to AP Ventures, Andrew has enjoyed a high profile career spanning more than 25 years working in commercial roles across the automotive and mining industries, including senior leadership positions at Anglo American, where he worked for a decade and was a member of Anglo American Platinum Executive Committee, and the Ford Motor Company where he was a member of the North American Executive Committee. At Ford, he led the Production Procurement operations of Ford Americas and was responsible for \$45 billion of annual purchases from over 40,000 suppliers.</p> |
| Other current directorships | - |
| Former directorships (last 3 years) | - |
| Special responsibilities | - |

(a) Constraints on availability

Save as noted in this Prospectus, each Director has confirmed to the Company that he or she anticipates being available to perform his or her duties as Director of the Company without constraint from other commitments.

(b) Independence of Directors

Other than Andrew Hinkly who is a nominee of AP Ventures, no Directors are nominees or representatives of a substantial Shareholder.

The Board considers that Tim Goldsmith, Danielle Lee and Jack Hamilton are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgment and are able to fulfil the role of an Independent Director for the purposes of the Corporate Governance Principles and Recommendations.

Glenn Corrie is not currently considered by the Board to fulfil the role of Independent Director due to his executive position as Managing Director and CEO of the Company.

Details of the current interests of the Directors in the Company and their intentions in respect of the Offer are set out in section 1.8.

4.4 Senior Management

The following persons form the senior management of the Company as at the date of this Prospectus:

Glenn Corrie – Managing Director and CEO

Please see section 4.3 above for details of Mr Corrie's role and experience.

Neil Brodie – Interim Chief Financial Officer

- Finance leader with over 25 years of local and international financial, planning and commercial experience in energy-related listed, private, and public sector organisations in senior professional roles.
- Previously CFO at National Offshore Petroleum Safety and Environment Management Agency (NOPSEMA), Deputy CFO at a green hydrogen early startup, and a variety of senior Finance roles during an extensive career with Chevron Australia including Operations Finance, Major Capital Projects and as Comptroller.
- Associate, Chartered Institute of Management Accountants (UK), Graduate, Australian Institute of Company Directors, ESG professional with International Financial Reporting Standards FSA accreditation, and recipient of the WA Chamber of Commerce medal as Top Graduating MBA student.

Mark Edwards – Chief Operations Officer

- Previously the AUA Regional Director for Light Metals division at Hatch Pty Ltd
- Mechanical engineer with 25 years in industry, including project engineering and site maintenance and operations.
- Roles included technical consultant with extensive project management and engineering management experience

Harry Spindler – Company Secretary

- Experienced corporate professional with a broad range of corporate governance, reconstruction and capital markets experience spanning 20+ years.
- Worked for a number of public and private companies in the energy, resources, technology and cosmetics industries, including recently Critical Resources, Balkan Mining & Minerals and Equinox Resources.
- Member of the Institute of Chartered Accountants Australia and New Zealand (CA) and Financial Services Institute of Australia (FINSIA).

5. Effect of the Offer on the Company

5.1 Financial position

To illustrate the effect of the issue on the Company, the pro-forma consolidated balance sheet has been prepared based on the reviewed balance sheet as at 31 December 2022.

The pro-forma balance sheet shows the effect of the Offer and as if the Offer (under this Prospectus) had been made on 31 December 2022. The pro-forma balance sheet assumes that the Offer is fully subscribed.

The accounting policies adopted in preparation of the pro-forma consolidated balance sheet are consistent with the policies adopted and as described in the Company's financial statements for the year ended 30 June 2022. The balance sheet for the half year ended 31 December 2022 was prepared in accordance with the same policies.

The significant effects of the Offer (assuming the Offer is fully subscribed and no Existing Options are exercised) will be to:

- (a) increase cash reserves by approximately \$14,089,937 (after cash expenses of the Offer which are estimated to be \$1,250,000) assuming a \$0.48 per Share subscription price;
- (b) increase the number of issued Shares by 31,958,202 to 202,401,945; and
- (c) increase the number of Options on issue by 15,979,101 to 26,611,911 (or by 15,979,101 to 30,709,101 for the purposes of the pro-forma balance sheet below based on the higher number Options on issue as at 31 December 2022).

If an Eligible Shareholder does not take up their Entitlement in full it will result in their percentage holding in the Company being diluted by the Offer.

Pro-forma consolidated balance sheet, including applicable notes/assumptions

| | 31-Dec-22 | Effect of raise | Adj. 31-Dec-22 |
|---------------------------------|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| 1 Cash and cash equivalents | 12,448,954 | 14,089,937 | 26,538,891 |
| Trade and other receivables | 10,252,332 | | 10,252,332 |
| Other current assets | 349,140 | | 349,140 |
| Total current assets | 23,050,426 | 14,089,937 | 37,140,363 |
| Non-current assets | | | |
| Plant and equipment | 20,019 | | 20,019 |
| Commercial demonstration plant | 0 | | 0 |
| Leases – Right-of-use assets | 280,273 | | 280,273 |
| Total non-current assets | 300,292 | 0 | 300,292 |
| Total assets | 23,350,718 | 14,089,937 | 37,440,655 |

Liabilities

Current liabilities

| | | | |
|---|-------------------|----------|-------------------|
| Trade and other payables | 1,780,441 | | 1,780,441 |
| Provisions | 197,924 | | 197,924 |
| Contract liabilities | 3,920,000 | | 3,920,000 |
| Leases | 80,567 | | 80,567 |
| Borrowings | 4,553,748 | | 4,553,748 |
| Convertible note liability and derivative | 0 | | 0 |
| Total current liabilities | 10,532,680 | 0 | 10,532,680 |

Non-current liabilities

| | | | |
|--------------------------------------|------------------|----------|------------------|
| Contract liabilities | 1,500,000 | | 1,500,000 |
| Leases | 235,514 | | 235,514 |
| Provisions | 530,000 | | 530,000 |
| Total non-current liabilities | 2,265,514 | 0 | 2,265,514 |

| | | | |
|--------------------------|-------------------|----------|-------------------|
| Total liabilities | 12,798,194 | 0 | 12,798,194 |
|--------------------------|-------------------|----------|-------------------|

| | | | |
|-------------------|-------------------|-------------------|-------------------|
| Net assets | 10,552,524 | 14,089,937 | 24,642,461 |
|-------------------|-------------------|-------------------|-------------------|

Equity

| | | | | |
|---|-----------------------------|-------------------|-------------------|-------------------|
| 1 | Equity – issued capital | 61,505,433 | 14,089,937 | 75,595,370 |
| | Equity – reserves | 2,877,896 | | 2,877,896 |
| | Equity – Accumulated losses | (53,830,805) | | (53,830,805) |
| | Total equity | 10,552,524 | 14,089,937 | 24,642,461 |

| Notes | 31-Dec-22 | | Adj. 31-Dec-22 | |
|-------|-------------------------------------|--------------------|--------------------|-------------------|
| | Shares | Issue Price | \$ | |
| 1 | Ordinary shares – fully paid | 170,443,743 | n.a. | 61,505,433 |
| | <i>Rights issue:</i> | | | |
| | Ordinary shares – fully paid | 31,958,202 | \$ 0.48 | 15,339,937 |
| | Less, share issue transaction costs | | | (1,250,000) |
| | | 202,401,945 | | 75,595,370 |
| | | | | |
| | | Options | Issue Price | \$ |
| | Historical options | 14,730,000 | n.a. | 2,877,896 |
| | <i>1:2 Options:</i> | | | |
| | Free attaching options | 15,979,101 | n.a. | 0 |
| | | 30,709,101 | | 2,877,896 |

5.2 Capital structure

The share capital structure of Hazer immediately following the Offer, on the basis that the Offer is fully subscribed (excluding rounding of Entitlements), will be as follows:

| Shares | Number | % |
|---|--------------------|-------------|
| Ordinary Shares on issue at the date of this Prospectus | 170,443,743 | 84.2 |
| Maximum number of New Shares under Prospectus ¹ | 31,958,202 | 15.8 |
| Total | 202,401,945 | 100% |
| Options | Number | % |
| Options on issue at the date of this Prospectus | 10,632,890 | 40.0 |
| Maximum number of New Options under Prospectus ¹ | 15,979,101 | 60.0 |
| Total | 26,611,911 | 100% |

1. If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be issued under the Offer under this Prospectus. If all Existing Options on issue as at the date of this Prospectus were exercised prior to the Record Date, the Company's issued Shares would increase by 10,632,890 resulting in a further 1,993.667 New Shares and 996,884 New Options being issued pursuant to this Prospectus. This would increase the Company's total Shares and Options on issue after completion of the Offer to 215,028,502 Shares and 16,975,934 Options.

