

# Hazer Group Limited

## Appendix 4D

### Half-year report



#### 1. Company details

Name of entity:	Hazer Group Limited
ABN:	40 144 044 600
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

#### 2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	46% to	2,319,772
Loss from ordinary activities after tax attributable to the owners of Hazer Group Limited	down	49% to	(6,191,528)
Loss for the half-year attributable to the owners of Hazer Group Limited	down	49% to	(6,191,528)

	31 Dec 2024 Cents	31 Dec 2023 Cents
Basic and diluted loss per share	(2.69)	(6.29)

#### Dividends

There were no dividends paid, recommended or declared during the current financial period.

#### Comments

The loss for the consolidated entity after providing for income tax amounted to \$6,191,528 (31 December 2023: \$12,065,719).

Refer to the company announcement on 24 February 2025 regarding the results for further information.

#### 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	3.55	5.91

#### 4. Control gained over entities

Not applicable.

#### 5. Loss of control over entities

Not applicable.

#### 6. Details of associates and joint venture entities

Not applicable.



## 7. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to review by the auditors, and the review report is attached as part of the Interim Report.

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## 8. Attachments

*Details of attachments (if any):*

The Interim Report of Hazer Group Limited for the half-year ended 31 December 2024 is attached.

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## 9. Signed

Signed Tim Goldsmith

Tim Goldsmith  
Chairman

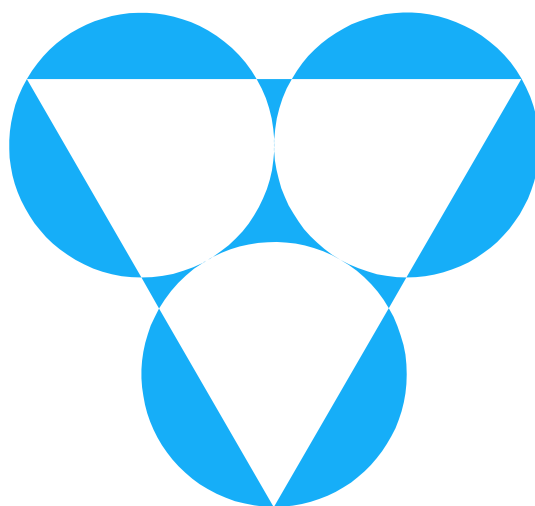
Date: 24 February 2025

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**Hazer Group Limited**

**ABN 40 144 044 600**

**Interim Report – 31 December 2024**



**Hazer Group Limited**  
**Corporate directory**  
**For the half-year ended 31 December 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 Limited Level 5/191 St Georges Terrace Perth, WA 6000
Auditor	RSM Australia Partners Level 32, Exchange Tower, 2 The Esplanade Perth WA 6000
Solicitors	HopgoodGanim Allendale Square, 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	<a href="http://www.hazergroup.com.au">www.hazergroup.com.au</a>
Corporate Governance Statement	<a href="https://hazergroup.com.au/investors/#corporategovernance">https://hazergroup.com.au/investors/#corporategovernance</a>

# Hazer Group Limited

## Directors' report

### For the half-year ended 31 December 2024



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Hazer Group Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

#### Directors

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

Tim Goldsmith  
Danielle Lee  
Andrew Hinkly  
Jack Hamilton  
Glenn Corrie

#### Principal activities

During the financial half-year, the principal continuing activities of the company consisted of research and development of hydrogen and graphitic carbon production technology.

The company 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 low carbon dioxide emissions and the co-production of a high-purity graphite product.

#### Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$6,191,528 (31 December 2023: \$12,065,719).

Hazer is a clean technology development company focused on the commercialisation of the Hazer Process – a novel, low cost, low carbon emission hydrogen ("H<sub>2</sub>") and graphite production technology. The technology initially developed at the University of Western Australia has the potential to deliver two high-value products while reducing carbon emissions through both production and application.

Low-emission hydrogen and graphitic carbon are both key products in a de-carbonising economy, and there is a significant global focus on developing a hydrogen economy as part of a transition to a low-carbon environment.

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.

