

## APPENDIX 4C – 30 SEPTEMBER 2024 QUARTERLY ACTIVITIES & CASHFLOW REPORT

### Highlights:

- *CDP achieves over 360 hours of continuous operation; high plant reliability and methane conversion rates.*
- *Technology and reactor performance test program in line with expectations for completion by end of 2024.*
- *Fabrication of the commercial scale reactor to support current projects in pre-FEED, including Canada, was completed in readiness for scale up concept testing in 2025.*
- *First payments received for engineering services provided by Hazer to advance FortisBC Energy Inc. ("FortisBC") British Columbia, Canada project.*
- *Hazer's robust intellectual property protection rights position was confirmed by the World Intellectual Property Organisation ("WIPO") for patentability, supporting Hazer's commercialisation strategy.*
- *Robust financial position with R&D tax incentive refund processed and expected in the coming quarter.*
- ***CEO Glenn Corrie and other members of the leadership team will be hosting a webinar on Wednesday, 23 October 2024 at 8:00am (AWST) / 11:00am (AEST). Details are provided below.***

**PERTH, AUSTRALIA; 21 October 2024:** Hazer Group Ltd ("Hazer" or "the Company") (ASX: HZR) lodges the following activity update and attached Appendix 4C Quarterly Cashflow Report for the three-month period ended 30 September 2024 ("Quarter").

**Discussing quarterly results, Hazer Managing Director Glenn Corrie said:** *"It's been a breakthrough quarter for our CDP achieving over 360 hours of reliable and stable production performance underlining the confidence that our technology is de-risking and demonstrating the key performance metrics of commercial readiness. This is further reinforced by the concurrent and continued good progress on our first commercial project in Canada and the receipt of payments for our engineering service support."*

*Progressive CDP test program performance continues to be an enabler for our commercialization strategy with growing demand for large scale applications in hard-to-abate sectors such as steel making, refining, and petrochemicals in strategic markets, especially Asia-Pacific and North America.*

*With the recent news related to the challenges of 'green hydrogen', Hazer is well positioned as a global leader in the methane pyrolysis technology sector offering the most viable alternative that can deliver an affordable, clean hydrogen solution which is ready for commercial deployment to support industry decarbonization at very large scale."*

**Key activities undertaken during the Quarter are outlined below:**

### **Commercial Demonstration Plant ("CDP")**

As announced on 30 September 2024, 362 hours of continuous operations was achieved with production uptime over 97% and extended periods of controlled catalyst injection. The CDP test program is achieving its performance objectives and completion of this phase is expected by the end of 2024.

This recent test campaign resulted in some significantly positive outcomes for Hazer's technology, including:

1. Methane to hydrogen conversion that aligns with design values providing further confidence in commercial scale-up;
2. Feed gas flow rate and procedural optimisation has achieved stable operation, controlled reactor parameters and fouling avoidance; and
3. Substantive production of Hazer graphite for advanced customer testing.

With the achievement of over 360 hours of continuous stable operations having been accomplished, a final 2024 CDP campaign will focus on the production of high-purity graphite to fulfil samples orders for larger scale application testing by clients, including to FortisBC in Canada. This is scheduled to be completed in CYQ4.



Figure 1: Graphite shipment to FortisBC



Figure 2: Next generation reactor vessel

Engineering work associated with the integration of the next generation reactor and heat exchange equipment has commenced. This work is in advanced stages and has been developed to further de-risk the scale up of the technology to commercial levels of more than 20ktpa of hydrogen production. Installation and testing of the next generation reactor at the CDP will commence in 2025 and will provide early data to validate the design for large commercial scale projects, including for FortisBC in Canada.

### Canada Project

As announced on 6 May 2024, Hazer and FortisBC entered into a binding Project Development Agreement ("PDA") to pursue the development of a hydrogen production facility in British Columbia, Canada, based on Hazer's technology and with a design capacity of up to 2,500 tonnes per annum ("tpa") of clean hydrogen.

Under the terms of the PDA, Hazer was to receive payment for Early Project Development Work associated with activities relating to the core Hazer technology components, delivering early cash flow now through Front-End Engineering and Design ("FEED"). As announced on 20 September 2024, first payment of ~A\$393k reflecting work performed to date was received under this arrangement, with expected total payment under the service agreement anticipated to be more than A\$1.8 million depending on final scope of work incurred. These ongoing payments will enable Hazer to support these activities in a commercially viable and sustainable manner.

The initial FEED study and the main components of the design basis for the 2,500 tpa hydrogen plant are in place and the FEED study will be refined and updated in the next phase following selection of the plant site. The fully integrated FEED study and the definitive commercial agreements will form the basis for submission of the project application to the regulator in 2025.

The Final Investment Decision ("FID") window is targeted as early as mid-2025 assuming third-party commercial offtake for the hydrogen which will simplify the regulatory approval process.