As at the date of this Prospectus, the Company has 10,632,890 Existing Options on issue, as follows:

| Description | Exercise price | Expiry date | No of options issued | No of options vested |
|---|----------------|------------------|----------------------|----------------------|
| Series N Options | \$0.90 | 30 June 2024 | 3,450,000 | 3,450,000 |
| Director Incentive Options ¹ | \$0.001 | 22 December 2027 | 5,315,000 | - |
| Employee Incentive Options ¹ | \$0.001 | 31 December 2027 | 1,867,890 | - |
| Total | | | 10,632,890 | 3,450,000 |

1. Options are subject to early expiration provision should applicable performance hurdles fail to be satisfied by the respective milestone dates. Refer to Company's ASX announcements dated 22 December 2022 and 14 July 2023.

5.3 Effect of the Offer on control of the Company

At the date of this Prospectus, the Company is of the view that there is no one entity who controls the Company. Further information with respect to the substantial holder of the Company is set out at section 7.8.

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and none of the Option Holders exercise their Existing Options and participate in the Offer, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company. If an Eligible Shareholder does not take up their Entitlement in full it will result in their percentage holding in the Company being diluted by the Offer. Given the terms of the Offer, the maximum possible dilution to an Eligible Shareholder's interest in the Company would be 15.8% (or 21.9% on a fully diluted basis if all New Options on issue after completion

of the Offer are exercised). Additionally, the Offer is not being extended to Shareholders with registered addresses outside of Australia, New Zealand, the United Kingdom, Singapore and Hong Kong and the holdings of those Shareholders in the Company will be diluted by a maximum of 15.8% in the event that the Offer is fully subscribed (or 21.9% on a fully diluted basis if all New Options on issue after completion of the Offer are exercised).

While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which the other Shareholders take up their Entitlements, the Company expects that the potential effect of the issue of Shares under the Offer on the control of the Company will be minimal.

The Underwriter does not currently hold any Share or Options in the Company. If the Underwriter is required to subscribe for New Shares equal to the whole of the underwritten amount of \$6,000,000 and none of the Option Holders exercise their Existing Options and participate in the Offer, the Underwriter will receive 12,500,000 New Shares and 6,250,000 New Options under the Offer. The total number of Shares held by the Underwriter will be 12,500,000 and the Underwriter's voting power will be up to 6.18% (or up to 8.59% on a fully diluted basis in the event all New Options on issue after completion of the Offer are exercised, including those issued to the Underwriter). These amounts are the maximum voting power the Underwriter may obtain and will be reduced to the extent of any sub-underwriting arrangements entered into by the Underwriter.

In the event of a Shortfall, the Directors reserve the right to place the Shortfall in conjunction with the Underwriter and subject to the provisions of the Corporations Act and the Listing Rules.

6. Risk factors

6.1 Introduction

There are risks which may impact on the operating and financial performance of the Company and, therefore, on the value of the New Shares offered under this Prospectus. Some of these risks can be mitigated by the Company's systems and internal controls, but many are outside of the control of the Company and the Board. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in a business with limited operating history, such as Hazer, is considered speculative and an investor could lose most or all of any investment. There are also general risks associated with any investment in shares.

More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares;
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- (d) the Company fails to generate sufficient profit in order to pay dividends.

In the event of insolvency, the holders of fully paid ordinary shares would not normally be liable to pay money to any person. An exception could occur where a distribution, such as a dividend, has been made to Shareholders in circumstances where the Company was unable at that time to meet the solvency test set out in the Corporations Act. In that case, a liquidator may call for a return of such distributions.

Potential investors should therefore carefully consider all associated risks before applying for New Shares under this Prospectus and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Company and the value of the New Shares offered under this Prospectus are set out in this section. This is not an exhaustive list and there may be other factors which have an adverse effect on the Company and the value of the New Shares offered under this Prospectus now or in the future.

Additional risks that the Company is unaware of, or that the Company currently considers to be immaterial, also have the potential to have a material adverse effect on the Company's business, financial condition, operating and financial performance, growth and/or the value of Shares. Many of the circumstances giving rise to these risks and the occurrence of consequences associated with each risk are partially or completely outside the control of the Company, its Directors and management.

6.2 General Risks

The New Shares that are to be issued pursuant to this Prospectus are speculative because of the nature of the business of the Company. The Company is involved in the commercialisation of technology designed to produce clean hydrogen which is highly speculative and no assurances can be made that the Company's particular interests or projects will be successful.

A summary of the major general risks are described below:

Dilution

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company, in consultation with the Lead Manager and Underwriter, to other parties in which case their interest in the Company may be significantly diluted (see section 5.2 for further details). Further the Offer is not being extended to Shareholders with registered addresses outside of Australia, New Zealand, the United Kingdom, Singapore, and Hong Kong and the holdings of those Shareholders in the Company will be diluted by the Offer. Given the terms of the Offer, the interests of a Shareholder in the Company may be diluted by up to 15.8% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed (or up to 21.9% on a fully diluted basis in the event all New Options on issue after completion of the Offer are exercised).

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a Relevant Interest in the Company of not more than 19.9%, subject to a number of exemptions.

The Company intends to actively work with the Lead Manager and Underwriter during, and after, the Offer in order to secure commitments to place, and subsequently to place, any Shortfall Securities not subscribed for by Eligible Shareholders.

Economic risk

General economic conditions (both in Australia and internationally) may adversely impact the price of the Shares. Changes economic conditions may also adversely affect the Company's operations and financial performance. This includes factors such as inflation, currency fluctuations, changes in interest rates, industrial disruption, increase in unemployment rates, negative consumer and business sentiment.

Securities investments and share market conditions

Securities quoted on a stock exchange, and in particular those of small companies at an early stage of commercial development can experience significant price and volume fluctuations that are often unrelated to the operating performance of the company.

As a publicly listed company on the ASX, the Company is subject to general market risk that is inherent for all entities whose Securities are listed on a securities exchange. This may result in fluctuations in the Share price that are not explained by the fundamental operations and activities of the Company. The price of the Shares quoted on ASX may rise or fall and the Shares may trade below or above the Offer Price due to a number of factors. Neither the Company nor any of the Directors can provide any assurance that the price of the Shares will increase following this Offer and do not warrant the future performance of the Company, or any return of an investment in the Company.

Liquidity

There is no guarantee that an active market will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on the ASX at any time, which may increase the volatility of the market price of the Shares, prevent investors from acquiring more Shares or disposing of Shares they acquire under the Offer, or result in Shareholders receiving a market price for their Shares that is less than the Offer Price.

Legislative change

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

6.3 Risks specific to an investment in the Company

In addition to the general market and economic risks noted in section 6.2, Applicants should be aware of risks specific to an investment in the Company, which may include, but are not limited to those risks described below.

Technology development and commercialisation risk

The Company has the intellectual property rights to the Hazer Process[®]. A material risk is whether the Hazer Process[®] can be scaled up to large commercial plants to produce graphitic carbon and high purity hydrogen consistently and reliably. The Company has built the Commercial Demonstration Plant to demonstrate the Hazer Process[®] on a continuous basis at industrial scale. The Commercial Demonstration Plant is scheduled to commence hot operations in 2023. There may be a material adverse impact on the Company's business objectives, operating and financial performance if the Commercial Demonstration Plant does not operate as intended. The Company is actively managing this risk through focused engineering and design work, process engineering and a research and development program. Whilst the Directors and management work to anticipate, identify and manage the risks inherent in the scale-up of the Hazer Process[®] and the operation of the Commercial Demonstration Plant, no assurance can be given that the Directors or management will be successful in these endeavours.

Operational risks

The Commercial Demonstration Plant and future commercial plants may be adversely affected by a range of technological and operational factors, including unanticipated operational and technical difficulties encountered in scaling up and production activities; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated reactor issues which may affect through-put; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Future funding risk

At the date of this Prospectus, the Company does not have any income-producing assets and therefore has not yet generated any revenue or profits. Until the Company is able to develop a project to generate appropriate cashflow, it is dependent upon being able to obtain future equity or debt funding to support the scale up of the Hazer Process[®]. Neither the Company nor any of the Directors nor any other party can provide any guarantee or assurance that any required future funding can be raised on terms acceptable to the Company.

Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate positive cashflow. Any such project would be dependent on many factors, for example, scale up success, plant development and design, commissioning, and operational performance.

If the Company is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations and/or scale back its expansion and development programs as the case may be.

Strategic partner risk

The Company's strategy is to collaborate with strategic partners to scale up and develop hydrogen facilities using the Hazer Process® in its target markets of North America, Asia and Europe. The Company currently has non-binding memorandums of understanding for projects in Canada, France and Japan.

Each of these projects are at different stages of development and design. No assurance can be given that the Company will secure binding agreements with these strategic partners on appropriate terms or at all, or that the proposed hydrogen facilities will be completed.

The Company is seeking to secure other strategic partners in the target markets. While the Company has had positive discussions with a number of potential partners, negotiations are ongoing and there is no guarantee that the Company will secure agreements with other partners."

Supply contracts/customer engagement risk

To successfully commercialise the Hazer Process®, the Company will need to secure technology licensing and royalty agreements, related catalyst and services agreements, and/or bulk graphite sales agreements with customers to generate revenue. This will require customer engagement and the execution of relevant contracts. No customer agreements are currently in place.

Industry risk

There is projected to be significant investment in hydrogen projects around the world over the coming years. The effects of this investment are currently unknown. Industry investment could have a significantly positive, or a significantly negative, effect on the Company's operations and achievement of its intended business objectives. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business.

Government policy change risk

Shifts in government policy concerning the hydrogen industry could impact the Company's operational and financial performance. This could range from new regulations associated with the transitioning to a lower carbon economy, emerging regulatory frameworks and changing grant criteria directed towards renewable energy (electrolysis) produced hydrogen. These could result in the loss or reduction in grant funding or industry incentives, preventing development in the areas or jurisdictions in which the Company operates. Such changes could have a material adverse effect on the viability of a project or the business of the Company generally.

Tax law risk

The Company has claimed and continues to intend to claim a refundable tax offset for eligible expenditure under the research and development (R&D) tax incentive scheme while it is able to do so. Changes in tax law, or changes in the way tax laws are interpreted (and in particular the R&D tax incentive scheme) may impact the ability of the Company to claim the R&D rebate and which may have a consequent impact on the Company's financial condition.

There is a risk that the tax authorities may review the tax treatment of the Company's business and activities, and any transactions entered into by the Company now or in the future. Any actual or alleged failure to comply with, or any change in the application or interpretation of, tax rules applied in respect of such transactions, may increase the Company's tax liabilities or expose it to legal, regulatory or other actions. To minimise this risk the Company obtains external expert advice to perform a detailed review of the Company's total R&D expenditure to determine the potential claim under the R&D tax incentive legislation.

Intellectual property risk

The Company has obtained a number of patents in relation to the Hazer Process®. The strength of these patents involves complex legal and scientific questions and can be uncertain. No assurance can be given that the Company's patents will afford the Company commercially significant protection of the Hazer Process® or that competitors will not develop competing technologies that circumvents such patents.

Key personnel risk

The Company's future value will depend in part on the performance of its Directors, senior management and other key personnel. There is a risk that the Company may not be able to retain or hire all personnel necessary for the development and operations of its business, which may have a material adverse impact on the Company and its operations.

Management of growth

There is a risk that management of the Company will not be able to implement the Company's growth strategy. The capacity of the management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

Insurance

The Company intends to maintain appropriate insurance to cover its activities, however no assurance can be given that such insurance will be available on commercially reasonable terms or that any cover will be adequate and able to cover all potential claims. Insurance may not always be available for all aspects of the Company's operations. Where the Company suffers loss and does not carry adequate insurance, the Company may be exposed to material uninsured losses, which may have a material adverse impact on the viability of a project or the Company's business and financial condition generally.'

Jurisdiction risk

The Company is currently collaborating with strategic partners to develop hydrogen facilities in Canada, Japan and France. As these projects develop the Company will be exposed to the risk of operating in each of these jurisdictions, and any other jurisdictions outside of Australia where it may develop future projects. These risks may include legal complications, taxation risks, exchange rate risks and geopolitical risks. The Company has engaged in-country consultants to provide expert advice to manage these risks.

Legal and regulatory risk

The Company must comply with the legislation and regulatory frameworks in each of the jurisdictions in which it operates. A failure to do so could result in suspension or loss of permits or licenses as well as financial penalties, which could impact the Company's ability to scale up the Hazer Process® and which may affect the Company's operational and financial performance.

Changes to laws and regulations in the future may provide for more onerous conditions with which the Company must comply. Any material adverse change in relevant laws or regulations may impact the Company's operational and financial performance.

Environmental risk

Operations at the Commercial Demonstration Plant are subject to environmental regulation under a range of Western Australian and Commonwealth laws and regulations. The Company's operations are undertaken in a responsible manner with appropriate resourcing to manage compliance.

Despite this there is a risk that the Company's operations may cause harm to the environment due to an unexpected occurrence. Depending on the circumstances the Company may suffer reputational damage, may have an obligation to remediate the damage and may have its licences to operate suspended or revoked, all of which may have a material adverse effect on the business of the Company.

Eligible Shareholders should consider that any further investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

7. Additional information

7.1 Transaction specific prospectus

Hazer is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is issued under section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to Securities in a class of Securities which has been quoted by ASX at all times during the three months before the date of the Prospectus or options to acquire such Securities. Apart from formal matters this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the New Shares and New Options.

Copies of the documents lodged by the Company with ASIC may be obtained from, or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (a) annual financial report for the period ending 30 June 2022;
- (b) reviewed half-yearly financial statements for the Company for the period ending 31 December 2022; and
- (c) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the period ended 30 June 2022 and ending on the date of lodgement of this Prospectus with ASIC.

7.2 ASX information and Share information

The ASX announcements that the Company has made since 30 June 2022 are set out in Appendix A of this Prospectus. Copies of ASX announcements made by the Company may be obtained on the ASX website or the Company's website at www.hazergroup.com.au.

The highest and lowest prices of Shares in the Company on the ASX in the six month period before the date of this Prospectus and the respective dates of those sales are set out below.

| | High (\$) | Low (\$) | Volume weighted average (\$) |
|--------------|--------------|-------------|---------------------------------|
| One month | 0.655 | 0.54 | 0.589 |
| Three months | 0.78 | 0.54 | 0.688 |
| Six months | 0.78 | 0.475 | 0.637 |

The last market sale price of Shares as at 26 July 2023, being the last trading day before lodgement of this Prospectus, was \$0.54.

The issue price of \$0.48 represents a discount of 11.1% to the last market price of Shares on 26 July 2023.

7.3 Rights and liabilities attaching to New Shares

The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours. The following is a summary of the principal rights of holders of the New Shares, subject to any special rights attaching to any class of share at a future time. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

(a) Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(b) Dividends

The New Shares will rank equally with all other issued Shares in the capital of the Company and will participate in dividend out of profits earned by the Company from time to time. Subject to the rights of holders of Shares with any special preferential or qualified rights attaching to them, the profits of the Company are divisible amongst the holders of Shares paid proportionately to the amounts paid on the Shares. The Directors may from time to time pay to Shareholders such interim dividends as in their judgment the position of the Company justifies.

(c) Transfer of the Shares

(1) Uncertificated system

Transfer of Shares may be effected by an instrument of transfer in accordance with any system recognised by the ASX Listing Rules and effected in accordance with the ASX Settlement Operating Rules approved under the Corporations Act or by an instrument of transfer in any usual form or by another form approved by the Directors or recognised by the Corporations Act or the ASX Listing Rules.

(2) Certificated system

Subject to the Constitution and the Corporations Act, a Shareholder's Share may be transferred by instrument in writing in any form authorised by the Corporations Act and the ASX Listing Rules or in any other form authorised by the Corporations Act and the ASX Listing Rules or in any other form that the Directors approve. No fee shall be charged by the Company on the transfer of any Shares.

(3) Refusal to register

The Directors, may, in their absolute discretion, refuse to register any transfer of Share or other Securities where permitted to do so by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules. The Directors must refuse to register any transfer of Shares or other Securities when required to do so by the Corporations Act or the ASX Listing Rules. If the Directors decline to register a transfer, the Company must within five business days after the date of lodgement of such transfer give to the lodging party written notice of the refusal and the reasons for it.

