Hazer Group Limited
Appendix 4E
Preliminary final report

1. Group details

Name of entity:	Hazer Group Limited
ABN:	40 144 044 600
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

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Revenues from ordinary activities	up	40%	to	3,794,229
Loss from ordinary activities after tax	up	56%	to	(19,067,366)
Loss for the year	up	56%	to	(19,067,366)

Dividends
No dividend has been declared.

Comments
The loss for the Group after providing for income tax amounted to $19,067,366 (30 June 2023: $12,205,599).

Revenues from ordinary activities increased by 40% to $3,794,229 due to a higher R&D tax income accrual than prior year. The driver for the higher accrual is increased spend to achieve construction completion of the Company's Commercial Demonstration Plant (CDP) and R&D salaries and wages and operating consultants during plant commissioning and testing during FY24.

Loss from ordinary activities after tax increased to $19,067,366 in 2024 (2023: $12,205,599): primarily due to the increased spending on the Commercial Demonstration Plant (CDP) construction during the year, with $3,570,610 subsequently impaired and expensed, compared to the prior year's impairment in 2023 of $146,755. 2023 impairment was also lower due to timing of ARENA grand and R&D offset. Along with higher than prior year spending on consulting and research expenses and employee benefits associated with plant commissioning and testing.

Since commencing the CDP the Group has spent $36,887,437 to the end of 30 June 2024 (2024: $6,751,321; 2023; $3,971,686; 2022: $16,673,069 2021: $8,439,490 and 2020: $1,051,871) and offset: $10,153,795 in R&D rebates (FY24 $1,753,569; FY23 $731,112; FY22 $7,669,114), realised in the year on commencement of the CDP's operations; and $7,910,000 from a grant received from the Australian Renewable Energy Agency (ARENA) (2024: $951,000; 2023: $2,969,000, 2022: Nil, 2021: $3,990,000). The net costs incurred on the CDP to the end of 30 June 2024 of $18,823,642 ($36,887,437 of total costs, less $10,153,795 for R&D offset, less $7,910,000 associated with grant funds received from ARENA) have been expensed to the profit and loss in line with the Australian accounting standard AASB 136 Impairment of Assets.

Other non-cash expenditure for 2024 included share based payments associated with options issued to management and employees of $1,626,869 (2023: $1,046,848) and depreciation and amortisation expenses of $115,430 (2023: $111,258).

The Group's total operating expenses increased by 29% to $17,548,686 (2023: $13,606,408), and comprise; increased employee benefits expenditure of $8,144,699 (2023: $4,754,006) associated with additional technical staff engaged in research and development activities and increases in consulting and research costs $6,838,097 (2023: $5,670,814) due to CDP Operations and the progression of the Canadian project; .

The net operating cash outflow for the year was $15,815,886 (2023: $1,276,514). Primary operating cash outflows for 2024 were for payments to suppliers and employees of $18,822,926 (2023: $11,064,599). Cash inflows in 2024 came from the receipt of the research and development tax incentive rebate of $2,536,015 (2023: $9,448,880). The Australian Federal Government's R&D Tax Incentive program provides a cash refund on eligible research and development activities performed by Australian companies and is an important program that strongly supports Australian innovation.

Investing cash outflows of $7,497,658 (2023: $4,497,509) during the year related to capital costs associated with the Hazer CDP and future reactor scale up development.

Financing cash inflows increased to a net inflow of $26,856,769 (2023: net inflow $2,975,579). Funds were generated during the current financial year from: the issue of 59,432,927 shares. In 2024 there were proceeds from borrowings of $1,759,000 (2023: $2,000,000) then full repayment of this facility of $1,850,568 (2023: payment of $4,852,193).

The Group's cash and cash-equivalent were $12,821,547 at 30 June 2024 (2023: $9,278,322) and net assets at 30 June 2024 were $13,570,549 (2023: $3,939,477).

3. Control gained over entities

Not applicable.

4. Loss of control over entities

Not applicable.

5. Details of associates and joint venture entities

Not applicable.

6. Audit qualification or review

The financial statements have been audited and an unmodified opinion has been issued.

7. Attachments

The Annual Report of Hazer Group Limited for the year ended 30 June 2024 is attached.

8. Signed

Signed ____________________ Date: 28 August 2024

Tim Goldsmith
Chairman

Hazer Group Limited

ABN 40 144 044 600

Annual Report – 30 June 2024

Directors	Tim Goldsmith (Non-Executive Chairman) Danielle Lee (Non-Executive Director) Andrew Hinkly (Non-Executive Director) Jack Hamilton (Non-Executive Director) Glenn Corrie (Executive Director)
Company Secretary	Joan Dabon
Registered office	Level 9, 99 St Georges Terrace Perth WA 6000
Principal place of business	Level 9, 99 St Georges Terrace Perth WA 6000
Share register	Automic Group Level 5, 191 St Georges Terrace Perth WA 6000
Auditor	RSM Australia Partners Level 32, Exchange Tower, 2 The Esplanade Perth WA 6000
Solicitors	Hopgood Ganim Level 27, 77 St Georges Terrace Perth WA 6000
Bankers	Commonwealth Bank of Australia 95 William Street Perth WA 6000
Stock exchange listing	Hazer Group Limited shares are listed on the Australian Securities Exchange (ASX code: HZR)
Website	www.hazergroup.com.au
Corporate Governance Statement	https://hazergroup.com.au/investors/#corporategovernance

Dear Shareholder

On behalf of the Board, I am pleased to present the 2024 Annual Report to shareholders.

The development of the Commercial Demonstration Plant (CDP) is fundamental in commercialising and showcasing the scalability of our Hazer Process, a world leading methane pyrolysis technology for the low emission and cost-effective production of clean hydrogen and graphite.

This has been an exciting year therefore as Hazer concluded plant construction and commissioning and achieved first production of hydrogen and graphite on commencement of hot operations in early H2. A transformational milestone for our technology and company.

As part of our phased approach to scaling production the team has been safely executing the CDP planned performance test program to demonstrate commercial readiness of Hazer's proprietary technology. The CDP has progressively increased hydrogen and graphite production successfully recently completing over 180 hours of hot operations, the fourth test run of the program.

This most recent performance test run has further demonstrated the scalability of the Hazer technology and the following key objectives were achieved.

- Online injection of catalyst into reactor bed;
- Effective separation of solids from product gas stream; and
- Stable system operating conditions.

Importantly, the Operations and Technology teams have managed to maintain stable operation despite encountering external challenges, including a brief grid power outage and gas supply interruptions. While some challenges are expected for a first-of-a-kind facility, the core fundamentals of Hazer's technology prove, once again, to be strong and scalable. This underpins the robustness and stability of the plant, equipment and operating procedures, as well as the strength of these teams.

The MKII prototype reactor (which utilises improved technology developed by Hatch in collaboration with Hazer) and back-up heat exchanger are also largely complete with materials being stored locally at Hazer's storage facility ahead of the next stage of reactor development testing.

Focusing on demonstrating continuous operations at a commercial scale has assisted with securing Hazer's global commercial project portfolio.

The overall outlook for our Hazer technology remains enormously promising, with international interest in methane pyrolysis technologies continuing to increase. We have positioned ourselves strongly when comparing with competing technologies, building strong foundations based on our technical development and R&D program, and the positive impact of our flagship CDP.

We have also advanced important commercial projects during this financial year. Firstly, we have signed a binding Project Development Agreement (PDA) with Fortis BC in British Columbia, Canada for a plant with capacity to produce up to 2,500tpa of hydrogen, a scale-up of 25 times on the CDP (~100tpa of hydrogen). Under the terms of the PDA, FortisBC will hold 100% equity ownership and assume the role of project lead developer and operator of the facility. For Hazer, this is a significantly improved and de-risked position when compared to the previously anticipated joint operatorship arrangement, as announced on 11 February 2022, as it aligns with Hazer's 'capex lite' business model.

In Japan, Chubu Electric and Chiyoda have completed the feasibility study for the development of a Hazer facility in the Nagoya area in Japan (refer announcement dated 11 April 2023). The study results support the technical and commercial viability of the project.

Also in Japan, during the year Hazer and Mitsui advanced their collaboration extending our MOU relating to the joint investigation of the potential markets for Hazer graphite. Following detailed evaluation and testing, the parties have received positive market feedback and successfully identified several potential customers showing initial interest in Hazer graphite.

In May 2024 the scope of our existing collaboration with ENGIE was extended to enable the joint pursuit of project opportunities outside the European Union, as well as specific initiatives related to potential offtake of Hazer graphite. Parties will continue to explore hydrogen offtake opportunities for the H2Montoir project

Most recently, the Company entered into a non-binding Memorandum of Understanding to collaborate on the integration of Hazer's hydrogen production technology into POSCO's low-carbon steel production (refer announcement dated 31 May 2024). POSCO and Hazer will also assess the application of Hazer's low emissions graphite product in various parts of the steel making process, as well as a market investigation into the applications of Hazer graphite outside of steel. This project and collaboration has the potential to be a large-scale opportunity for Hazer in the long-term.