As announced on 19 November 2024, the initial CDP performance and reactor test program has been successfully completed, achieving significant operational milestones that substantially de-risk the Company's scale-up and commercialisation strategy. The final campaign of the reactor program reached over 450 hours of stable continuous operation, the longest continuous operating run of the 2024 performance program and was completed with a production uptime of 99.6%.

These strong operational results from the CDP test program carried out during the year provide high confidence in the commercial readiness of the Hazer Process. Specific highlights include:

- Over 1,250 hours of cumulative continuous operation achieved during the program, exceeding expectations for a first-of-a-kind facility;
- Process and reactor performance data validate the commercial scalability and operability of the technology;
- High production uptimes reinforce process reliability and confirm the design of solids handling equipment over a multi-tonne production envelope;
- Large graphite inventories amassed, and initial testing confirms purities consistent with design levels - Further analysis is ongoing by Hazer, commercial partners and potential offtakers for use in several high volume, high confidence market applications.

One of Hazer's standout features is its low levelized cost of hydrogen (LCOH) compared to other production methods such as electrolysis ("Green" hydrogen) and Steam Methane Reforming with CCUS ("Blue" hydrogen). The Company's proprietary process model is also being updated to refine design parameters and further enhance the economics of the commercial scale-up program, including the Canada FortisBC plant currently under development.

As announced on 6 May 2024, Hazer and FortisBC entered into a binding Project Development Agreement ("PDA") to pursue the development of a hydrogen production facility in British Columbia ("BC"), Canada, based on Hazer's technology and with a design capacity of up to 2,500 tonnes per annum ("tpa") of clean hydrogen and 9,500 tpa of graphitic carbon.



A small-scale reactor test rig has been assembled in Canada with CAD\$8 million funding support from the provincial government's CleanBC Industry Fund. Over the past few months, the small-scale reactor has been successfully providing heat, flow and test data that will inform the design of the 2,500 H2 tpa scale-up of the Hazer Process. This testing is an important operational milestone for the project and will continue into 2025.

For the main BC plant, preliminary FEED has been completed and will be finalised once the site selection process and other provincial conditions have concluded.

As announced on 17 October 2024, the Company signed an extension of its non-binding Memorandum of Understanding with Mitsui, a global trading and investment company based in Japan, to advance activities relating to the joint investigation of the potential markets for Hazer graphite. The original MOU was announced on 16 November 2022 and the terms of the agreement have now been extended for one (1) year to 15 November 2025 and after this date will automatically extend for successive periods of one (1) year unless otherwise notified by either party.

The successful operation of the CDP during the half year also produced sizable volumes of high-quality graphite, allowing Hazer to provide larger graphite samples to the Company's strategic partners and potential buyers for evaluation and/or further processing. This includes existing partners such as Chubu Electric, Mitsui, POSCO and ENGIE, as well as other companies interested in Hazer's graphite.

As announced on 27 November 2024, a key patent was accepted by the European Patent Office ("EPO"). The application pertaining to the process for controlling the morphology of Hazer graphite (EP3341328EP3341328), was accepted on 21 November 2024 by issuance of the Notification of the Intention to Grant. The approved claims relate to production of hydrogen from methane or natural gas using iron ore as a catalyst and doing so in a manner which optimises creation of high value graphite co-products.

This positive development means Hazer now has the option to extend the coverage and secure protection in any or all 39 European Patent Member States. This includes all the member states of the European Union (including major jurisdictions Germany, France, Spain, Italy, The Netherlands, Denmark, Sweden etc) together with Albania, North Macedonia, Iceland, Liechtenstein, Monaco, Norway, San Marino, Serbia, Switzerland, Turkey, the United Kingdom and Montenegro.

After the end of the half year, Hazer also announced that it had received a key patent by the Japanese Patent Office ("JPO"). The application pertaining to the process for producing hydrogen and graphitic carbon from hydrocarbons (JP 2021- 167526), was accepted in December 2024 by issuance of the Notice of Acceptance. The approved claims relate to the production of hydrogen from methane or natural gas using iron oxide as a catalyst.

Allowance of the European and Japanese patents follows the grant of the same patent in other jurisdictions of commercial relevance to Hazer, such as United States, Korea, Australia, and New Zealand.