(d) Winding up

Upon accepting the Entitlement to New Shares and paying the Acceptance Money, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

(e) Future increases in capital

The allotment and issue of any New Shares is under the control of the Directors. Subject to the Listing Rules, the Company's Constitution and the Corporations Act, the Directors may allot or otherwise dispose of New Shares on such terms and conditions as they see fit.

(f) Variation of Rights

At present, the Company has only ordinary Shares on issue. If the shares of another class were issued, the rights and privileges attaching to ordinary Shares could only be altered with the approval of a resolution passed at a separate general meeting of the holders of ordinary Shares by a three quarter majority of such holders or the written consent of the holders of at least three quarters of the ordinary Shares.

(g) General Meeting

Each holder of Shares will be entitled to receive notice of and to attend and vote at general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

For more particular details of the rights attaching to ordinary Shares in the Company, investors should refer to the Constitution of the Company.

7.4 **Rights and Liabilities of the New Options**

The New Options will be issued on the following terms and conditions:

Consideration

The New Options are issued as part of the Offer on the basis of 1 New Option for every 2 New Share issued. No further consideration other than the payment of the Offer Price will be payable by Eligible Shareholders for the New Options.

Terms of Exercise

The exercise price of each New Option is \$0.75 (**Exercise Price**).

The New Options will expire on 28 February 2025 (**Expiry Date**).

Subject to and conditional upon any adjustment in accordance with the conditions set out below, each New Option entitles the holder to subscribe for one fully paid Share upon payment of the Exercise Price prior to the Expiry Date.

The New Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per New Option to the Company at any time on or after the date of issue and allotment of the New Options, on or before the Expiry Date.

On the valid exercise of the New Options and payment of the Exercise Price, the Company will issue Shares ranking pari passu with the then issued Shares.

Transferability

The New Options are transferable.

Rights to participate

Holders of New Options do not have any right to participate in new issues of Securities in the Company made to Shareholders generally. The Company will, where required pursuant to the Listing Rules, provide holders of New Options with notice prior to the books record date (to determine entitlements to any new issue of Securities made to Shareholders generally) to exercise the New Options, in accordance with the requirements of the Listing Rules.

Holders of New Options do not participate in any dividends unless the New Options have been exercised and the resultant Shares are issued prior to the record date to determine entitlements to the dividend.

Reconstructions

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:

- (a) the number of New Options, the Exercise Price, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of New Options which are not conferred on Shareholders; and
- (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the New Options will remain unchanged.

Pro rata issues

If there is a pro rata issue (except a bonus issue), the Exercise Price may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

- O^n = the new exercise price of the New Option;
- O = the old exercise price of the New Option;
- E = the number of underlying Securities into which one New Option is exercisable;
- P = the average market price per Security (weighted by reference to volume) of the underlying Securities during the five trading days ending on the day before the ex-right date or the ex-entitlements date;
- S = the subscription price for a security under the pro rata issue;

- D = dividend due but not yet paid on the existing underlying Securities (except those to be issued under the pro rata issue);
- N = the number of Securities with rights or entitlements that must be held to receive a right to one new security.

Bonus issues

If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the New Options is exercisable may be increased by the number of Shares which the holder of the New Options would have received if the New Options had been exercised before the record date for the bonus issue.

The terms of the New Options may only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the New Options must not be changed to reduce the Exercise Price, increase the number of New Options or change any period for exercise of the New Options.

Quotation

The Company will make an application to ASX for quotation of the New Options.

Application will be made for quotation of the Shares issued upon exercise of New Options.

7.5 Corporate Governance

The Company has adopted a Corporate Governance Charter which can be obtained, at no cost, from the Company's registered office and is also available on the Company's website at www.hazergroup.com.au.

The Company reports on its compliance with the recommendations made by the Corporate Governance Principles and Recommendations in its annual report. Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance however it does not consider that all practices are appropriate for the Company due to the size and scale of the Company operations.

7.6 Directors' interests

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last two years in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the company in connection with:
 - (1) its formation or promotion;
 - (2) the Offer; or
- (c) the Offer,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any director or proposed director:

- (a) to induce them to become, or to qualify as, a Director of the Company; or
- (b) for services provided by a director in connection with:
 - (1) the formation or promotion of the Company; or
 - (2) the Offer.

Set out below are details of the interest of the Directors in the Securities of the Company immediately prior to lodgement of the Prospectus with the ASIC. Interest includes those Securities held directly and indirectly. The table does not take into account any New Shares and New Options the directors may acquire under the Offer.

| Director | Number of Shares | Number of Options | Number of Options vested | Exercise Price | Expiry Date |
|----------------------|------------------------|-------------------|--------------------------|----------------|-------------------------------|
| Tim Goldsmith | 1,528,237 | 525,000 | - | \$0.001 | 22 December 2027 ² |
| Glenn Corrie | 38,871 | 4,100,000 | - | \$0.001 | 22 December 2027 ² |
| Danielle Lee | 682,608 | 345,000 | - | \$0.001 | 22 December 2027 ² |
| John (Jack) Hamilton | 74,678 | 345,000 | - | \$0.001 | 22 December 2027 ² |
| Andrew Hinkly | 8,796,549 ¹ | - | - | \$0.001 | 22 December 2027 ² |

¹ Mr Hinkly holds an indirect interest in all of these Shares, on the basis they are held by AP Ventures, which is a major Shareholder in the Company. Mr Hinkly is the Managing Partner of AP Ventures. AP Ventures intends to take up its full entitlement under the Offer.

² Options are subject to early expiration provision should applicable performance hurdles fail to be satisfied by the respect milestone dates. Refer to Company announcement dated 22 December 2022.

7.7 Directors fees

Set out below is the remuneration paid to the current Directors of the Company and their associated entities for the past two years.

Directors' remuneration for the period from 1 July 2023 to the date of this Prospectus:

| July 2023 ¹ | Short-term benefits (cash salary and fees) ² (\$) | Post-employment benefits (superannuation) (\$) | Share-based payments (equity-settled) ³ (\$) | Total (\$) |
|-------------------------|--|--|---|------------|
| Non-Executive Directors | | | | |
| Tim Goldsmith | 6,250 | 688 | - | 6,938 |
| Danielle Lee | 4,167 | 458 | - | 4,625 |
| Andrew Hinkly | - | - | - | - |
| John (Jack) Hamilton | 4,604 | - | - | 4,604 |
| Executive Director | | | | |
| Glenn Corrie | 40,000 | 6,771 | - | 46,771 |

¹ For the period 1 July 2023 to the date of this Prospectus.

² There were no cash bonuses or non-monetary short term benefits provided to the Directors in this period.

³ There were no share-based payments made in this period.

Directors' remuneration for the financial year ended 30 June 2023:

| FY23¹ | Short-term benefits (cash salary and fees)² (\$) | Post-employment benefits (superann.) (\$) | Share-based payments (equity-settled)³ (\$) | Total (\$) |
|--------------------------------|--|--|---|-------------------|
| Non-Executive Directors | | | | |
| Tim Goldsmith | 75,000 | 7,875 | 54,796 | 137,671 |
| Danielle Lee | 50,000 | 5,250 | 36,009 | 91,259 |
| Andrew Hinkly | - | - | - | - |
| John (Jack) Hamilton | 55,250 | - | 36,009 | 91,259 |
| Executive Director | | | | |
| Glenn Corrie ⁴ | 120,000 | 7,189 | 250,629 | 377,818 |

¹ These are unaudited management accounts as at the date of this Prospectus. There was no long service leave provided to the Directors in this financial year.

² There were no cash bonuses or non-monetary short term benefits provided to the Directors in this financial year

³ These figures represent a recognised management account value. Share-based payments relate to Options issued in a current period vesting over multiple periods.

⁴ Glenn Corrie's remuneration is for the period 3 April 2023 to 30 June 2023.

Directors' remuneration for the financial year ended 30 June 2022:

| FY22¹ | Short-term benefits² (\$) | | Post-employment benefits (superannuation) (\$) | Total (\$) |
|-----------------------------------|---|--------------|---|-------------------|
| | Cash salary and fees | Cash bonuses | | |
| Non-Executive Directors | | | | |
| Tim Goldsmith | 64,500 | - | 1,500 | 66,000 |
| Danielle Lee | 40,000 | - | 4,000 | 44,000 |
| Andrew Hinkly | - | - | - | - |
| John (Jack) Hamilton ³ | 29,343 | - | - | 29,343 |
| Andrew Harris ⁴ | 17,576 | - | 1,758 | 19,334 |

| FY22¹ | Short-term benefits² (\$) | | Post-employment benefits (superannuation) (\$) | Total (\$) |
|---------------------------|---|---------------------|---|-----------------------------|
| Executive Director | | | | |
| Geoff Ward | 320,119 | 42,525 ⁵ | 33,429 | 396,073 |

¹ There were no long term benefits (such as long service leave) or share-based/equity settled payments provided to the Directors in this financial year.