The company continued to strengthen the team throughout the year welcoming Mr Tim Forbes as Chief Technology Officer (CTO) of Hazer, effective 20 July 2023. Tim brings extensive global technology experience from ExxonMobil and Fortescue Future Industries. In addition, we appointed Mr Neil Brodie as Chief Financial Officer (CFO) effective 1 September 2023. Neil had acted as Hazer Group's Interim CFO since December 2022 and has over 25 years of finance, strategic planning, and commercial experience in energy-related industries, including senior roles in the private and public sector. Early into the 2025 financial year we appointed Tom Coolican as Chief Operating Officer (COO). Tom is an accomplished executive with over 25 years of energy industry experience and brings extensive leadership and operating experience from senior roles with GR Production Services, Jadestone Energy, ENI and Woodside.

During the year, the Company successfully completed two non-renounceable pro-rata entitlement offers raising $29.1 million (before share issue costs). These proceeds strengthen Hazer's funding position and complements other sources of funding received during the year: such as the FY23 Research and Development rebate and ARENA grant funding milestones. Funds raised support Hazer's next phase of growth including operational performance and testing for the CDP, to advance Hazer's existing commercial projects and to pursue further opportunities for Hazer technology development.

Finally, we continue to be grateful to our shareholders, for your ongoing support throughout 2024. I look forward to your continued support as a shareholder as the Company continues its exciting journey.

Yours faithfully

Mr Tim Goldsmith
Non-Executive Chairman

COMMERCIAL DEMONSTRATION PLANT

The Hazer Commercial Demonstration Project ('CDP') is the first fully integrated demonstration of Hazer's technology, a ground-breaking milestone for our company The aim of the CDP is to demonstrate the scale-up and commercial potential of the Hazer Process, a world leading example of methane pyrolysis, a low emission and cost-effective method to produce clean hydrogen. The facility processes biogas produced from the treatment of wastewater at the Woodman Point Water Resource Recovery Facility to produce hydrogen and graphitic carbon, resulting in a carbon negative process.

In November 2023, the construction and commissioning of the CDP was completed. During January 2024, first hydrogen and graphite production was achieved at the CDP through commencement of hot operations as part of the planned performance test program to demonstrate commercial readiness of the Hazer technology.

The CDP test program outlines a series of specific tests and target data to progressively ramp up equipment and collect key performance data. Each step involves operating the plant in line with the specified test conditions followed by a subsequent scheduled shutdown to facilitate inspection of key equipment, gathering of process data and preparation for subsequent runs.

The two extended performance test runs during the year continue to build on demonstrating the fundamentals of Hazer's technology for a commercial demonstration scale. The Company confirms key objectives were achieved with highlights as follows:

- hydrogen and graphite production consistent with test plan expectations;
- significant increase to Hazer's graphite inventory; and
- online injection of catalyst into the reactor

The CDP test program is progressing to schedule. Minor improvements to the CDP have been implemented, including design modifications to the reactor feed distributor and controls to ensure plant feed rates required by the test program are maintained. Hazer also continues to showcase the facility to key visitors and to prospective domestic and international customers as the team works towards completing the extensive test program during 2024

The next generation reactor, capable of scaling up the technology to commercial levels in excess of 20ktpa hydrogen production, and back-up heat exchanger are largely complete with materials being stored locally at Hazer's storage facility ahead of the next stage of reactor development testing. The next generation reactor is a prototype for the commercial scale projects, including FortisBC in Canada, and will be tested at the CDP in 2025 as part of de-risking the project and providing early data to validate the commercial design.

COMMERCIAL OPPORTUNITIES AND PARTNERSHIPS

As the planned performance test program advances, Hazer continues to collect a wide range of valuable data which is being utilized to progress commercial discussions with existing partners as projects progress towards investment decisions, as well as creating a dataset being used to showcase the capabilities of the technology to potential new customers.

Canada Project

Hazer and FortisBC Energy Inc ("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, FortisBC will hold 100% equity ownership and assume the role of project lead developer and operator of the facility. For Hazer, this is a significantly improved and de-risked position when compared to the previously anticipated joint operatorship arrangement, as announced on 11 February 2022, as it aligns with Hazer's 'capex lite' business model.

Hazer will also receive payment for Early Project Development Work associated with leading the engineering activities relating to the core Hazer technology components. Under the engineering services agreement, FortisBC will pay Hazer for engineering and design work as well as for support for any regulatory project development activities carried out. This arrangement delivers an early revenue stream to Hazer through FEED and also removes large capital expenditure obligations for the Company.

A key principle of the technology license agreement is the payment of license fees for using the Hazer Process. The license fees to be received by Hazer will be determined using a sliding scale model based on size of the facility, production of hydrogen and graphite, and other relevant factors. The amount of the license fees will be negotiated with FortisBC during definitive commercial agreement discussions throughout the year.

The initial phase of the Front-End Engineering and Design ("FEED") study, carried out by Wood Plc, have now been completed and the main components of the design basis for the 2,500 tpa plant are in place to enable the project to progress into the next phase of development. The FEED study will be refined and updated following selection of the plant site. The fully integrated FEED study is targeted for completion in late 2024 and together with definitive commercial agreements will form the basis for submission of the project application to the regulator in 1H 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.

Chubu Electric and Chiyoda project

In line with the original plan and schedule, Chubu Electric and Chiyoda have completed the feasibility study for the development of a Hazer facility in the Nagoya area in Japan (refer announcement dated 11 April 2023). The study results support the technical and commercial viability of the project. Next steps will include graphite sample testing to validate the applicability of using Hazer graphite in the manufacturing of asphalt and/or concrete. Concurrently, Chubu Electric is exploring project co-funding options and planning to seek senior management approval to progress the project to pre-FEED/FEED stages.

Mitsui

The ongoing collaboration with Mitsui relating to the market investigation of Hazer graphite continues to provide valuable insights in the potential applications and offtakers. Mitsui has identified a long-list of potential offtakers in both the steel making and chemicals market segments. Interested parties will be provided with representative graphite samples from the CDP for qualification testing.

In addition to the collaboration with Mitsui, Hazer is actively engaged in discussions with a number of potential offtakers for its graphite across key strategic markets of North America, Europe and the Asia Pacific region.

ENGIE relationship extended

The scope of existing collaboration with ENGIE has been extended to enable the joint pursuit of project opportunities outside the European Union, as well as specific initiatives related to potential offtake of Hazer graphite. Parties will continue to explore hydrogen offtake opportunities for the H2Montoir project. The new Memorandum of Understanding is valid until 30 April 2026.

Collaboration with POSCO

POSCO and Hazer signed a non-binding Memorandum of Understanding to collaborate on the integration of Hazer's hydrogen production technology into POSCO's low-carbon steel production. POSCO and Hazer will also assess the application of Hazer's low emissions graphite product in various parts of the steel making process, as well as a market investigation into the applications of Hazer graphite outside of steel (refer announcement dated 31 May 2024).

POSCO, headquartered in Pohang, Korea, is the world's sixth largest steel producer. It operates the world's two largest steel works, located at Pohang and Gwangyang. POSCO has announced its plans to achieve carbon neutrality by 2050, these plans are centred on POSCO's propriety HyREX® technology for hydrogen reduced iron making.

The initial capacity is expected to be in line with Hazer's technology up-scaling strategy. The exact capacity will be determined during the evaluation of the integration of the Hazer technology with POSCO's low carbon steel making process.

2024 was an important year for Hazer to bring our technology online at demonstration plant level elevating the technology readiness and preparing it for commercialisation. Concurrently, the demand for our technology has increased and we continue to engage with a array of potential customers that view the decarbonisation potential of Hazer's technology. I'm confident we have a strong foundation for growth and look forward to building on this momentum and driving forward our commercialisation strategy unlocking the true underlying value for our company for shareholders.

I would like to thank all of the staff, shareholders and other stakeholders for your support during the year.

Mr Glenn Corrie
Managing Director and Chief Executive Officer

The directors present their report, together with the financial statements, on the Group(referred to hereafter as 'the Group') consisting of Hazer Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entity it controlled at the end of, or during, the year ended 30 June 2024.

Directors
The following persons were Directors of Hazer Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Tim Goldsmith
- Danielle Lee
- Andrew Hinkley
- Jack Hamilton
- Glenn Corrie

Principal activities
During the financial year, the principal continuing activities of the Group consisted of research and development of novel graphite-and-hydrogen-production technology.

The Group has intellectual property rights to a technology (the ‘Hazer Process’), which enables the production of hydrogen gas from the thermo-catalytic decomposition of methane (natural gas) with negligible carbon dioxide emissions and the coproduction of a high-purity graphite product.

Dividends
There were no dividends paid during the year.

Review of operations
The loss for the Group after providing for income tax amounted to $19,067,366 (30 June 2023: $12,205,599).

Revenues from ordinary activities increased by 40% to $3,794,229 due to a higher R&D tax income accrual than prior year. The driver for the higher accrual is increased spend to achieve construction completion of the Company's CDP and R&D salaries and wages and operating consultants during plant commissioning and testing during FY24.

