

## **APPENDIX 4C – 30 SEPTEMBER 2017 QUARTERLY CASHFLOW REPORT**

**PERTH, AUSTRALIA; 31<sup>ST</sup> OCTOBER 2017:** Hazer Group Ltd (“Hazer” or “the Company”) (ASX:HZR, HZRO) lodges the attached Appendix 4C Quarterly Cashflow Report for the 3 month period ended 30 September 2017.

The Company had cash reserves of \$6.72m as at 30 September 2017, decreasing by \$1.424m during the quarter.

Operating cash outflows for the quarter were \$1.423m as the Company continued its core research and development activities to commercialise the Hazer Process. Research and development costs include parts and services associated with the further optimisation of the pre-pilot plant and expenses associated with the research collaboration agreement with Sydney University. The Company also incurred some expenditure that is considered one-off in nature including legal costs associated with filing national phase patent applications, recruitment costs and a bonus payment.

Cash inflows in the upcoming quarter ended 31 December 2017 are anticipated from the exercise of Series A options which expire on 31 December 2017 and are currently “in the money” and a R&D Tax Incentive rebate for FY17.

The Company over the course of the last quarter achieved some important steps in the commercialisation of the Hazer Process including:

- Successful commissioning of the Company’s pre-pilot plant,
- Execution of a non-binding Heads of Agreement with Mineral Resources Limited (ASX:MIN) to jointly develop a large-scale commercial synthetic graphite facility, initially targeted towards the production of at least 1,000 tonnes per annum (tpa) of ultra-high purity graphite and capable of modular expansion to a nominal 10,000tpa; and
- Execution of a non-binding Memorandum of Understanding with Primetals Technologies Austria GmbH (Primetals) to jointly investigate utilising the Hazer Process to reduce the cost and environmental impact of steel production. Primetals is a leading global engineering company and solution provider for the metals industry. This collaboration could accelerate commercialisation of the Hazer Process and deployment of Hazer’s technology within a new market.

**[ENDS]**

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## **ABOUT HAZER GROUP LTD**

Hazer Group Limited (“Hazer” or “The Company”) is an ASX-listed technology development company undertaking the commercialisation of the Hazer Process, a low-emission hydrogen and graphite production process. The Hazer Process enables the effective conversion of natural gas and similar feedstocks, into hydrogen and high quality graphite, using iron ore as a process catalyst.

For further information, investor or media enquiries, please contact:

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### **Hazer Group Limited - Social Media Policy**

Hazer Group Limited is committed to communicating with the investment community through all available channels. Whilst ASX remains the prime channel for market sensitive news, investors and other interested parties are encouraged to follow Hazer on Twitter (@hazergroupltd), LinkedIn, Google+ and Youtube.



## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

HAZER GROUP LIMITED

**ABN**

40 144 044 600

**Quarter ended ("current quarter")**

30 SEPTEMBER 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(350)	(350)
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs including research and development staff	(649)	(649)
(f) administration and corporate costs	(432)	(432)
1.3 Dividends received (see note 3)		
1.4 Interest received	12	12
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
- Net GST received / (paid)	(6)	(6)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,423)</b>	<b>(1,423)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire:			
(a) property, plant and equipment			
(b) businesses (see item 10)			
(c) investments			
(d) intellectual property			
(e) other non-current assets			
2.2 Proceeds from disposal of:			
(a) property, plant and equipment			
(b) businesses (see item 10)			
(c) investments			
(d) intellectual property			
(e) other non-current assets			
2.3 Cash flows from loans to other entities			
2.4 Dividends received (see note 3)			
2.5 Other (provide details if material)			
<b>2.6 Net cash from / (used in) investing activities</b>		<b>0</b>	<b>0</b>

<b>3. Cash flows from financing activities</b>			
3.1 Proceeds from issues of shares			
3.2 Proceeds from issue of convertible notes			
3.3 Proceeds from exercise of share options			
3.4 Transaction costs related to issues of shares, convertible notes or options		(1)	(1)
3.5 Proceeds from borrowings			
3.6 Repayment of borrowings			
3.7 Transaction costs related to loans and borrowings			
3.8 Dividends paid			
3.9 Other (provide details if material)			
<b>3.10 Net cash from / (used in) financing activities</b>		<b>(1)</b>	<b>(1)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	8,144	8,144
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,423)	(1,423)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1)	(1)
4.5	Effect of movement in exchange rates on cash held	0	0
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>6,720</b>	<b>6,720</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6,670	8,094
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other – bank guarantee	50	50
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,720</b>	<b>8,144</b>

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	274
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	0
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
<ul style="list-style-type: none"><li>- Fees paid to Mac Equity Partners (International) Pty Ltd, a company of which Director Geoff Pocock was a shareholder and director, as per the Corporate Services Agreement outlined in the IPO Prospectus (\$26k). This agreement ended on 31 August 2017.</li><li>- Salary and superannuation (\$66k) and bonus (\$120k) paid to the Managing Director</li><li>- Director fees and superannuation paid to Non-Executive Directors (\$38k)</li><li>- Consultancy fees paid to Non-Executive Director Terry Walsh (\$24k)</li></ul>		

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	0
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	0	0
8.2 Credit standby arrangements	0	0
8.3 Other (please specify)	0	0
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(400)
9.2 Product manufacturing and operating costs	0
9.3 Advertising and marketing	0
9.4 Leased assets	0
9.5 Staff costs	(550)
9.6 Administration and corporate costs	(300)
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>1,250</b>

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Company secretary)

Date: ..31 October 2017.....

Print name: .....Emma Waldon.....

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.