² There were no non-monetary short-term benefits provided to the Directors in this financial year.

³ John (Jack) Hamilton's remuneration is for the period 1 November 2021 to 30 June 2022.

⁴ Andrew Harris' remuneration is for the period 1 July 2021 to 8 December 2021.

⁵ Geoff Ward's cash bonus includes a figure of \$28,350 in relation to 2022 financial year that was paid after the year end. Mr Ward resigned as a Director of the Company on 30 June 2022.

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the Corporations Act and accordingly, member approval is not required.

Details of the intention of Directors to participate in the Offer is set out in section 1.8.

7.8 Substantial Holders

The following are details of those Shareholders who hold more than 5% of the Shares prior to the date of this Prospectus:

| Substantial Holder | Number of Shares | % |
|----------------------------|-------------------------|----------|
| AP Ventures Fund II GP LLP | 8,796,549 | 5.16 |

7.9 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of Directors fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arm's length" basis, reasonable remuneration basis or been approved by Shareholders in general meeting.

The Company discloses the following transactions with related parties which have either proceeded on an "arm's length" or reasonable remuneration basis or have been approved by Shareholders in general meeting. The transactions are:

- (a) employment agreements with Glenn Corrie as set out at sections 7.6 and 7.7 and remuneration payable pursuant to those agreements;
- (b) Non-Executive Director agreements with Tim Goldsmith, Danielle Lee and John (Jack) Hamilton and payment of directors fees to these Non-Executive Directors;

- (c) issue of Options to Directors; and
- (d) issue of Shares and Options to Directors pursuant to offers made available to the public or existing Shareholders.

The Board considers that the remuneration and benefits are reasonable remuneration pursuant to section 211 of the Corporations Act and accordingly, member approval is not required.

7.10 **Payment of Non-Executive Director fees**

Each of the Non-Executive Directors of the Company (being Tim Goldsmith, Danielle Lee, John (Jack) Hamilton and Andrew Hinkly) are entitled to be paid directors' fees in the amount of \$75,000, \$50,000, \$55,250 and nil (respectively) excluding superannuation on a per annum basis.

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the Corporations Act and accordingly, member approval is not required.

7.11 **Mandate Agreement**

The Company has entered a mandate with Viriathus Capital Pty Ltd pursuant to which Viriathus Capital Pty Ltd has been appointed as lead manager to the Offer (**Mandate Agreement**). The Lead Manager will provide a number of services to the Company in respect of the Offer and has the right (but not the obligation) to allocate any Shortfall in consultation with and subject to the agreement of the Company.

The responsibilities of the Lead Manager pursuant to the Mandate include (in a non-exhaustive manner):

- (a) act as exclusive lead manager and underwriter for the Company;
- (b) on a best endeavours basis, underwrite or partially underwrite the Company's Offer;
- (c) solicit bids from institutional, professional and high net worth investors as defined under the Corporations Act;
- (d) liaise with participating brokers and be accommodative of their interest, wholesale bids and share fees with those participants;
- (e) be accommodative to any existing or potential Shareholders the Board and Company introduce;
- (f) liaise with agents for settlement of any Shortfall Securities;
- (g) advise on pricing;
- (h) coordinate the administration of the Offer including the receipt of funds, reconciliations, dealing arrangements and payment of expenses; and
- (i) assist with the management and promotion of the Company's Offer.

The Company has agreed to pay the Lead Manager:

- (a) an offer management fee of 2% plus GST of the amount underwritten and any subsequent top-up placement it may undertake on behalf of the Company;
- (b) an underwriting fee of 1% of the amount underwritten;
- (c) a placement fee of 4% plus GST of any funds raised in the Shortfall Offer and any subsequent top-up placement it may undertake on behalf of the Company; and
- (d) a back office fee of \$7,500 plus GST for the management and execution of the DVP and cash settlement function,

(and together, the **Mandate Fees**). The Mandate Fees will only be payable by the Company upon completion of the Offer.

The Company has agreed to reimburse Viriathus Capital Pty Ltd in respect of reasonable out-of-pocket expenses related to the provision of the services listed above.

The Mandate Agreement makes provisions (inter alia) for certain covenants to be observed by the Company.

Either party may terminate the Mandate Agreement with immediate effect if any of the following occurs with respect to the other party:

- (a) it commits a material default in the performance of its obligations under the Mandate Agreement;
- (b) an event of insolvency occurs in relation to it;
- (c) it acts in a way reasonably likely to bring itself or the other party into disrepute.

7.12 **Underwriting Agreement**

The Company has engaged Viriathus Capital Pty Ltd as the underwriter for the Offer pursuant to the terms of an underwriting agreement dated 30 July 2023 (**Underwriting Agreement**).

The key terms of the Underwriting Agreement are as follows:

- (a) the Underwriter will appoint sub-underwriters to the Offer;
- (b) the Underwriter is not required to underwrite the Offer and subscribe for the Shortfall Securities unless on or before the Offer has been announced to the ASX:
 - (1) the Underwriter has secured commitments from sub-underwriters to subscribe for the Shortfall Securities;
 - (2) the Underwriter is satisfied with the form of the Offer documentation; and
 - (3) the Underwriter has approved the use of its, or its affiliates' names in any marketing material or Offer document;
- (c) the fees in the Underwriting Agreement are the same as specified in the Mandate Agreement, being:
 - (1) an underwriting fee of 1% of the amount underwritten;

- (2) a placement fee of 4% plus GST of any funds raised in the Shortfall Offer and any subsequent top-up placement it may undertake on behalf of the Company;
- (d) if there is any Shortfall the Company must notify the Underwriter accordingly and calculate the Shortfall, after which the Underwriter must lodge or cause to be lodged applications for all of the Shortfall up to the underwritten amount;
- (e) the underwriting obligations can be terminated by the Underwriter in a number of circumstances including if:
 - (1) **announcement and application for quotation:** the Company does not make an announcement of the Offer or lodge a completed Appendix 3B with ASX by the relevant lodgement date;
 - (2) **no Official Quotation:** Official Quotation has not been unconditionally granted by the date on which the Company must give the Underwriter written notice of the Shortfall Securities and a certificate in relation to the same or, having been granted, is subsequently withdrawn or qualified;
 - (3) **Offer documentation:** any of the following occurs in relation to the Offer documentation:
 - (A) ASIC gives notice of intention to hold a hearing under section 739(2) of the Corporations Act or makes an interim order under section 739(3) of the Corporations Act; or
 - (B) any person other than the Underwriter who consented to being named in the Offer documentation withdraws that consent;
 - (4) **restriction on allotment:** the Company is prevented from allotting the New Shares and/or New Options within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules or any other applicable law;
 - (5) **index change:** the S&P ASX 200 Index as determined at close of trading falls to a level that is 85% or less of the level at the close of trading on the date of the Underwriting Agreement;
 - (6) **indictable offence:** a director of the Company or any Related Body Corporate is charged with an indictable offence;
 - (7) **return of capital or financial assistance:** the Company or a Related Body Corporate takes any steps to undertake a proposal contemplated under section 257A or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter;
 - (8) **banking facilities:** the Company's bankers terminate or issue any demand or penalty notice or amend the terms of any existing facility or claim repayment or accelerated repayment of any facility or require additional security for any existing facility;
 - (9) **change in laws:** any of the following occurs:
 - (A) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
 - (B) the public announcement of prospective legislation or policy by the Federal Government, or the Government of any State or Territory; or

- (C) the adoption by the ASIC, its delegates, ASX, the Reserve Bank of Australia or any other regulatory authority of any regulations or policy,

which does or is reasonably likely to prohibit, restrict or regulate the principal business of the Company, the Offer or the operation of stock markets generally;

- (10) **failure to comply:** the Company or any Related Body Corporate fails to comply with any of the following:

- (A) a provision of its Constitution;
- (B) any statute;
- (C) a requirement, order or request, made by or on behalf of the ASIC or any Governmental Agency; or
- (D) any material agreement entered into by it;

and that failure to comply has a material adverse effect;

- (11) **alteration of capital structure or Constitution:** except as described in the Offer documentation, the Company alters its capital structure or its Constitution without the prior written consent of the Underwriter;

- (12) **extended force majeure:** a force majeure, which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 2 weeks occurs;

- (13) **default:** the Company is in material default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement and has not remedied that default within 7 days after having been provided with written notice of such default;

- (14) **adverse change:** any adverse change occurs in respect of the Company or its assets which has a material adverse effect;

- (15) **investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a Related Body Corporate;

- (16) **Prescribed occurrence:** certain prescribed occurrences occur relating to changes in the share capital of the Company, or the solvency or governance of the Company, other than as disclosed in the Offer documentation;

- (17) **Insolvency event:** an insolvency event occurs in respect of a Related Body Corporate;

- (18) **Judgment:** a judgment in an amount exceeding \$150,000 is obtained against the Company or a Related Body Corporate and is not set aside or satisfied within 7 days; or

- (19) **Takeovers Panel:** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Part 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel and that such a declaration or application has a material adverse effect.