Loss from ordinary activities after tax increased to $19,067,366 in 2024 (2023: $12,205,599): primarily due to the increased spending on the CDP construction during the year, with $3,570,610 subsequently impaired and expensed, compared to the prior year's impairment in 2023 of $146,755. Prior year impairment was also lower due to the timing of the ARENA grant and R&D offset. Along with higher than prior year spending on consulting and research expenses and employee benefits associated with plant commissioning and testing.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year
- CDP related operating expenditure including operational performance testing and post start up R&D/reactor operating performance diagnostics;
- Advancing current commercial projects in Australia, Canada, France, North America, Japan and Korea, and pursuing further opportunities elsewhere;

Other than the above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation
The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Name:	**Tim Goldsmith**
Title:	Non-Executive Chairman (Independent Director)
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:	Tim was CEO of Rincon Ltd from November 2017, assisting with addressing corporate issues and maintaining solvency. After that was taken over 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 2022 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 2021. 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.
Other current directorships:	Non-Executive Director of Pantera Resources Ltd (ASX: PFE)
Former directorships (last 3 years):	Chairman of Angel Seafood Holdings Limited (ASX: AS1) Non-Executive Director of Costa Group Holdings Ltd (ASX: CGC)
Special responsibilities:	Member of the Audit and Risk Committee and Member of Remuneration and Nomination Committee
Interests in shares:	2,549,071
Interests in options:	910,418
Contractual rights to shares:	None

Name:	**Danielle Lee**
Title:	Non-Executive Director (Independent 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 company director and qualified lawyer with over 25 years' experience providing corporate advisory and governance services to ASX listed and other companies across broad range of industries. Danielle brings skills and insights in corporate governance, legal risk management and capital markets.
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
Interests in shares:	910,597
Interests in options:	433,996
Contractual rights to shares:	None

Name:	**Andrew Hinkly**
Title:	Non-Executive Director (Non-Independent 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:	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. 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.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	Indirect interest, as Managing Partner of AP Ventures, 10,445,901 shares[1]
Interests in options:	824,676[1]
Contractual rights to shares:	None

[1] Indirect interest as the Managing Partner of AP Ventures. On 12th April 2021, AP Ventures Fund II GP LLP were issued 2,250,000 options to acquire 2,250,000 ordinary Hazer share for a collective nominal exercise price of $1 for all options. These options was exercised in December 2021. On 12th April 2021, AP Ventures Fund II GP LLP were also issued 4,000,000 unquoted, unsecured Convertible Notes with a face value of $1 each. On 30 June 2024, all convertible notes had been converted to shares. On 22nd August 2023, AP Ventures participated in the rights issue to eligible shareholders and increased their shareholding to 10,445,901 and acquired 824,676 Options.

Name:	**Jack Hamilton**
Title:	Non-Executive Director (Independent 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:	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. 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.
Other current directorships:	Non-Executive Director of Iondrive Ltd (ASX: ION)
Former directorships (last 3 years):	Chairman of AnteoTech (ASX ADO) Non-Executive Director with Calix Ltd (ASX CXL)
Special responsibilities:	Chair of Remuneration and Nomination Committee and member of the Audit and Risk Committee
Interests in shares:	663,265
Interests in options:	586,794
Contractual rights to shares:	None

Name:	**Glenn Corrie**
Title:	Managing Director and Chief Executive Officer
Length of service:	Chief Executive Officer since 10 October 2022 and Managing Director since 3 April 2023
Qualifications:	MBA from the University of Chicago-Booth School of Business and an honours degree in geophysics from Adelaide University
Experience and expertise:	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. Glenn has substantial capital markets experience as well as extensive global M&A experience. 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 funded 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, he has also 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:	None
Former directorships (last 3 years):	Nil
Special responsibilities:	Managing Director
Interests in shares:	628,660
Interests in options:	4,327,395
Contractual rights to shares:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary

Joan Dabon - appointed 1 December 2023

Joan is a Chartered Secretary with Source Governance and has over 8 years' experience in providing company secretarial and corporate advisory services to ASX and NSX listed companies across a variety of sectors including mining, property development, logistics and distribution, consumer services, manufacturing, and agriculture.

She has also acted as company secretary for public unlisted and proprietary companies, monitoring and managing their corporate governance and compliance frameworks. Joan has Juris Doctor degree and is an associate member of the Governance Institute of Australia.

Harry Spindler - resigned 1 December 2023.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Full Board		Audit and Risk Committee		Remuneration and Nomination Committee	
	Attended	Held[1]	Attended	Held[1]	Attended	Held[1]
Tim Goldsmith	8	8	2	2	2	2
Danielle Lee	8	8	2	2	2	2
Andrew Hinkley	6	8	-	-	-	-
Jack Hamilton	8	8	2	2	2	2
Glenn Corrie	8	8	2	2	2	2

[1] Held: represents the number of meetings held during the time the Director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage/alignment of executive compensation
- transparency
- capital management

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel, and it is based on the following factors:

Alignment to shareholders' interests:

- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the remuneration structure of non-executive directors and executive directors is separate.

Non-executive directors remuneration
Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

Non-Executive Directors do not receive any retirement benefits, other than statutory superannuation.

ASX listing rules require the aggregate Non-Executive Director’s remuneration be determined periodically by a general meeting. Aggregate fixed remuneration for all Non-Executive Directors as determined by the Board is not to exceed $300,000 per annum. Directors’ fees cover all main board and committee activities.

The level of Non-Executive Director fixed fees as at the reporting date are as follows:

Tim Goldsmith	$ 75,000 plus statutory superannuation per annum
Danielle Lee	$ 50,000 plus statutory superannuation per annum
Andrew Hinkley	Reimbursement of reasonable fees and expenses in attending one annual face-to-face meeting of the Board in Australia.
Jack Hamilton	$ 55,500 per annum

Non-Executive Directors may also receive performance-related compensation via options following receipt of shareholder approval. The issue of share-based payments as part of Non-Executive Director remuneration ensures that Director remuneration is competitive with market standards and provides an incentive to pursue longer-term success for the Company. It also reduces the demand on the cash resources of the Company and assists in ensuring the continuity of service of Directors who have extensive knowledge of the Company, its business activities and assets and the industry in which it operates. Details of share-based compensation is contained in this report.

Executive remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation, and non-monetary benefits, is reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example, motor vehicle benefits) where it does not create additional costs to the Group and provides additional value to the executive.

Performance-based short-term incentives ('STI') may be provided to executives to align the business targets with those executives responsible for meeting those targets.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares and options may be awarded to executives based on long-term incentive measures, including increasing shareholder value. Share-based LTIs issued to the Managing Director are subject to shareholder approval.

Use of remuneration consultants
During the financial year ended 30 June 2024, the Group engaged the services of independent Human Resources consultants to provide benchmarking data to measure remuneration for Directors and all personnel.

Voting and comments made at the company's Annual General Meeting ('AGM')
The Company received 89.12% “for” votes on its Remuneration Report for the year ended 30 June 2023.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following Directors of the Company:

- Tim Goldsmith – Non-Executive Chairman
- Danielle Lee - Non-Executive Director
- Andrew Hinkly – Non-Executive Director
- Jack Hamilton – Non-Executive Director
- Glenn Corrie – Executive Director

Executive Management are not considered to be Key Management Personnel.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments [1]	
2024	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**Total $**
Non-Executive Directors:							
Tim Goldsmith	75,000	-	-	8,250	-	91,916	175,166
Danielle Lee	50,000	-	-	5,500	-	60,402	115,902
Andrew Hinkly	-	-	-	-	-	-	-
Jack Hamilton	55,500	-	-	-	-	60,402	115,902
Executive Directors:							
Glenn Corrie	480,000	93,046	-	27,396	-	1,068,477	1,668,919
	660,500	93,046	-	41,146	-	1,281,197	2,075,889

[1] Share-based payments relate to options issued in prior periods vesting over multiple periods.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments [3]	
2023	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**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	-	-	-	-	-	-	-
Jack Hamilton	55,250	-	-	-	-	36,009	91,259
Executive Directors:							
Glenn Corrie [1]	349,425	-	-	19,051	-	771,555	1,140,031
Geoff Ward [2]	143,668	-	-	14,390	-	-	158,058
	673,343	-	-	46,566	-	898,369	1,618,278

[1] Glenn Corrie was CEO from 10 October 2022 and CEO and Managing Director from 3 April 2023

[2] Geoff Ward resigned as Managing Director on 1 July 2022 and remained as CEO until 10 October 2022. Remuneration reported in the table above is in relation to Geoff Ward's role as CEO.