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

The company's cash and cash equivalents were \$9,318,614 as at 31 December 2024 (30 June 2024 : \$12,821,547) and net assets at 31 December 2024 were \$8,146,515 (30 June 2024:\$13,570,549 ). The company's cash includes \$1,742,570 of cash that is restricted from use by the company until certain conditions are satisfied.

In December, Hazer was awarded a \$6.2 million grant from the Western Australian Government under the Lower Carbon Grants Program – Gorgon Fund (refer to announcement 3 December 2024). The Company will continue to receive milestone payments from this grant over the next 12 months, with the first payment of ~\$2.2 million, including GST, received on 16 January 2025.

The company spent \$622,519 on the Commercial Demonstration Project (CDP) in the current reporting period to the end of 31 December 2024 (\$5,072,869: 31 December 2023); the decrease due to prior period completion of the CDP construction.

Loss from ordinary activities after tax was \$6,191,528 for the half-year ending 31 December 2024 (31 December 2023 - \$12,065,719). The decreased loss of \$5,874,191 was primarily due to lower spend on the CDP construction completion and therefore an decrease in the impairment of the Commercial Demonstration Plant (CDP) to an expense of \$151,062 (31 December 2023 - \$4,248,270), which has been expensed to the profit and loss in line with the Australian accounting standard AASB 136 Impairment of Assets. Most of this impaired amount is expected to be eligible for a research and development tax incentive rebate in future years.

The company's total operating expenditure, including administration, consulting, research and development, and employee expenses and finance costs, decreased by 12% to \$7,542,964 (31 December 2023: \$8,540,691). Decreases in operating expenses predominantly related to decreased consulting and research expenditure \$3,110,190 (31 December 2023: \$3,756,513) associated with research and development; and decreased employee benefits expenditure \$3,442,254 (31 December 2023: \$3,600,639) due to staff movements.

The net operating cash outflows to 31 December 2024 was \$2,102,699, compared to an outflow for the period ending 31 December 2023 of \$6,963,036, primarily driven by higher research and development tax incentive rebate of \$5,068,604 (31 December 2023: \$2,536,257); and a decrease in payments to suppliers and employees.

**Hazer Group Limited**  
**Directors' report**  
**For the half-year ended 31 December 2024**



Investing cash outflows totalled \$1,330,919 to the end of 31 December 2024 (31 December 2023: \$5,140,006), predominantly related to decreased capital costs associated with the Hazer Commercial Demonstration Plant.

Financing cash flows decreased to an outflow of \$69,315 in the current period (31 December 2024) driven by no equity raisings in the current period versus \$13,659,613 in the prior period (31 December 2023: issue of 30,646,927 shares).

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Matters subsequent to the end of the financial half-year**

In December, Hazer was awarded a \$6.2 million grant from the Western Australian Government under the Lower Carbon Grants Program – Gorgon Fund (refer to announcement 3 December 2024). The Company will receive milestone payments from this grant over the next 12-18 months, with the first payment of ~\$2.2 million, including GST, received on 16 January 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**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 immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Tim Goldsmith  
Chairman

24 February 2025

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Hazer Group Limited for the half year ended 31 December 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA

A handwritten signature in black ink, appearing to read "A Whyte".

ALASDAIR WHYTE  
Partner

Perth, WA  
Dated: 24 February 2025

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**Hazer Group Limited**  
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**For the half-year ended 31 December 2024**



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**General information**

The financial statements cover Hazer Group Limited as a consolidated entity consisting of Hazer Group Limited and the entities it controlled at the end of, or during, the half-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 is:

Level 9, 99 St Georges Terrace  
Perth WA 6000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2025.