- (f) the Company gives various warranties, indemnities and covenants in favour of the Underwriter that are considered standard for an agreement of this nature.

7.13 Sub-underwriting arrangements

The Offer is partially underwritten up to the amount of \$6,000,000. Refer to section 7.12 for further details of the terms and conditions of the underwriting.

The Underwriter has entered into sub-underwriting arrangements with various parties with respect to the underwritten amount. As part of these arrangements, the following Directors of the Company (or their associated entities) have agreed to sub-underwrite the Offer up to the following amounts:

- (a) Tim Goldsmith - \$112,500;
- (b) Glenn Corrie - \$150,000; and
- (c) John (Jack) Hamilton - \$175,000.

Set out below are details of the interest of these Directors in the Shares of the Company immediately after completion of the Offer if each are required to satisfy their sub-underwriting obligations in full:

| Director | Tim Goldsmith | Glenn Corrie | John Hamilton |
|---|---------------|--------------|---------------|
| Shares held ¹ | 1,528,237 | 38,871 | 74,678 |
| Current % interest ¹ | 0.90% | 0.02% | 0.04% |
| Share Entitlement under Offer | 286,545 | 7,289 | 14,003 |
| Sub-underwritten amount (\$) | \$112,500 | \$150,000 | \$175,000 |
| Full sub-underwritten commitment ² | 234,375 | 312,500 | 364,584 |
| Shares held after Completion of Offer | 2,049,157 | 358,660 | 453,265 |
| Max % interest after Completion of Offer ³ | 1.01% | 0.18% | 0.22% |

¹ As at the date of this Prospectus.

² Assuming no applications are received from any associate of the Director.

³ Potential holding of each Director after completion of the Offer if each Director takes up their full Entitlement and is also required to subscribe for their full sub-underwriting commitment.

None of the above Directors are receiving sub-underwriting fees. The sub-underwriting agreements otherwise contain terms and conditions that are considered standard for an agreement of this type.

7.14 Interests of experts and advisers

This section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this

Prospectus, promoters of the Company and stockbrokers or arrangers (but not sub-underwriters) to the Offer (collectively **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last two years, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offer of New Shares and New Options under this Prospectus.

Other than that as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (a) formation or promotion of the Company; or
- (b) offer of New Shares and New Options under this Prospectus.

Viriathus Capital Pty Ltd is the lead manager to the Offer, in respect of which it is entitled to receive fees and commission under the Mandate Agreement as set out in section 7.11 above.

Viriathus Capital Pty Ltd is the underwriter to the Offer, in respect of which it is entitled to receive fees and commission under the Underwriting Agreement as set out in section 7.12 above.

HopgoodGanim Lawyers are acting as solicitors to the Offer and have performed work in relation to the Prospectus. In doing so, HopgoodGanim Lawyers have placed reasonable reliance upon information provided to them by the Company. HopgoodGanim Lawyers does not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay approximately \$75,000 (excluding disbursements and GST) to HopgoodGanim Lawyers. HopgoodGanim Lawyers are the Company's Australian lawyers and are engaged from time to time by the Company on a variety of matters. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time based charges.

RSM Australia Partners are auditors to the Company. RSM Australia Partners does not make any statement in this Prospectus. Amounts may be paid to RSM Australia Partners in accordance with its normal time based charges.

7.15 Limitation on foreign ownership

The Foreign Acquisitions and Takeovers Act (**FATA**) sets limitations on the ability of foreign persons to hold shares or other Securities convertible into shares (such as options) in an Australian company. Foreign persons who are controlled by a foreign government may also be subject to further requirements under Australia's Foreign Investment Policy as published by the Foreign Investment Review Board from time to time.

The FATA regulates acquisitions giving rise to ownership of substantial amounts of a company's shares.

The FATA prohibits:

- (a) any natural person not ordinarily resident in Australia; or
- (b) any corporation in which either a natural person not ordinarily resident in Australia or a foreign corporation (as defined in the FATA) holds a controlling interest; or

- (c) two or more such persons or corporations,

from acquiring or entering into an agreement to acquire an interests in an existing Australian corporation if after the acquisition such person or corporation would hold a substantial interest in a corporation, or where two or more persons or corporations would hold an aggregate substantial interest (defined below), without first applying in the prescribed form for approval by the Australian Treasurer and receiving such approval or receiving no response in the 40 days after such application was made.

A foreign Shareholder will not be required to seek approval by the Australian Treasurer where they are acquiring their entitlement under a pro-rata entitlement offer.

Acquisitions of interests may include the acquisition of shares, options or any other instrument which may be converted to shares, as well as any other type of arrangement which results in control of the corporation.

A holder will be deemed to hold a substantial interest in a corporation if the holder alone or together with any associates (as defined in the FATA) is in a position to control not less than 15% of the voting power in the corporation or holds interests in not less than 15% of the issued shares in that corporation. Two or more holders hold an aggregate substantial interest in a corporation if they, together with any associates (as so defined), are in a position to control not less than 40% of the voting power in that corporation or hold not less than 40% of the issued Shares in that corporation. The Constitution of the Company contains no limitations on a non resident's right to hold or vote the Company's Shares.

7.16 Subsequent events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

7.17 Litigation

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company or its business.

7.18 Disclosure regarding directorship of insolvent company

No Director of the Company has been a director of an insolvent company within the last 10 years.

7.19 Privacy

By submitting an Entitlement and Acceptance Form you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the Register of members of the Company through Automic Pty Ltd an external service provider. The Company requires Automic to comply with the National Privacy Principles with performing these services. The Company's Register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of Shares and Options held. In addition the Company collects personal

information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in the Hazer group of companies;
- (e) to your broker;
- (f) to external service suppliers who supply services in connection with the administration of the Company's Register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Automic, except in limited circumstances. If you wish to access, update or correct your personal information held by Automic or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

7.20 **Expenses of the Offer**

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$1,250,000.

7.21 **Consents and disclaimers**

Written consents to the issue of this Prospectus have been given and at the time of this Prospectus have not been withdrawn by the following parties:

Viriathus Capital Pty Ltd has given and has not withdrawn its consent to be named in this Prospectus as the lead manager and underwriter in relation to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Prospectus as solicitors to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

RSM Australia Partners has given and has not withdrawn its consent to be named in this Prospectus as auditors of the Company in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Automic Pty Ltd has given and has not withdrawn, its consent to be named as Share Registrar in the form and context in which it is named. It has had no involvement in the preparation of

any part of the Prospectus other than being named as Share Registrar to the Company and has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

7.22 **Target Market Determination**

A Target Market Determination has been prepared for the New Options offered under this Prospectus as required under section 994B of the Corporations Act. A copy of the Target Market Determination is available at the Company's website at www.hazergroup.com.au. It contains the information prescribed under section 994B of the Corporations Act, including a description of the class of consumers that comprises the target market for the New Options, the distribution conditions and restrictions of the New Options and certain review triggers. The Target Market Determination forms part of the Company's product governance arrangements in respect of its Options. The Target Market Determination does not apply to the secondary sales of any Securities issued under this Prospectus.