[3] Share-based payments relate to options issued in a current period vesting over multiple periods.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2024	2023	2024	2023	2024	2023
Non-Executive Directors:						
Tim Goldsmith	48%	60%	-	-	52%	40%
Danielle Lee	48%	61%	-	-	52%	39%
Andrew Hinkly	-	-	-	-	-	-
Jack Hamilton	48%	61%	-	-	52%	39%
Executive Directors:						
Glenn Corrie	30%	32%	6%	-	64%	68%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Glenn Corrie
Title:	Executive Director and Chief Executive Officer
Agreement commenced:	10 October 2022
Term of agreement:	Open
Details:	Base salary for the year ending 30 June 2024 of $480,000 plus superannuation. In addition to the Base Salary, a bonus of up to 50% if KPIs set by the Board are met. Achievement of set KPIs is at the discretion of the Nomination and Remuneration Committee. Further the Executive will be entitled to the Initial Long Term Incentive of 4.1million performance Based Options to acquire fully paid ordinary shares in the Company. Three month termination notice by either party. Twelve month non solicitation clause after termination.

Share-based compensation

Options

The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below:

	Number of options granted during the year	Number of options granted during the year	Number of options vested during the year	Number of options vested during the year
	2024	2023	2024	2023
Tim Goldsmith	-	525,000	-	-
Danielle Lee	-	345,000	-	-
Andrew Hinkly	-	-	-	-
Jack Hamilton	-	345,000	-	-
Glenn Corrie[1]	-	4,100,000	-	-
	-	-	-	-
	-	5,315,000	-	-

[1] Share-based payments relate to options issued in prior periods vesting over multiple periods, subject to meeting certain tenure or share price-based criteria.

Values of options over ordinary shares granted, exercised and lapsed for Directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below:

Year ended 30 June 2024	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consists of options for the year %
Tim Goldsmith	-	-	-	52.00%
Danielle Lee	-	-	-	52.00%
Andrew Hinkly	-	-	-	-
Jack Hamilton	-	-	-	52.00%
Glenn Corrie	-	-	-	64.00%
	-	-	-	

Values of options over ordinary shares granted, exercised and lapsed for Directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Year ended 30 June 2023	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consists of options for the year %
Tim Goldsmith	276,758	-	-	40.00%
Danielle Lee	181,870	-	-	39.00%
Andrew Hinkly	-	-	-	-
Jack Hamilton	181,870	-	-	39.00%
Glenn Corrie	2,448,084	-	-	68.00%
	3,088,582	-	-	

Additional information

The earnings of the Group for the five years to 30 June 2024 are summarised below:

	2024 $	2023 $	2022 $	2021 $	2020 $
Revenues from ordinary activities	3,794,229	2,705,670	1,297,805	2,664,459	1,436,617
(Loss) after income tax	(19,067,366)	(12,205,599)	(16,414,826)	(11,656,094)	(3,225,289)
Net assets	13,570,549	3,939,477	12,451,967	13,316,270	18,013,551

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	2021	2020
Share price at financial year end ($)	0.37	0.63	0.76	0.86	0.37
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(9.28)	(7.19)	(10.38)	(8.22)	(2.99)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ Other	Balance at the end of the year
Ordinary Shares					
Tim Goldsmith	1,528,237	-	1,020,834	-	2,549,071
Danielle Lee	682,608	-	227,989	-	910,597
Andrew Hinkly [1]	8,796,549	-	1,649,352	-	10,445,901
Jack Hamilton	74,678	-	588,587	-	663,265
Glenn Corrie	38,871	-	589,789	-	628,660
	11,120,943	-	4,076,551	-	15,197,494

[1] Indirect interest as the Managing Partner of AP Ventures.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Additions	Expired Forfeited/ exercised	Balance at the end of the year
Options over ordinary shares					
Tim Goldsmith	525,000	-	385,418	-	910,418
Danielle Lee	345,000	-	88,996	-	433,996
Andrew Hinkly	-	-	824,676	-	824,676
Jack Hamilton	345,000	-	241,794	-	586,794
Glenn Corrie	4,100,000	-	227,395	-	4,327,395
	5,315,000	-	1,768,279	-	7,083,279

There are no other transactions with key management personnel and their related parties.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Hazer Group Limited under option at the date of this report are as follows:

Options series	Grant date	Expiry date	Exercise price	Number under option
Unquoted Options Series P	22/12/2022	22/12/2027	\$0.001	4,100,000
Unquoted Options Series Q	22/12/2022	22/12/2027	\$0.001	1,215,000
Unquoted Options Series R	19/05/2023	01/01/2028	\$0.001	1,867,890
Quoted Options	22/08/2023	28/02/2025	\$0.750	8,032,578
Quoted Options	25/08/2023	28/02/2025	\$0.750	6,572,700
Quoted Options	02/10/2023	28/02/2025	\$0.750	718,978
Quoted Options	26/02/2024	28/02/2025	\$0.750	4,018,500
Quoted Options	20/03/2024	28/02/2025	\$0.750	2,696,500
Quoted Options	08/05/2024	28/02/2025	\$0.750	481,500
				29,703,646

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of Hazer Group Limited were issued during the year ended 30 June 2024 and up to the date of this report on the exercise of options granted:

Options series	Grant date	Expiry date	Exercise price	Number of shares issued
Quoted Options	22/08/2023	28/02/2025	$0.75	375

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Group paid a premium in respect of a contract to insure the Directors and executives of the Group against liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor.

Auditor's independence declaration

A copy of the auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is set out on the following page.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Tim Goldsmith

Tim Goldsmith
Chairman

28 August 2024

RSM Australia Partners

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2 The Esplanade Perth WA 6000
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www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Hazer Group Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA

AWhyte

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 28 August 2024

Contents

General information

The financial statements cover Hazer Group Limited as a Group consisting of Hazer Group Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Hazer Group Limited's functional and presentation currency.

Hazer Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Level 9, 99 St Georges Terrace Perth WA 6000	Level 9, 99 St Georges Terrace Perth WA 6000

The Directors' report includes a description of the nature of the Group's operations and its principal activities, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 August 2024.

The Directors have the power to amend and reissue the financial statements.

Hazer Group Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 $	2023 $
Revenue			
Interest income		479,195	302,861
R&D tax rebate	28	3,315,034	2,402,809
		3,794,229	2,705,670
Expenses			
Finance costs	18	(171,418)	(370,935)
Administration		(2,394,472)	(2,810,653)
Consulting and research expenses		(6,838,097)	(5,670,814)
Employee benefits expenses		(8,144,699)	(4,754,006)
Share based payments	25	(1,626,869)	(1,046,848)
Depreciation and amortisation expense		(115,430)	(111,258)
Impairment expense on commercial demonstration plant	8	(3,570,610)	(146,755)
Loss before income tax expense		(19,067,366)	(12,205,599)
Income tax expense	17	-	-
Loss after income tax expense for the year	16	(19,067,366)	(12,205,599)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(19,067,366)	(12,205,599)
		Cents	**Cents**
Basic earnings per share	27	(9.28)	(7.19)
Diluted earnings per share	27	(9.28)	(7.19)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 2024 $	Consolidated 2023 $
Assets			
Current assets			
Cash and cash equivalents	5	12,821,547	9,278,322
Trade and other receivables	6	5,228,097	2,939,084
Other current assets	7	321,695	161,457
Total current assets		18,371,339	12,378,863
Non-current assets			
Commercial Demonstration Plant	8	-	-
Plant and equipment	9	10,462	21,162
Leases	10	199,758	265,350
Total non-current assets		210,220	286,512
Total assets		18,581,559	12,665,375
Liabilities			
Current liabilities			
Trade and other payables	11	2,249,472	5,146,293
Provisions	12	348,218	254,360
Leases	10	102,926	87,029
Contract liabilities	13	500,000	951,000
Total current liabilities		3,200,616	6,438,682
Non-current liabilities			
Leases	10	119,902	174,233
Contract liabilities	13	1,000,000	1,500,000
Provisions	12	690,492	612,983
Total non-current liabilities		1,810,394	2,287,216
Total liabilities		5,011,010	8,725,898
Net assets		13,570,549	3,939,477
Equity			
Issued capital	14	88,731,322	61,505,433
Reserves	15	2,519,398	1,630,088
Equity - accumulated losses	16	(77,680,171)	(59,196,044)
Total equity		13,570,549	3,939,477

The above statement of financial position should be read in conjunction with the accompanying notes

Hazer Group Limited
Statement of changes in equity
For the year ended 30 June 2024

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2022	58,859,172	2,585,976	(48,993,181)	12,451,967
Loss after income tax expense for the year	-	-	(12,205,599)	(12,205,599)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(12,205,599)	(12,205,599)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 14)	2,646,261	-	-	2,646,261
Share-based payments (note 15)	-	1,046,848	-	1,046,848
Transfer expired options to accumulated losses (note 16)	-	(2,002,736)	2,002,736	-
Balance at 30 June 2023	61,505,433	1,630,088	(59,196,044)	3,939,477

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2023	61,505,433	1,630,088	(59,196,044)	3,939,477
Loss after income tax expense for the year	-	-	(19,067,366)	(19,067,366)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(19,067,366)	(19,067,366)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 14)	27,071,289	-	-	27,071,289
Shares issued pursuant to the exercise of options (note 14)	281	-	-	281
Share-based payments (note 14 and note 15)	154,319	1,472,549	-	1,626,868
Transferred expired options to accumulated losses (note 16)	-	(583,239)	583,239	-
Balance at 30 June 2024	88,731,322	2,519,398	(77,680,171)	13,570,549