## **Commercial Business Development**

In recent months the challenges related to the cost of production and transportation of ‘green hydrogen’ (produced by electrolysis) have featured in the news. Hazer’s methane pyrolysis technology is increasingly being recognised as an attractive pathway to produce affordable clean hydrogen and graphite. The scale of demand for Hazer’s technology has noticeably increased; with potential project partners regularly seeking plant capacities between 50,000 and 100,000 tonnes per annum of hydrogen production.

Hazer continues to engage with a range of potential customers and project partners, with a focus on hard-to-abate sectors in North America and Asia.

## **Intellectual Property Protection Rights Update**

As announced on 16 September 2024, the World Intellectual Property Organisation (“WIPO”) has confirmed that all claims from Hazer’s latest international patent application - PCT/AU2023/051270 - satisfy WIPO’s requirements for patentability. These claims relate to reactor control systems used in catalyst-based pyrolysis technologies. In particular, WIPO has issued a Written Opinion of the International Preliminary Examining Authority which sets out that:

- All of Hazer’s claims satisfy requirements related to novelty, in compliance with PCT Article 33(2);
- All of Hazer’s claims satisfy requirements related to inventive step, in compliance with PCT Article 33(3); and
- All of Hazer’s claims satisfy requirements related to industrial applicability, in compliance with PCT Article 33(4).

WIPO’s finding is based on an examination conducted according to the Patent Cooperation Treaty by WIPO’s International Searching Authority. WIPO is the specialist body of the United Nations that administers global intellectual property protection right regimes, including patents via the Patent Cooperation Treaty. This treaty covers over 150 countries, including all key markets in which Hazer has commercial interests.

The international patent application - PCT/AU2023/051270 - relates to control technologies for enabling management and optimisation of hydrogen production reactions. The scope of this application gives broad protection for the proprietary Hazer Process and its commercial development strategy against other catalyst-based hydrogen production systems.

This is a significant milestone for Hazer, strengthening the protection around our technology. Additionally, WIPO’s confirmation extends the jurisdictional coverage and duration of Hazer’s key patent portfolio supporting the Company’s commercialisation strategy, further solidifying Hazer’s global intellectual property position.

Hazer has a disciplined and rigorous intellectual property strategy to protect its novel intellectual property as it progresses towards large-scale hydrogen production.

## **Corporate Update**

As of 30 September 2024, the Company had available funds of \$8.4 million. During the Quarter, Hazer had net operating cash outflows of \$3.3 million. Lower cash outflows reflect reduced costs associated with operating the CDP, routine staff and corporate expenditure, assisted by the first of ongoing payments by FortisBC for Hazer staff supporting the Canada Project.

The Company expects non-dilutionary cash inflows during the coming quarters, in addition to the reported estimated cash available for future operating activities set out in section 8 of the Appendix 4C. These include an expected annual R&D tax rebate of ~\$5 million (refer to the announcement of 29 August). Further, the Company continues to pursue non-refundable grants available at state and federal level.

Cash used for investing activities during the Quarter of \$1.2 million was for the fabrication of Hazer’s next generation reactor to support the future commercial scale-up program. These costs are non-recurring and are expected to be eligible for R&D tax incentive rebates.

The Company advises that \$0.18 million was paid to related parties during the Quarter (see section 6 of the attached Appendix 4C). These payments relate to salaries, fees and superannuation paid to Directors and CEO during the Quarter.

During the Quarter, 517,934 unquoted options issued to employees lapsed due to cessation of employment in accordance with the terms of their issue. The relevant Appendix 3H follows this announcement. On 29 August, the Company lodged its Appendix 4E & Annual Report to 30 June 2024 and Appendix 4G & Corporate Governance Statement. These are available on the Company's website and the Company expects to conduct its Annual General Meeting on Wednesday 20 November.

### **Corporate Access**

#### **Hazer Group Q1FY25 Investor Webinar**

Hazer CEO Glenn Corrie and other members of the leadership team will be hosting a webinar to discuss the Q1FY25 Report followed by a Q&A session. If you would like to join, please click on the link below to register:

Date: Wednesday, 23rd October 2024

Time: 8:00am (AWST) / 11:00am (AEST)

Registration: [link](#)

To submit questions ahead of time, please send them to [WE-AUHazer@we-worldwide.com](mailto:WE-AUHazer@we-worldwide.com).

#### **Hazer Group HNW Lunch**

In addition, Hazer CEO Glenn Corrie will be hosting a lunch for HNW investors in Melbourne on Monday, 28<sup>th</sup> October. If you would like to join, please contact us on [WE-AUHazer@we-worldwide.com](mailto:WE-AUHazer@we-worldwide.com).