7.23 **Directors' statement**

This Prospectus is issued by Hazer Group Limited. Each director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of Hazer Group Limited by



Glenn Corrie
Director

8. Definitions and glossary

Terms and abbreviations used in this Prospectus have the following meaning:

| | |
|--|--|
| Acceptance | An acceptance of Entitlements |
| Acceptance Money | The Offer Price multiplied by the number of New Shares accepted for |
| Applicant | A person who makes a payment for all or some of their Entitlement or submits an Entitlement and Acceptance Form |
| AP Ventures | AP Ventures Fund II GP LLP, a limited liability partnership incorporated in the United Kingdom, with the registered office address of 45 Old Bond Street, London, United Kingdom, W1S 4QT and Partnership No. OC422436 |
| ASIC | Australian Securities and Investments Commission |
| ASX | ASX Limited and the Australian Securities Exchange |
| ASX Listing Rules or Listing Rules | The official listing rules of the ASX |
| ASX Settlement | ASX Settlement Pty Ltd |
| ASX Settlement Operating Rules | The operating rules of ASX Settlement |
| Business Day | A day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Sydney |
| CDP or Commercial Demonstration Plant | The Company's commercial demonstration plant located in Woodman Point, Western Australia |
| CHESS | Clearing House Electronic Subregister System |
| Closing Date | The date by which valid acceptances must be received by the Share Registry being 18 August 2023 or such other date determined by the Board in conjunction with the Lead Manager and Underwriter |
| Company or Hazer | Hazer Group Limited ACN 144 044 600 |
| Constitution | The Constitution of the Company |
| Corporate Governance Principles and Recommendations | Corporate Governance Principles and Recommendations 4 th Edition initially released by the ASX Corporate Governance Council in February 2019 |
| Corporations Act | Corporations Act 2001 (Cth) |
| Directors or Board | The Board of directors of Hazer from time to time |
| Eligible Shareholder | A Shareholder of the Company on the Record Date with a registered address in Australia, New Zealand, the United Kingdom, Singapore or Hong Kong (and in the case of a Shareholder with a registered address in either the United Kingdom, Singapore or Hong Kong, who is also a "qualified", "institutional", "accredited" or "professional" investor as set out in section 2.12). |
| Entitlement and Acceptance Form or Form | An entitlement and acceptance form in the form accompanying this Prospectus |

| | |
|-------------------------------|---|
| Entitlements | The entitlement to accept New Shares and New Options under this Prospectus |
| Exercise Price | \$0.75 per Share |
| Existing Options | All existing options to subscribe for Shares currently on issue as at the date of this Prospectus |
| Expiry Date | 28 February 2025 |
| FATA | Foreign Acquisitions and Takeovers Act 1975 (Cth) |
| FPO | Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 of the United Kingdom |
| Fractional Entitlement | The extent to which the application of the Offer Ratio to the Shareholding of an Eligible Shareholder results in that Eligible Shareholder being entitled to a fraction of a New Share |
| FSMA | Financial Services and Markets Act 2000 of the United Kingdom |
| GST | Goods and services tax pursuant to the A New Tax System (Goods and Services Tax) Act 1999 (Cth) |
| Ineligible Shareholder | Has the meaning given in section 2.12 |
| Lead Manager | Viriathus Capital Pty Ltd ACN 113 959 596 |
| Mandate Agreement | Has the meaning given in section 7.11 |
| Mandate Fees | Has the meaning given in section 7.11 |
| New Options | The new Options offered under this Prospectus |
| New Shares | The Shares offered under this Prospectus |
| Offer | The offer and issue of New Shares and New Options in accordance with this Prospectus |
| Offer Price | \$0.48 for each New Share applied for |
| Offer Ratio | 3 New Shares for every 16 existing Shares |
| Official List | The official list of entities that ASX has admitted and not removed |
| Official Quotation | Quotation on the Official List |
| Opening Date | 4 August 2023 |
| Option Holders | The holders of the Existing Options |
| Options | Options on issue in the Company from time to time |
| Prescribed Persons | Has the meaning given in section 7.14 |
| Prospectus | This Prospectus dated 31 July 2023 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus |
| Record Date | 3 August 2023 |
| Register | Company Register of Hazer |
| Related Body Corporate | Has the meaning given to that term in section 50 of the Corporations Act |

| | |
|--|---|
| Relevant Interest | Has the meaning given to that term in the Corporations Act. |
| R&D | Research and Development |
| Securities | Has the same meaning as in section 92 of the Corporations Act |
| SFA | Securities and Futures Act 2001 of Singapore |
| SFO | Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong |
| Share Registry or Automic | Automic Pty Ltd ACN 152 260 814 |
| Shares | The ordinary shares on issue in Hazer from time to time |
| Shareholders | The holders of Shares from time to time |
| Shortfall or Shortfall Securities | Those New Shares and New Options for which the Entitlement lapses |
| Shortfall Offer | The offer of the Shortfall |
| Takeovers Panel | The Australian Takeovers Panel |
| Underwriter | Viriathus Capital Pty Ltd ACN 113 959 596 |
| Underwriting Agreement | The agreement between the Underwriter and the Company summarised in Section 7.12. |
| US Securities Act | US Securities Act of 1933, as amended. |

Appendix A – ASX Announcements

| Date | Title of Announcement |
|------------|--|
| 29/08/2022 | Appendix 4E & Annual Report 30 June 2022 |
| 29/08/2022 | Appendix 4G & Corporate Governance Statement |
| 12/09/2022 | Change of Share Registry |
| 26/09/2022 | Cleansing Notice |
| 26/09/2022 | Application for quotation of securities - HZR |
| 26/09/2022 | Change of Director's Interest Notice |
| 26/09/2022 | ASIC form 603 - Notice of initial substantial holder |
| 13/10/2022 | Chief Executive Officer Commencement |
| 14/10/2022 | AGM and closing date for director nominations |
| 19/10/2022 | Notice of Annual General Meeting/Proxy Form |
| 26/10/2022 | CFO Resignation & Company Secretary Appointment |
| 27/10/2022 | Appendix 4C - quarterly |
| 03/11/2022 | Change of Director's Interest Notice |
| 07/11/2022 | Corporate Presentation |
| 16/11/2022 | Hazer Mitsui Sign MOU to Jointly Investigate Graphite Market |
| 24/11/2022 | AGM Address & Presentation |
| 24/11/2022 | Results of Meeting |
| 28/11/2022 | Adoption of Amended Constitution |
| 07/12/2022 | Australian Hydrogen Conference Presentation |
| 19/12/2022 | Hazer Operations Update |
| 21/12/2022 | Proposed issue of securities - HZR |
| 22/12/2022 | Notification regarding unquoted securities - HZR |
| 22/12/2022 | Issue of Securities - Unlisted Incentive Options |
| 22/12/2022 | Change of Director's Interest Notice x3 |
| 06/01/2023 | Change of Director's Interest Notice |
| 30/01/2023 | Appendix 4C - quarterly |
| 02/02/2023 | Arena Funding Milestone Achieved |
| 13/02/2023 | Investor Presentation |
| 24/02/2023 | Half Yearly Report and Accounts |
| 08/03/2023 | Commercial Demonstration Plant Update & Webinar |
| 03/04/2023 | Initial Director's Interest Notice |
| 03/04/2023 | Appointment of Managing Director |
| 04/04/2023 | Investor Presentation |
| 05/04/2023 | R&D Tax Refund of \$9.45m Approved |

| | |
|------------|---|
| 11/04/2023 | Hazer Partners with Chubu & Chiyoda for Japan Facility |
| 14/04/2023 | Notification of cessation of securities - HZR |
| 26/04/2023 | Appendix 4C - quarterly |
| 09/05/2023 | HZR Advances Engie Collaboration For a Facility in France |
| 10/05/2023 | World Hydrogen Conference Presentation |
| 24/05/2023 | Change of Director's Interest Notice |
| 26/05/2023 | Change of Director's Interest Notice |
| 30/05/2023 | Hazer Commercial Demonstration Plant Update |
| 09/06/2023 | Hazer Strategy Update Webinar - 15 June 2023 |
| 15/06/2023 | Hazer Strategy Update Presentation |
| 03/07/2023 | Notification of cessation of securities - HZR |
| 10/07/2023 | Canadian Project Update |
| 10/07/2023 | Appendix 4C - quarterly |
| 14/07/2023 | Employee Performance Incentives |
| 14/07/2023 | Notification regarding unquoted securities - HZR |
| 27/07/2023 | Trading Halt |
| 31/07/2023 | CDP Completes Significant Milestone |
| 31/07/2023 | \$15m Entitlement Offer |