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(18,822,926)	(11,064,599)
Interest received		479,195	347,981
Interest and other finance costs paid		(8,170)	(8,776)
Research & development tax rebate received		2,536,015	9,448,880
Net cash used in operating activities		(15,815,886)	(1,276,514)
Cash flows from investing activities			
Payments for Commercial Demonstration Plant		(7,497,658)	(4,476,844)
Other property plant and equipment		-	(20,665)
Net cash used in investing activities		(7,497,658)	(4,497,509)
Cash flows from financing activities			
Proceeds from issue of shares, net of share issue costs		29,103,806	(20,406)
Proceeds from borrowings		1,759,000	2,000,000
Repayment of borrowings		(1,850,568)	(4,852,193)
Transaction costs related to borrowings		-	(2,200)
Repayment of lease liability		(126,599)	(100,780)
Share issue transaction costs		(2,028,870)	-
Net cash from/(used in) financing activities		26,856,769	(2,975,579)
Net increase/(decrease) in cash and cash equivalents		3,543,225	(8,749,602)
Cash and cash equivalents at the beginning of the financial year		9,278,322	18,027,924
Cash and cash equivalents at the end of the financial year	5	12,821,547	9,278,322

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been adopted early.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards, as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Hazer Group Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Hazer Group Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Hazer Group Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Note 1. Material accounting policy information (continued)

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price, which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered, and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered, or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 1. Material accounting policy information (continued)

Research and Development tax rebate
Research and Development Tax Rebate (R&D Rebate) judgements are made by Management, utilising the Group's specialist R&D Tax advisers. The process includes interviews, documentation and assessment of the various activities undertaken by the Group to determine if the activities meet the statutory eligibility requirements for an R&D Rebate claim.

The R&D tax rebate is recognised when a reliable estimate of the amount's receivable can be made and accrues the amount as either income in the statement of profit or loss and other comprehensive income or, where appropriate, as an offset against capitalised development costs.

Provision for restoration
Provisions for restoration are made to recognise obligations to restore a site to its original condition and is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future restoration costs for the site are recognised in the statement of financial position by adjusting the asset and the provision. Where there is a reduction in the provision that exceeds the carrying amount of the asset, this is recognised in profit or loss.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 1. Material accounting policy information (continued)

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities
Contract liabilities represent obligations which are not yet satisfied in relation to government grant in financing the Commercial Demonstration Plant. Contract liabilities are recognised as revenue and as an offset to Commercial Demonstration Plant when the performance obligations in the contract are satisfied.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 1. Material accounting policy information (continued)

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Hazer Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Share-based payments
The Company provides benefits in the form of share-based payments, whereby persons render services in exchange for shares or rights over shares (‘equity settled transactions’). The Company does not provide cash settled share-based payments.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using an option-pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the period in which the service conditions are fulfilled, ending on the date on which the relevant persons become fully entitled to the award (the ‘vesting period’). The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss. Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum, an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 1. Material accounting policy information (continued)

Research and development
Research costs are expensed in the period in which they are incurred.

Capitalised Development Cost for Commercial Demonstration Plant
Costs directly attributable to create, produce and prepare the Commercial Demonstration Plant to be capable of operating in the manner intended by management are recognised as an asset when the following criteria are met:
- It is technically feasible to complete the Commercial Demonstration Plant so that it will be available for use;
- Management intends to complete the Commercial Demonstration Plant and use it;
- There is an ability to use the Commercial Demonstration Plant;
- It can be demonstrated how the Commercial Demonstration Plant will generate probable future economic benefits;
- Adequate technical, financial, and other resources to complete the development and to use the Commercial Demonstration Plant and;
- The expenditure attributable to the Commercial Demonstration Plant during its development can be reliably measured.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset will begin when the development is complete, and the asset is available for use. It will be amortised over the period of expected future benefit. Amortisation will be recorded in profit and loss.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Going concern
As disclosed in the financial statements, the Group's cash balance for the year ended 30 June 2024 was $12,821,547. The Group incurred a loss of $19,067,366 and had net cash outflows from operating activities of $15,815,886; net cash outlfow from investing activities of $7,497,658 and net cash inflow from financing activities of $26,856,769 for the year ended 30 June 2024.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:
- Receipt of FY24 and future R&D tax rebates. The Group has commenced the preparation of its R&D tax offsets claims for the 2024 financial year and expects to receive the rebates within the first half of the financial year ended 30 June 2025;
- Careful cost management with a focus on completion of the CDP and committed R&D projects and great scrutiny over any other future commitments including recruitment of staff;
- The Company has adequate cash balance of $12mil to cover its projected expenses while maintaining operational stability;
- The Company has a strong track record of successfully raising capital and expects to be able to raise additional capital through equity placements to new investors.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group does not anticipate that the application of the new or amended Accounting Standards and Interpretations in the future will have an impact on the Group’s financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Company assesses the impairment of non-financial assets, other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset, that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

R&D tax rebate
Significant judgement is required in determining the R&D tax rebate receivable. There are many processes undertaken in determining the claim and satisfying the statutory eligibility requirements for which the ultimate outcome is uncertain. The Group recognises a R&D tax rebate when a reliable estimate of the receivable can be determined in consultation with its independent R&D tax advisors.

Where the outcome of the R&D tax rebate claim is different from the carrying amounts, such differences will impact the statement of profit or loss and other comprehensive income or, where appropriate, as an offset against capitalised development costs in the period in which such determination is made.

Provision for restoration
The provision for restoration is measured at the undiscounted cost expected to restore the Site back to its original condition given the current technologies available, at the earlier of the termination date (30 June 2024) or when the Commercial Demonstration Plant is decommissioned. The calculation of this provision requires assumptions such as the application of closure dates and cost estimates. The provision recognised for the site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for the site, is recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Note 3. Operating segments

The Group has considered the requirements of AASB 8 – Operating Segments and has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision-makers) in assessing performance and determining the allocation of resources.

The Group operates as a single segment being research and development of novel graphite-and-hydrogen-production technology. There is no difference between the audited financial report and the internal reports generated for review. The Company is domiciled in Australia and its subsidiary is domiciled in Canada. The Group is currently in the development phase and hence has not begun to generate revenue from operations. All the assets are located in Australia.

Note 4. Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and short term deposits only.

The Group manages its exposure to key financial risks, including interest rate and liquidity risk in accordance with its financial risk management policy. The objective of the policy is to support the delivery of its financial targets whilst protecting future financial security.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for the identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below.

Interest rate risk
At the reporting date, the Group had $12,821,547 (2023: 9,278,322) in cash and cash equivalents exposed to interest rate risk.

At the reporting date, if interest rates had moved, as illustrated in the table below, with all other variables held constant, net loss and equity would have been affected as follows:

	Net Loss Higher/(lower)		Net Equity Higher/(lower)	
	2024	**2023**	**2024**	**2023**
+0.5% (50 basis points)	64,108	46,392	64,108	46,392
-0.5% (50 basis points)	(64,108)	(46,392)	(64,108)	(46,392)

The movements are due to higher / lower interest revenue from cash balances.

Other financial instruments held by the Group aside from cash and short-term deposits are predominantly fixed interest liabilities, and as such, are not exposed to interest rate risk.

Liquidity Risk
Liquidity risk is managed through the Group's objective to maintain adequate funding to meet its needs, currently represented by cash and short-term deposits sufficient to meet the current cash requirements.

The Group has assessed the liquidity risk that repayment obligations to secured lenders are not able to be met and concluded it to be low. Mandatory repayments to secured lenders are offset against the greater of the annual R&D tax rebate amounts as lodged to the Australian Taxation Office and amounts specified within a repayment schedule.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Note	Less than 3 months $	3 to 12 months $	1-5 years $	>5 years $	Total $
Year ended 30 June 2024						
Trade and other payables	11	2,249,472	-	-	-	2,249,472
Lease liabilities	10	25,777	77,149	119,902	-	222,828
Contract liabilities	13	-	500,000	1,000,000	-	1,500,000
		2,275,249	577,149	1,119,902	-	3,972,300
Year ended 30 June 2023						
Trade and other payables	11	5,146,293	-	-	-	5,146,293
Lease liabilities	10	22,583	64,446	174,233	-	261,262
Contract liabilities	13	-	951,000	1,500,000	-	2,451,000
		5,168,876	1,015,446	1,674,233	-	7,858,555

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 4. Financial risk management objectives and policies (continued)

Collateral
The Group has pledged part of its cash on deposit in order to fulfil the collateral requirements for its lease contracts and corporate credit card facilities. At 30 June 2024 the fair values of the short-term deposits pledged was $332,542 (2023: $332,542). The counterparties have the obligation to return the securities in the form of bank guarantees on termination of the lease agreement, subject to make good requirements on the leased properties being fulfilled, or on termination of the credit card facilities.

Capital management
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group monitors capital with reference to the net debt position. The Group's current policy is to keep the net debt position negative, such that cash and cash equivalents exceed debt.