**Hazer Group Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2024**



		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Interest received		211,087	222,120
R&D tax rebate		1,563,597	1,364,193
Other income	2	545,088	-
<b>Total revenue</b>		<u>2,319,772</u>	<u>1,586,313</u>
<b>Expenses</b>			
Finance costs		(17,277)	(128,444)
Administration		(973,243)	(1,055,095)
Consulting and research expenses		(3,110,190)	(3,756,513)
Employee benefits expenses		(3,442,254)	(3,600,639)
Share based payments		(766,179)	(803,542)
Depreciation and amortisation expense		(51,095)	(59,529)
Impairment expense on commercial demonstration plant		<u>(151,062)</u>	<u>(4,248,270)</u>
<b>Loss before income tax expense</b>		<u>(6,191,528)</u>	<u>(12,065,719)</u>
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Hazer Group Limited</b>		<u>(6,191,528)</u>	<u>(12,065,719)</u>
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive loss for the half-year attributable to the owners of Hazer Group Limited</b>		<u><u>(6,191,528)</u></u>	<u><u>(12,065,719)</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic and diluted loss per share		(2.69)	(6.29)

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

**Hazer Group Limited**  
**Statement of financial position**  
**As at 31 December 2024**



		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2024</b>	<b>30 Jun 2024</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	9,318,614	12,821,547
Trade and other receivables	4	2,751,986	5,228,097
Other current assets	5	436,089	321,695
<b>Total current assets</b>		<u>12,506,689</u>	<u>18,371,339</u>
<b>Non-current assets</b>			
Commercial demonstration plant	6	-	-
Plant and equipment		6,945	10,462
Leases - Right-of-use assets		185,718	199,758
<b>Total non-current assets</b>		<u>192,663</u>	<u>210,220</u>
<b>Total assets</b>		<u>12,699,352</u>	<u>18,581,559</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	1,290,395	2,249,472
Provisions	8	370,726	348,218
Contract liabilities	9	500,000	500,000
Lease Liabilities		99,000	102,926
<b>Total current liabilities</b>		<u>2,260,121</u>	<u>3,200,616</u>
<b>Non-current liabilities</b>			
Contract liabilities	9	1,000,000	1,000,000
Lease Liabilities		120,646	119,902
Provisions	8	1,172,070	690,492
<b>Total non-current liabilities</b>		<u>2,292,716</u>	<u>1,810,394</u>
<b>Total liabilities</b>		<u>4,552,837</u>	<u>5,011,010</u>
<b>Net assets</b>		<u>8,146,515</u>	<u>13,570,549</u>
<b>Equity</b>			
Equity - issued capital	10	88,784,686	88,731,322
Equity - reserves	11	3,179,058	2,519,398
Equity – Accumulated losses	12	(83,817,229)	(77,680,171)
<b>Total equity</b>		<u>8,146,515</u>	<u>13,570,549</u>

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 half-year ended 31 December 2024**



<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2023	61,505,433	1,630,088	(59,196,044)	3,939,477
Loss after income tax expense for the half-year	-	-	(12,065,719)	(12,065,719)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(12,065,719)	(12,065,719)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	13,659,613	-	-	13,659,613
Shares issued pursuant to the exercise of convertible notes	-	803,542	-	803,542
Balance at 31 December 2023	<u>75,165,046</u>	<u>2,433,630</u>	<u>(71,261,763)</u>	<u>6,336,913</u>
<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2024	88,731,322	2,519,398	(77,680,171)	13,570,549
Loss after income tax expense for the half-year	-	-	(6,191,528)	(6,191,528)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(6,191,528)	(6,191,528)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 10)	(930)	-	-	(930)
Shares issued pursuant to the exercise of options	2,245	-	-	2,245
Share-based payments	52,049	714,130	-	766,179
Transferred expired options to accumulated losses	-	(54,470)	54,470	-
Balance at 31 December 2024	<u>88,784,686</u>	<u>3,179,058</u>	<u>(83,817,229)</u>	<u>8,146,515</u>

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

**Hazer Group Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2024**



Note	Consolidated	
	31 Dec 2024 \$	31 Dec 2023 \$
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	448,238	-
Payments to suppliers and employees (inclusive of GST)	(7,828,475)	(9,716,266)
	(7,380,237)	(9,716,266)
Interest received	211,087	222,120
Interest and other finance costs paid	(2,153)	(5,147)
Research & development tax rebate received	5,068,604	2,536,257
Net cash used in operating activities	(2,102,699)	(6,963,036)
<b>Cash flows from investing activities</b>		
Payments for commercial demonstration plant	(1,330,919)	(5,140,006)
Other property plant and equipment	-	-
Net cash used in investing activities	(1,330,919)	(5,140,006)
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	10 -	14,710,525
Proceeds from exercise of share options, net of share issue costs	2,245	-
Share issue transaction costs	(4,296)	(1,050,913)
Proceeds from borrowings	-	1,757,820
Repayment of borrowings	-	(1,757,820)
Repayment of leases	(67,264)	(62,002)
Interest and other finance costs paid	-	(91,568)
Net cash from/(used in) financing activities	(69,315)	13,506,042
Net increase/(decrease) in cash and cash equivalents	(3,502,933)	1,403,000
Cash and cash equivalents at the beginning of the financial half-year	12,821,547	9,278,322
Cash and cash equivalents at the end of the financial half-year	<u>9,318,614</u>	<u>10,681,322</u>