#### **13<sup>th</sup> Australian Microcap Investment Conference**

Whilst in Melbourne, Glenn will also be presenting at the 13<sup>th</sup> Australian Microcap Investment conference on Tuesday, 29<sup>th</sup> October. He will be featured in the Energy and Resources section of the event, presenting at 2:15pm. Details are below:

Date: Tuesday, 29<sup>th</sup> October 2024

Time: Conference starts at 8:30am. Hazer's presentation will be at 2:15pm.

Registration: [Link](#)

**[ENDS]**

This announcement is authorised for release by the Board of the Company.

For further information or investor enquiries, please contact:

#### **Corporate Enquiries**

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## **ABOUT HAZER GROUP LTD**

Hazer Group is an Australian technology company, driving global decarbonisation efforts with the commercialisation of the company's disruptive world-leading climate-tech. Hazer's advanced technology enables the production of clean and economically competitive hydrogen and high-quality graphite, using a natural gas (or biogas) feedstock and iron-ore as the process catalyst.

## **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 X (Twitter) (@hazergroupltd), LinkedIn, Facebook, and YouTube. Subscribe to HAZER NEWS ALERTS - visit our website at [www.hazergroup.com.au](http://www.hazergroup.com.au) and subscribe to receive HAZER NEWS ALERTS, our email alert service. HAZER NEWS ALERTS is the fastest way to receive breaking news about @hazergroupltd.

## **Forward-looking Statements**

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts but are based on the Company's current expectations about future events and results.

Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties, assumptions, and other factors, which could cause actual results to differ materially to futures results expressed, projected, or implied by such forward looking statements.

The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statements" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under the applicable securities laws.



## Appendix 4C

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

**Name of entity**

HAZER GROUP LIMITED

**ABN**

40 144 044 600

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

30 SEPTEMBER 2024

Consolidated statement of cash flows		Current quarter \$ A'000	Year to date (3 months) \$ A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	409	409
1.2	Payments for		
	(a) research and development <sup>1</sup>	(1,287)	(1,287)
	(b) product manufacturing and operating costs		
	(c) advertising and marketing		
	(d) leased assets		
	(e) staff costs, including research and development staff	(1,844)	(1,844)
	(f) administration and corporate costs	(663)	(663)
1.3	Dividends received (see note 3)		
1.4	Interest received	114	114
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives - R&D tax rebate		
1.8	Other (provide details if material) - Net GST received / (paid) - Security deposits received / (paid)	(5)	(5)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(3,276)</b>	<b>(3,276)</b>

<sup>1</sup> Research and development expenditure in 1.2 (a) is expected to be eligible for the R&D tax incentive rebate.

Consolidated statement of cash flows		Current quarter \$ A'000	Year to date (3 months) \$ A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment <sup>2</sup>	(1,169)	(1,169)
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) 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</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,169)</b>	<b>(1,169)</b>

<sup>2</sup> Expenditure in 2.1(c) relates primarily to the CDP (Project) construction, development of scaled up reactor types and R&D program. This expenditure is expected to be eligible for the R&D tax incentive rebate.

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3)	(3)
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</b>	<b>Net cash from / (used in) financing activities</b>	<b>(3)</b>	<b>(3)</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 the beginning of the period	12,821	12,821
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,276)	(3,276)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,169)	(1,169)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3)	(3)
4.5	Effect of movement in exchange rates on cash held	0	0
<b>4.6</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>8,373</b>	<b>8,373</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	6,316	10,781
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
	- Deposits for bank guarantees	333	333
	- Restricted cash (ARENA grant)	1,724	1,707
<b>5.5</b>	<b>Cash and cash equivalents at the end of the quarter (should equal item 4.6 above)</b>	<b>8,373</b>	<b>12,821</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 <sup>3</sup>	179
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

<sup>3</sup> Salary, Director's fees and superannuation paid to Directors A\$(179k).



7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$ A'000</b>	<b>Amount drawn at quarter end \$ A'000</b>
7.1	Loan facilities	0	0
7.2	Credit standby arrangements	0	0
7.3	Other – convertible notes issued	0	0
7.4	<b>Total financing facilities</b>	<b>0</b>	<b>0</b>

7.5 **Unused financing facilities available at quarter-end**

0

7.6 Include in the box below a description of each Facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter-end, include a note providing details of those facilities as well.

No financing facilities have been entered into or are proposed at this time.

8.	<b>Estimated cash available for future operating activities</b>	<b>\$ A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	(3,276)
8.2	Cash and cash equivalents at quarter-end (Item 4.6)	8,373
8.3	Unused finance facilities available at quarter-end (Item 7.5)	0
8.4	Total available funding (Item 8.2 + Item 8.3)	8,373
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>2.56</b>

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

### 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.

Date: 21 October 2024

Authorised by: The Board of the Company  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.