Note 5. Cash and cash equivalents

	Consolidated	
	2024	2023
	$	$
Cash at bank	10,782,403	6,494,780
Cash on deposit	332,542	332,542
Cash at bank – restricted	1,706,602	2,451,000
	12,821,547	9,278,322

Cash on deposit
The Group has amounts held in term deposits with varying maturities. Amounts held in term deposits are for the purpose of fulfilling collateral and security requirements associated with lease arrangements and corporate credit card facilities held.

Cash at bank - restricted
The Group has received grant funding from ARENA, an independent agency of the Australian federal government, to support the design, procurement, construction, and operation of the Commercial Demonstration Plant. To access the grant funding, the Group must meet the operational and technical requirements of agreed funding milestones in a form acceptable to ARENA. This restricted cash represents the grant funding received where the milestone criteria are yet to be satisfied and the funds are not yet freely available for use by the Group.

Note 6. Trade and other receivables

	Consolidated	
	2024	2023
	$	$
GST refundable	159,494	281,305
R&D tax rebate receivable	5,068,603	2,657,779
	5,228,097	2,939,084

GST refundable
GST refundable relates to amounts receivable from the Australian Taxation Office (ATO) in relation to the GST portion paid or payable to trade creditors, which are claimable as input tax credits. GST refunds are generally received from the ATO in the following month, and no allowance for expected credit losses have been recognised in the period ended 30 June 2024 (2023: Nil).

R&D tax rebate receivable
R&D tax rebate receivable represents refundable tax offsets from the Australian Taxation Office (ATO) in relation to expenditure incurred in the current year for eligible research and development activities. Research and development activities are refundable at a rate of 43.5% for each dollar spent, subject to meeting certain eligibility criteria. Funds are expected to be received subsequent to the lodgement of the income tax return and research and development tax incentive schedule for the current financial year.

Note 7. Other current assets

	Consolidated 2024 $	Consolidated 2023 $
Prepayments	309,499	150,859
Deposits	12,196	10,598
	321,695	161,457

Note 8. Commercial Demonstration Plant

	Consolidated 2024 $	Consolidated 2023 $
Commercial Demonstration Plant	36,309,103	29,543,133
Commercial Demonstration Plant – R&D offset	(10,153,795)	(7,924,084)
Commercial Demonstration Plant – restoration provision	578,334	592,983
Commercial Demonstration Plant – accumulated amortisation & impairment	(18,823,642)	(15,253,032)
Commercial Demonstration Plant – ARENA grant offset	(7,910,000)	(6,959,000)
	-	-

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Cost and grant offset $	Amortisation and impairment $	Total $
Balance at 1 July 2022	15,106,277	(15,106,277)	-
Additions	3,971,687	-	3,971,687
ARENA grant - release of contract liability	(2,969,000)	-	(2,969,000)
R&D Offset	(855,932)	-	(855,932)
Impairment of assets	-	(146,755)	(146,755)
Balance at 30 June 2023	15,253,032	(15,253,032)	-
Additions	6,751,321	-	6,751,321
ARENA grant - release of contract liability	(951,000)	-	(951,000)
R&D Offset	(2,229,711)	-	(2,229,711)
Impairment of assets	-	(3,570,610)	(3,570,610)
Balance at 30 June 2024	18,823,642	(18,823,642)	-

Note 8. Commercial Demonstration Plant (continued)

The Commercial Demonstration Plant (CDP) is a key stage in the development and scale up of the Hazer process. Development costs directly attributable to create, produce and prepare the Commercial Demonstration Plant for the purpose intended by management is recognised as an intangible asset when the criteria under AASB 138 Intangible Assets are satisfied.

Impairment of the Commercial Demonstration Plant
At 30 June 2024, the Group performed its annual impairment test and identified indicators of impairment in line with AASB 136 Impairment of Assets. At the test date, it was determined that due to the experimental nature of the CDP, future cashflows associated with operating the CDP asset over its expected useful life of 3 years are not expected to exceed potential revenue from the sale of hydrogen and graphite products. Key assumptions used in the value in use calculation are based on market rates for the cost of labour and feedstock required to operate the CDP, along with potential sale price for hydrogen & graphite products.

Accordingly, the Group has concluded that the recoverable amount of the asset derived through its value in use did not exceed the carrying amount, and an impairment charge was recognised for the difference.

Note 9. Plant and equipment

	Consolidated 2024 $	Consolidated 2023 $
Plant and equipment - at cost	74,909	74,909
Less: Accumulated depreciation	(64,447)	(53,747)
Net book value for the period ended	10,462	21,162

Consolidated	Cost $	Depreciation $	Total $
Balance at 1 July 2022	**54,244**	**(46,401)**	**7,843**
Additions	20,665	(7,346)	13,319
Balance at 30 June 2023	**74,909**	**(53,747)**	**21,162**
Additions	-	(10,700)	(10,700)
Balance at 30 June 2024	**74,909**	**(64,447)**	**10,462**

Note 10. Leases

The Group has lease contracts for the occupation of various office and storage sites used in its operations. Leases of office space and storage sites generally have lease terms of 2 to 5 years, and also include some extension options of up to 2 years. The Group is restricted from assigning and sublease the leased assets. The Group's obligations under the leases are secured by the lessor's title to the leased assets and the amounts held as collateral with lessors in the form of security deposits or bank guarantees issued.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Note 10. Leases (continued)

	Consolidated 2024 $	Consolidated 2023 $
Right-of-use assets		
At 1 July	265,350	160,819
Remeasurement	39,138	208,444
Depreciation expense	(104,730)	(103,913)
At 30 June	199,758	265,350

	Consolidated 2024 $	Consolidated 2023 $
Lease liabilities		
At 1 July	261,262	152,608
Remeasurement	39,138	208,444
Accretion of interest	49,028	990
Payments	(126,600)	(100,780)
At 30 June	222,828	261,262

	Consolidated 2024 $	Consolidated 2023 $
Lease liabilities classification		
Current	102,926	87,029
Non-current	119,902	174,233
	222,828	261,262

The maturity analysis of lease liabilities is disclosed in note 4.

	Consolidated 2024 $	Consolidated 2023 $
The following are amounts recognised in the profit or loss:		
Depreciation expense of right-of-use assets	104,730	103,913
Interest expense on lease liabilities	49,028	990
	153,758	104,903

The Group had total cash outflows for leases of $126,600 in 2024 (2023: $100,780). The Group also had non-cash additions to right-of-use assets and lease liabilities of $39,138 in 2024 (2023: 208,444). The future cash outflows relating to leases that have not yet commenced are disclosed below.

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised.

Note 10. Leases (continued)

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

	Within 5 years	More than five years	Total
At 30 June 2023			
Extension options expected not to be exercised	361,919	-	361,919
At 30 June 2024			
Extension options expected not to be exercised	15,600	-	15,600

Note 11. Trade and other payables

	Consolidated 2024 $	2023 $
Accounts payable	1,825,518	3,627,453
Other payables	423,954	1,518,840
	2,249,472	5,146,293

Trade and other payables are non-interest bearing and generally have a term of 30-90 days.

Note 12. Provisions

	Consolidated 2024 $	2023 $
Current liabilities		
Employee benefits	348,218	254,360
Non-current liabilities		
Employee benefits	69,506	-
Lease make good	20,000	20,000
Provision for restoration	600,986	592,983
	690,492	612,983
	1,038,710	867,343

Employee benefits
The current provision for employee benefits represents annual leave and long service leave entitlements accrued by employees. It is measured as the value of expected future payments for the services provided by the employees up to the reporting date.

Non-current provisions for employee benefits represents annual leave and long service leave not expected to be settled within 12 months of the reporting date and are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 12. Provisions (continued)

Provision for restoration
The Group has entered into a Collaboration Deed with Water Corporation for the use of land and other resources at the Woodman Point Water Resource Recovery (Site) facility to construct and operate the Commercial Demonstration Plant. At the termination date of the Collaboration Deed, it imposes an obligation for the Group to decommission the CDP and restore the Site back to its original condition, unless otherwise agreed with Water Corporation at a later stage.

The provision for restoration is measured at the discounted cost expected to restore the Site back to its original condition given the current technologies available when the CDP is decommissioned.

	Provision for restoration
At 30 June 2023	592,983
Additional provision recognised	(14,649)
Unwinding of discount and changes in the discount rate	22,652
At 30 June 2024	600,986

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Note 13. Contract liabilities

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Current Contract liabilities	500,000	951,000
Non-current liabilities		
Non-current Contract liabilities	1,000,000	1,500,000
	1,500,000	2,451,000

The Group has received grant funding from ARENA, an independent agency of the Australian federal government, to support the design, procurement, construction, and operation of the Commercial Demonstration Plant. To access the grant funding, the Group must meet the operational and technical requirements of agreed funding milestones in a form acceptable to ARENA. Contract liabilities represent the grant funding received where the milestone criteria are yet to be satisfied, and the funds are not yet available to the Group.

The amount of contract liabilities are allocated by grant milestones relating to the practical completion and commencement of commissioning for the Commercial Demonstration Plant, along with the completion of 12, 24 and 36 months of operations.