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



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### Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The consolidated entity 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 early adopted.

### Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

### Note 2. Other Income

	<b>Consolidated</b>	
	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
	<b>\$</b>	<b>\$</b>
Other Income	545,088	-

Hazer has a binding Project Development Agreement ("PDA") with FortisBC to pursue the development of a hydrogen production facility in British Columbia based on Hazer's technology. Under the terms of the PDA, Hazer receives ongoing payment for Early Project Development Work associated with leading engineering activities relating to the core Hazer technology components.

### Note 3. Cash and cash equivalents

	<b>Consolidated</b>	
	<b>31 Dec 2024</b>	<b>30 Jun 2024</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	7,243,502	10,782,403
Cash on deposit	332,542	332,542
Cash at bank – restricted	1,742,570	1,706,602
	9,318,614	12,821,547

#### Cash on deposit

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

#### Cash at bank - restricted

The company 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 company 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 company.



**Note 4. Trade and other receivables**

	<b>Consolidated</b>	
	<b>31 Dec 2024</b>	<b>30 Jun 2024</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
GST refundable	53,435	159,494
R&D tax rebate receivable	2,601,701	5,068,603
	2,655,136	5,228,097
Accounts Receivable	96,850	-
	96,850	-
	2,751,986	5,228,097

*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 31 December 2024.

*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.

*Accounts receivable*

Hazer has a binding Project Development Agreement ("PDA") with FortisBC to pursue the development of a hydrogen production facility in British Columbia based on Hazer's technology. Under the terms of the PDA, Hazer receives ongoing payment for Early Project Development Work associated with leading engineering activities relating to the core Hazer technology components.

**Note 5. Other current assets**

	<b>Consolidated</b>	
	<b>31 Dec 2024</b>	<b>30 Jun 2024</b>
	<b>\$</b>	<b>\$</b>
Prepayments	423,893	309,499
Deposits	12,196	12,196
	436,089	321,695

**Note 6. Commercial demonstration plant**

	<b>Consolidated</b>	
	<b>31 Dec 2024</b>	<b>30 Jun 2024</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Commercial demonstration plant	36,931,622	36,309,103
Commercial demonstration plant – R&D offset	(11,098,957)	(10,153,795)
Commercial demonstration plant – restoration provision	1,052,039	578,334
Commercial demonstration plant – accumulated amortisation & impairment	(18,974,704)	(18,823,642)
Commercial demonstration plant – ARENA grant offset	(7,910,000)	(7,910,000)
<b>Net book value for the period ended</b>	<b>-</b>	<b>-</b>





**Note 6. Commercial demonstration plant (continued)**

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
<b>Net book value</b>		
<b>At 1 July</b>	-	-
- Additions	622,519	6,751,321
- Restoration provision - addition to asset	473,705	-
- R&D Offset	(945,162)	(2,229,711)
- ARENA grant - release of contract liability	-	(951,000)
- Impairment	(151,062)	(3,570,610)
<b>Net book value for the period ended</b>	<b>-</b>	<b>-</b>

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 CDP 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 31 December 2024, the company performed its impairment test in relation to intangible assets not yet available for use 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 cash flows 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 Company 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 7. Trade and other payables**

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Accounts payable	458,079	1,825,518
Other payables	832,316	423,954
	<b>1,290,395</b>	<b>2,249,472</b>

**Note 8. Provisions**

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
<b>Current liabilities</b>		
Employee benefits	370,726	348,218
<b>Non-current liabilities</b>		
Employee benefits	92,799	69,506
Lease make good	20,000	20,000
Provision for restoration	1,059,271	600,986
	<b>1,172,070</b>	<b>690,492</b>
	<b>1,542,796</b>	<b>1,038,710</b>



**Note 8. Provisions (continued)**

*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.