Corporate Directory

| Directors | Solicitors | Auditors |
|---|--|--|
| <p>Tim Goldsmith (Non-Executive Chairman)</p> <p>Glenn Corrie (Managing Director and CEO)</p> <p>Danielle Lee (Non-Executive Director)</p> <p>John (Jack) Hamilton (Non-Executive Director)</p> <p>Andrew Hinkly (Non-Executive Director)</p> | <p>HopgoodGanim Lawyers</p> <p>Level 27, Allendale Square 77 St Georges Terrace Perth WA 6000</p> <p>Tel: + 61 8 9211 8111</p> <p>www.hopgoodganim.com.au</p> | <p>RSM Australia Partners</p> <p>Level 32, Exchange Tower 2 The Esplanade Perth WA 6000</p> <p>Tel: +61 8 9261 9100</p> <p>www.rsm.global</p> |
| Administration and Registered Office | Lead Manager | Underwriter |
| <p>Level 9, 99 St Georges Terrace Perth WA 6000</p> <p>Tel: +61 8 9329 3358</p> <p>www.hazergroup.com.au</p> | <p>Viriathus Capital Pty Ltd</p> <p>Suite 47, Level 35 International Towers One 100 Barangaroo Avenue Barangaroo NSW 2000</p> <p>Tel: + 61 2 8046 7549</p> <p>www.viriathus.com</p> | <p>Viriathus Capital Pty Ltd</p> <p>Suite 47, Level 35 International Towers One 100 Barangaroo Avenue Barangaroo NSW 2000</p> <p>Tel: + 61 2 8046 7549</p> <p>www.viriathus.com</p> |
| Share Registry | | |
| <p>Automic Pty Ltd</p> <p>Level 5, 126 Phillip Street Sydney NSW 2000</p> <p>Tel: 1300 288 664 (within Australia)</p> <p>+61 2 8072 1400 (outside Australia)</p> <p>www.automicgroup.com.au</p> | | |

Holder Number:

Shares held as at the Record Date at
7.00pm (AEST) on 3 August 2023

ENTITLEMENT AND ACCEPTANCE FORM

OFFER CLOSES 5.00PM (AEST) 18 AUGUST 2023 (WHICH MAY CHANGE WITHOUT NOTICE)

On 31 July 2023, Hazer Group Limited (the **Company**) announced its intention to raise approximately \$15,339,937 by way of a non-renounceable entitlement offer of new fully paid ordinary shares and options (**Entitlement Offer**). Under the Entitlement Offer, eligible shareholders are entitled to subscribe for 3 New Shares for every 16 existing Shares held at 7:00pm (AEST) on 3 August 2023 (**Record Date**), at the Offer Price of \$0.48 per New Share with 1 free attaching New Option for every 2 New Shares allotted. Each New Option is exercisable at \$0.75 per share and expires on 28 February 2025.

The Prospectus dated 31 July 2023 contains information about the Entitlement Offer and you should carefully read the Prospectus before applying for Shares. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus. If you do not understand the information provided in the Prospectus or you are in doubt as to how you should deal with it, you should seek professional advice. Other than as defined in this Entitlement and Acceptance form, capitalised terms have the same meaning as defined in the Prospectus.

1 ACCEPTANCE OF ENTITLEMENT OR PART THEREOF

| | Payment Amount A\$ (\$0.48 per Share) | Number of Shares Applied |
|----------------------------|--|--|
| Full Entitlement | | |
| Partial Entitlement | <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |

2 APPLICATION FOR SHORTFALL SECURITIES

As an Eligible Shareholder, you are invited to apply for Shortfall Securities, providing you have taken up your full Entitlement.

| | Payment Amount A\$ (\$0.48 per Shortfall Security) | Number of Shortfall Securities Applied |
|------------------------------|--|--|
| Shortfall Application | <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |

No fractional New Shares or New Options will be issued. If the total dollar amount for New Shares and New Options applied for, divided by the Offer Price (\$0.48), is a fraction of a New Share, the New Shares and New Options allotted will be rounded up).

3 MAKE YOUR PAYMENT BY BPAY® OR ELECTRONIC FUNDS TRANSFER (EFT)

Payments must be made by BPAY® or by EFT and may not be made by cheque or money order. You do not need to return this form.

| | | |
|----------------------|------------|--|
| Total Payment | A\$ | <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> |
|----------------------|------------|--|

Option A – BPAY®



Ref No:

Contact your financial institution to make your payment from your cheque or savings account.

Note: You do not need to return this form if you have made payment via BPAY® or EFT. Your BPAY® reference number or unique reference number will process your payment for your application for New Shares electronically.

Option B – Electronic Funds Transfer (EFT)

The unique reference number which has been assigned to your Application is: -HZR

Funds are to be deposited in AUD currency directly to following bank account:

Account name:
Account BSB:
Account number:
Swift Code:

IMPORTANT: You must quote your unique reference number as your payment reference/description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and New Shares and New Options subsequently not issued.

4

Elect to receive email communication

Return to Automic Group by email to corporate.actions@automicgroup.com.au

| | | |
|--|-----------------------------|------|
| Telephone Number () | Contact Name (PLEASE PRINT) | HZR- |
| Please insert your email address if you wish to elect to be an e-Shareholder, and you consent to receiving communications from the Share Registry, Automic Group | | |

INSTRUCTIONS FOR COMPLETION OF THIS FORM

The right to participate in the Entitlement Offer is optional and is offered exclusively to Shareholders who are registered as holders of fully paid ordinary Shares in the capital of the Company on the Record Date with a registered address in Australia, New Zealand, the United Kingdom, Singapore, and Hong Kong (**Eligible Shareholders**).

ACCEPTANCE OF OFFER

By making a BPAY® or EFT payment:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form; and
- you provide authorisation to be registered as the holder of Shares acquired by you and agree to be bound by the Constitution of the Company.

1 Acceptance of Full or Partial Entitlement for Shares

If you wish to accept your full entitlement:

- make payment by BPAY® or EFT for your full entitlement by following the instructions on this Entitlement and Acceptance Form.

If you only wish to accept part of your entitlement:

- calculate the payment amount for the portion of your entitlement that you wish to take up in accordance with the partial entitlement section of this Entitlement and Acceptance Form; and
- make payment by BPAY® or EFT for that portion of your entitlement by following the instructions on this Entitlement and Acceptance Form.

2 Applying for Shortfall Securities

If you accept your full entitlement and wish to apply for Shortfall Securities in excess of your entitlement:

- make payment by BPAY® or EFT of the total payment amount for your full entitlement AND your participation in the Shortfall Offer by following the instructions on this Entitlement and Acceptance Form.

Your application for Shortfall Securities may not be successful (wholly or partially). The decision in relation to the number of Shortfall Securities in excess of your entitlement to be allocated to you will be final. No interest will be paid on any application monies received and returned.

3 Payment

By making a payment via BPAY® or EFT, you agree that it is your responsibility to ensure that funds are submitted correctly and received by the Share Registry by the closing date and time. Payment must be received by the Share Registry by 5:00pm (AEST) on 18 August 2023.

It is your responsibility to ensure your CRN or unique Payment Reference is quoted, as per the instructions in Section 3. If you fail to quote your CRN or unique Payment Reference correctly, Automic may be unable to allocate or refund your payment. If you need assistance, please contact Automic.

Payment by BPAY®: You can make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number on this Form. Multiple acceptances must be paid separately.

Payment by EFT: You can make a payment via Electronic Funds Transfer (EFT). Multiple acceptances must be paid separately. Please use your unique reference on this Form. This will ensure your payment is processed correctly to your application electronically.

Applicants should be aware of Automic's financial institution's cut off-time, their own financial institution's cut-off time and associated fees with processing a funds transfer. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time, including taking into account any delay that may occur as a result of payments being made after 5:00pm (AEST) and/or on a day that is not a business day (payment must be made to be processed overnight). You do not need to return this Form if you have made payment via BPAY® or EFT. Your reference number will process your payment to your application electronically and you will be deemed to have applied for such New Shares (and attaching New Options) for which you have paid.

4 Contact Details - Elect to receive email communication

The Company encourages shareholders to elect to receive their shareholder communications electronically. This will ensure you receive all future important shareholder communications in a faster and more secure way and reduce the environmental footprint of printing and mailing.

If you require further information about the Offer, please contact Automic on 1300 441 601 or +61 2 9698 7164 between 8:30am and 8:00pm (AEST).