As the Group achieved practical completion in FY2024, amounts attributable to Milestone 4 (being 12 months of operational performance) are classified as current liabilities and are expected to be released in the next 12 months from 30 June 2024. Amounts relating to operational Milestones are 5 – 6 classified as non-current as the Group is required to fulfil a minimum of 24 and 36 months of operations prior to being eligible for the application of funds.

Note 14. Issued capital

	Consolidated 2024 Shares	Consolidated 2023 Shares	Consolidated 2024 $	Consolidated 2023 $
Ordinary shares - fully paid	230,112,506	170,443,743	88,731,322	61,505,433

Note 14. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Opening balance 1 July 2022	1 July 2022	**166,327,649**		**58,859,172**
Unsecured Convertible Note conversion	4 August 2022	2,008,402	$0.66	1,333,333
Unsecured Convertible Note conversion	26 September 2022	2,107,692	$0.63	1,333,334
Share issue transaction costs, net of tax		-	$0.00	(20,406)
Closing balance 30 June 2023		**170,443,743**		**61,505,433**
Issue of Shares	22-August-2023	16,063,594	$0.48	7,710,525
Issue of Shares	25-August-2023	13,145,381	$0.48	6,309,783
Issue of Shares	02-October-2023	1,437,952	$0.48	690,217
Issue of shares on exercise of options	12-February-2024	375	$0.75	281
Share Purchase Plan issue	26-February-2024	16,074,000	$0.50	8,037,000
Share Purchase Plan issue	20-March-2024	10,786,000	$0.50	5,393,000
Executive 2023 STI Share Issue	16-April-2024	235,461	$0.66	154,319
Share Purchase Plan issue	08-May-2024	1,926,000	$0.50	963,000
Share issue transaction costs, net of tax		-	$0.00	(2,032,236)
Closing balance 30 June 2024		**230,112,506**		**88,731,322**

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Group's share price at the time of the investment. The Company is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the previous financial reporting year.

Note 15. Reserves

	Consolidated	
	2024	2023
	$	$
Options reserve	2,519,398	1,630,088

Option reserve
The option reserve records items recognised as expenses on the valuation of share options.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

	No of Options	Value $
Opening balance 1 July 2022	**9,415,000**	**2,585,976**
Options lapsed during the period - Series M	(3,965,000)	(635,038)
Options lapsed during the period - Series N	(2,000,000)	(543,422)
Options issued during the current year vesting over multiple periods	7,182,890	1,046,848
Options from prior periods lapsing	-	(824,276)
Opening balance 1 July 2023	**10,632,890**	**1,630,088**
Options issued during the current year vesting immediately	22,520,756	-
Options exercised during the period - Series S	(375)	-
Options lapsed during the period - Series N	(3,450,000)	(583,239)
Existing options issued in prior periods vesting over multiple periods	-	1,472,549
Closing balance 30 June 2024	**29,703,271**	**2,519,398**

Note 16. Equity - accumulated losses

	Consolidated	
	2024	2023
	$	$
Accumulated losses at the beginning of the financial year	(59,196,044)	(48,993,181)
Loss after income tax expense for the year	(19,067,366)	(12,205,599)
Transfer expired options to accumulated losses	583,239	2,002,736
Accumulated losses at the end of the financial year	(77,680,171)	(59,196,044)

Note 17. Income Tax

The major components of income tax expense for the years ended 30 June 2024 and 2023 are:

	Consolidated 2024 $	2023 $
Statement of profit or loss		
Current income tax:	-	-
	-	-
Deferred tax:	-	-
Relating to the origination and reversal of temporary differences	(1,897,685)	(838,517)
Under / over from prior periods	220,417	-
Derecognition of current year temporary differences	1,677,268	838,517
Income tax expense/(benefit) reported in the statement of profit or loss	-	-

Reconciliation of tax expense and accounting profit multiplied by Australia's prima facie tax rate of 25% for 2024 and 25% for 2023:

	2024 $	2023 $
Accounting loss before income tax	**(19,067,366)**	**(12,205,599)**
Tax on loss at Australian prima facie tax rate of 25% (2023: 25%)	(4,766,842)	(3,051,399)
Impact of tax rates applicable outside of Australia	41,203	(41,225)
Expenses eligible for R&D rebate	2,081,126	1,380,925
Share based payments	406,717	261,712
Other non-deductible expenses	1,168,870	4,865
R&D rebate received on eligible expenses	(828,759)	(600,702)
Movement in temporary deductible and taxable differences in statement of taxable income		838,517
Under / over from prior periods	220,417	-
		-
At the effective income tax rate of 25% (2023: 25%)	(1,677,268)	(1,207,308)
Tax losses not brought/(brought) to account	**1,677,268**	**1,207,308**
Income tax expense/(benefit) reported in the statement of profit or loss	-	-

	2024 $	2023 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	19,192,342	15,610,972
Potential tax benefit at 25% (2023: 25%)	4,798,085	3,902,743

Note 17. Income Tax (continued)

Availability of tax losses
The availability of the tax losses for future periods is uncertain and the recoupment of available tax losses as at 30 June 2024 is contingent upon the following:

(a) the Company deriving future assessable income tax legislation of a nature and of an amount sufficient to enable the benefit from the losses to be realised;
(b) the conditions for deductibility imposed by income tax legislation continuing to be complied with;
(c) there being no changes in income tax legislation which would adversely affect the Company from realising the benefit from the losses.

Given the Company is currently in a loss making position, a deferred tax asset has not been recognised with regard to unused tax losses, as it has not been determined that the company will generate sufficient taxable profit against which the unused tax losses can be utilised.

Note 18. Finance Costs

	Consolidated	
	2024	2023
Convertible note interest	-	41,319
Fair Value gain on convertible note derivative	-	(225,446)
Interest and other finance costs	171,418	552,862
Transaction costs related to borrowings	-	2,200
	171,418	370,935

Note 19. Key management personnel disclosures

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2024 $	2023 $
Short-term employee benefits	753,546	673,343
Post-employment benefits	41,146	46,566
Share-based payments	1,281,197	898,369
	2,075,889	1,618,278

Executive management are not considered to be Key Management Personnel.

Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Group:

	Consolidated	
	2024 $	2023 $
Audit services		
Audit or review of the financial statements	81,200	77,000

Note 21. Contingent assets and liabilities

The Group has given bank guarantees as at 30 June 2024 of $297,542 (2023: $297,542) to various landlords and Western Power in association with the Commercial Demonstration Plant.

Note 22. Commitments

Committed at the reporting date but not recognised as liabilities:

	Consolidated	
	2024	2023
	$	$
Research collaboration agreement:		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	100,000	100,000
Later than 1 year but not later than 5 years	-	-
More than five years	-	-
	100,000	100,000
Construction of Commercial Demonstration Plant		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	1,136,908	2,251,460
Later than 1 year but not later than 5 years	-	-
More than five years	-	-
	1,136,908	2,251,460

Note 23. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 19 and the remuneration report included in the Directors' report.

Receivable from and payable to related parties
There were no amounts receivable from related parties at the current or previous reporting period.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 24. Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated 2024 $	Consolidated 2023 $
Loss after income tax expense for the year	(19,067,366)	(12,205,599)
Adjustments for:		
Share-based payments	1,626,869	1,046,848
Depreciation	115,430	111,258
Transaction costs related to borrowings	-	2,200
Finance costs	163,248	359,959
Impairment expense (note 8)	3,570,610	146,755
Change in operating assets and liabilities:		
Other current assets	(160,238)	150,963
Trade and other payables	(2,166,103)	2,689,327
Employee benefits	163,364	83,815
Trade and other receivables	(61,700)	6,337,960
Net cash used in operating activities	(15,815,886)	(1,276,514)

Note 25. Share based payments

For the year ended 30 June 2024:
Set out below are summaries of the movements of options granted to key management personnel, employees and contractors of the Group:

Grant date	Expiry date	Exercise price	Balance at the start of the year No.	Granted No.	Exercised/ Quoted as Listed options No.	Expired/ forfeited/ other No.	Balance at the end of the year No.
14/11/2018	30/06/2024	$0.900	2,000,000	-	-	(2,000,000)	-
18/10/2019	30/06/2024	$0.900	1,450,000	-	-	(1,450,000)	-
22/12/2022	22/12/2027	$0.001	4,100,000	-	-	-	4,100,000
22/12/2022	22/12/2027	$0.001	1,215,000	-	-	-	1,215,000
10/05/2023	01/01/2028	$0.001	1,867,890	-	-	-	1,867,890
			10,632,890	-	-	(3,450,000)	7,182,890

Note 25. Share based payments (continued)

For the year ended 30 June 2023:
Set out below are summaries of the movements of options granted to key management personnel, employees and contractors of the Group:

Grant date	Expiry date	Exercise price	Balance at the start of the year No.	Granted No.	Exercised/ Quoted as Listed options No.	Expired/ forfeited/ other No.	Balance at the end of the year No.
29/08/2018	30/06/2023	$0.70	500,000	-	-	(500,000)	-
14/11/2018	30/06/2023	$0.70	1,915,000	-	-	(1,915,000)	-
14/11/2018	30/06/2024	$0.90	2,000,000	-	-	-	2,000,000
18/10/2019	30/06/2023	$0.70	1,550,000	-	-	(1,550,000)	-
18/10/2019	30/06/2024	$0.90	1,450,000	-	-	-	1,450,000
01/12/2020	30/06/2024	$0.90	2,000,000	-	-	(2,000,000)	-
22/12/2022	22/12/2027	$0.00	-	4,100,000	-	-	4,100,000
22/12/2022	22/12/2027	$0.00	-	1,215,000	-	-	1,215,000
10/05/2023	01/01/2028	$0.00	-	1,867,890	-	-	1,867,890
			9,415,000	7,182,890	-	(5,965,000)	10,632,890

Set out below are the options exercisable at the end of the financial year:

Option series	Grant date	Expiry date	2024 Number	2023 Number
Series N	14/11/2018	30/06/2024	-	2,000,000
Series N	18/10/2019	30/06/2024	-	1,450,000
			-	3,450,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.35 years (2023: 3.36).

Expenses arising from share based payment transactions
Total expenses arising from share based payment transactions recognised during the year were as follows:

	Consolidated 2024 $	Consolidated 2023 $
Options issued to KMP	1,281,198	898,369
Options issued to employees/consultants	191,352	148,479
Shares issued to employees/consultants	154,319	-
	1,626,869	1,046,848

Note 26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Hazer Group Canada Limited	Canada	100.00%	100.00%

Note 26. Interests in subsidiaries (continued)

Note 27. Earnings per share

	Consolidated	
	2024	2023
	$	$
Loss after income tax	(19,067,366)	(12,205,599)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	205,369,909	169,754,277
	Cents	Cents
Basic earnings per share	(9.28)	(7.19)
Diluted earnings per share	(9.28)	(7.19)

The Company has 29,703,271 (2023: 10,632,890) options at 30 June 2024, which could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the period presented.

Note 28. R&D tax rebate

Management applied judgement to estimate the amount of Research & Development rebate (R&D rebate) available to the Company for the financial year ended 30 June 2024 to be $5,068,603: $1,753,569 in relation to the capitalised CDP expenditure and $3,315,034 in relation to other expensed R&D costs.

Note 29. Events after the reporting period

- CDP related operating expenditure including operational performance testing and post start up R&D/reactor operating performance diagnostics;
- Advancing current commercial projects in Australia, Canada, France, North America, Japan and Korea, and pursuing further opportunities elsewhere.

Other than the above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2024	2023
	$	$
Loss after income tax	(19,067,366)	(12,205,599)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss	(19,067,366)	(12,205,599)

Note 30. Parent entity information (continued)

Statement of financial position

	Parent 2024 $	Parent 2023 $
Total current assets	18,371,229	12,378,863
Total non-current assets	210,331	286,623
Total assets	18,581,560	12,665,486
Total current liabilities	3,200,617	6,438,793
Total non-current liabilities	1,810,394	2,287,216
Total liabilities	5,011,011	8,726,009
Net assets	13,570,549	3,939,477
Equity		
Issued capital	88,731,322	61,505,433
Reserves	2,519,398	1,630,088
Accumulated losses	(77,680,171)	(59,196,044)
Total equity	13,570,549	3,939,477

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
Guarantees for the parent are the same as for the Group.

Contingent liabilities
Contingent liabilities for the parent are the same as for the Group.

Capital commitments - Property, plant and equipment
Capital commitments for the parent are the same as for the Group.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax Residency	Jurisdiction for Foreign tax residency
Hazer Group Limited	Body corporate	Australia	100.00%	Australian	N/A
Hazer Group Canada Limited	Body corporate	Canada	100.00%	Foreign	Canada

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Tim Goldsmith

Tim Goldsmith
Chairman

28 August 2024

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT

To the Members of Hazer Group Limited

Opinion

We have audited the financial report of Hazer Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including independence standards*) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Research and development tax rebate - Refer to Note 28 in the financial statements	
The Group claims a refundable tax offset for eligible expenditure under the research and development (R&D) tax incentive scheme. Management appointed an independent expert to perform a detailed review of the Group's total research and development expenditure to determine the potential claim under the R&D tax incentive legislation. The Group recognises the R&D tax rebate income on an accrual basis. The receivable at year-end for the incentive is $5,068,603 representing the estimated claim for the activity for the year ended 30 June 2024. This is a key audit matter due to the size of the accrual and a high degree of judgement and interpretation of the R&D tax legislation required by management to assess the eligibility of the R&D expenditure under the scheme.	Our audit procedures included: • Obtaining the R&D rebate calculations prepared by management's expert and engaging a R&D Tax Expert to assess the methodology and determine the reasonableness of the estimate. • Reviewing the expenses applied against the eligibility criteria of the R&D tax incentive scheme to assess whether the expenses included in the estimate were appropriate to meet the eligibility criteria. • Assessing the eligible expenditure used to calculate the estimate to determine whether it is in accordance with accounting records. • Testing on sample basis of individual expenditure items included in the estimate to underlying supporting documentation to ensure these expenditure items have been appropriately recognised in the accounting records and related to eligible expenditures; and • Assessing the appropriateness of disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf This description forms part of our auditor's report.

RSM

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Hazer Group Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA

A Whyte

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 28 August 2024

ASX Additional Information

The Company's ordinary shares are quoted as 'HZR' on ASX.

The shareholder information set out below was applicable as at 29 July 2024.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of ordinary shares	Number of holders of ordinary shares
1 to 1,000	2,485,604	3,828
1,001 to 5,000	15,166,314	5,878
5,001 to 10,000	15,202,590	1,978
10,001 to 100,000	80,094,779	2,701
100,001 and over	117,163,219	307
	230,112,506	14,692
Holding less than a marketable parcel	3,929,673	5,020

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
BNP Paribas Noms Pty Ltd	12,733,857	5.53
UBS NOMINEES PTY LTD	9,270,717	4.03
BNP PARIBAS NOMINEES PTY LTD IB AU NOMS RETAILCLIENT	7,425,346	3.23
BNP PARIBAS NOMINEES PTY LTD CLEARSTREAM	6,306,981	2.74
CITICORP NOMINEES PTY LIMITED	4,663,061	2.03
OOFY PROSSER PTY LTD DRONES FAMILY A/C	1,787,340	0.78
MR ADRIAN JOHN MCTIERNAN	1,515,000	0.66
MRS LORRAINE ALYSSA GOLDSMITH	1,480,407	0.64
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,241,099	0.54
SHARESIES AUSTRALIA NOMINEE PTY LIMITED	1,205,709	0.52
MR ROBERT WEBB	1,149,951	0.50
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	1,089,342	0.47
MOLLYGOLD SUPERANNUATION PTY LTD	1,068,664	0.46
NETWEALTH INVESTMENTS LIMITED	1,053,605	0.46
SHERKANE PTY LTD	1,003,162	0.44
MR MARK STEPHEN EDWARDS	1,000,045	0.43
THE UNIVERSITY OF WESTERN AUSTRALIA	996,147	0.43
RANGEGROVE PTY LTD	961,549	0.42
CITOS SUPER PTY LTD	900,000	0.39
MR PETER KARAS	816,667	0.35
	57,668,649	25.05

	Options over ordinary shares	
	Number held	% of total options issued
UBS NOMINEES PTY LTD	3,193,497	14.18
BNP PARIBAS NOMS PTY LTD	856,350	3.80
NETWEALTH INVESTMENTS LIMITED	556,704	2.47
CITICORP NOMINEES PTY LIMITED	479,110	2.13
TONRAN PTY LTD	456,888	2.03
MR ROBERT WEBB	446,475	1.98
CITOS SUPER PTY LTD	390,000	1.73
NETWEALTH INVESTMENTS LIMITED	377,828	1.68
MR PETER KARAS	308,334	1.37
MR MARK STEPHEN EDWARDS	307,500	1.37
PRIMARY SECURITIES LTD	261,500	1.16
MR JASON ALAN CARROLL	250,000	1.11
GRANT EDWARDS PTY LTD	246,250	1.09
JACKJEN PTY LTD	241,794	1.07
MOLLYGOLD SUPERANNUATION PTY LTD	234,333	1.04
CHOOGGIES PTY LTD	225,000	1.00
MR GLENN DAVID BENJAMIN CORRIE	223,750	0.99
MR SAMUEL BAILLIEU HORDERN	206,251	0.92
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED	200,000	0.89
NKF HEALTH PTY LTD	184,379	0.82
	9,645,943	42.83

Unquoted equity securities

	Number on issue	Number of holders
	-	-
Options over ordinary shares - Series P	4,100,000	1
Options over ordinary shares - Series Q	1,215,000	3
Options over ordinary shares - Series R	1,867,890	20
	7,182,890	24

The unquoted equity securities were issued to key management personnel, employees and contractors of the Company.

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
BNP Paribas Noms Pty Ltd	12,733,857	5.53

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

On-market Buy-back

There is no current on-market buy-back of the Company's securities in place.