*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 an agreed condition.

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.

In HY25, Hazer engaged a third party expert to provide an independent estimate of the cost to dismantle the CDP. The provision for restoration has been adjusted accordingly.

	Provision for restoration \$
<b>Consolidated - 31 Dec 2024</b>	
Carrying amount at the start of the half-year	600,986
Additional provisions recognised	446,550
Unwinding of discount	11,735
	<u>1,059,271</u>
Carrying amount at the end of the half-year	<u>1,059,271</u>

**Note 9. Contract liabilities**

	<b>Consolidated</b>	
	<b>31 Dec 2024</b>	<b>30 Jun 2024</b>
	\$	\$
Current Contract liabilities	500,000	500,000
Non-current Contract liabilities	1,000,000	1,000,000
	<u>1,500,000</u>	<u>1,500,000</u>

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 company 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.

The Company achieved 12 months of operations in November 2024 (Milestone 4) with receipt expected in early 2025: balance reflected in current contract liabilities.

Amounts relating to operational Milestones are 5 – 6 classified as non-current as the Company is required to fulfill a minimum of 24 and 36 months operations prior to being eligible for the application of funds.

**Hazer Group Limited**  
**Notes to the financial statements**  
**For the half-year ended 31 December 2024**



**Note 10. Equity - issued capital**

	Consolidated			
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	230,262,116	230,112,506	88,784,686	88,731,322

*Movements in spare share capital*

Details	Date	Shares	Issue price	\$
Opening balance	1 July 2024	230,112,506		88,731,322
Executive 2023 STI Share Issue	20 November 2024	146,618	\$0.355	52,049
Issue of shares on exercise of options	6 December 2024	160	\$0.750	120
Issue of shares on exercise of options	9 December 2024	82	\$0.750	62
Issue of shares on exercise of options	27 December 2024	2,750	\$0.750	2,063
Share issue transaction costs, net of tax		-	\$0.000	(930)
Balance	31 December 2024	230,262,116		88,784,686

**Note 11. Equity - reserves**

*Option reserve*

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

	Number of Options	Value \$
<b>Balance at 1 July 2024</b>	29,703,271	2,519,398
Options exercised during the period	(2,992)	-
Options issued during the current year vesting over multiple periods	3,967,723	91,263
Existing options issued in prior periods vesting over multiple periods	-	622,867
Options lapsed during the period	(263,135)	(54,470)
<b>Balance at 31 December 2024</b>	33,404,867	3,179,058

**Note 12. Equity – Accumulated losses**

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Accumulated losses at the beginning of the financial half-year	(77,680,171)	(59,196,044)
Loss after income tax expense for the half-year	(6,191,528)	(19,067,366)
Transfer from options reserve to accumulated losses	54,470	583,239
Accumulated losses at the end of the financial half-year	(83,817,229)	(77,680,171)

**Note 13. Contingent assets and liabilities**

The Company has given bank guarantees as at 31 December 2024 of \$297,542 (30 June 2024: \$297,542) to various landlords and Western Power in association with the Commercial Demonstration Plant.



#### Note 14. Segment information

The company has considered the requirements of AASB8 – 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 company 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 15. Commitments

Committed at the reporting date but not recognised as liabilities:

	Consolidated	
	31 Dec 2024	30 Jun 2024
	\$	\$
Committed at the reporting date but not recognised as liabilities, payable:		
<i>Research collaboration agreement:</i>		
Within one year	-	100,000
Later than 1 year but not later than 5 years	-	-
	-	100,000
<i>Construction of Commercial Demonstration Plant:</i>		
Within one year	284,930	1,136,908
Later than 1 year but not later than 5 years	-	-
	284,930	1,136,908
	<u>284,930</u>	<u>1,236,908</u>

Hazer's contracting and procurement strategy is for all commitments to be cancellable in nature where possible.

#### Note 16. Events after the reporting period

In December, Hazer was awarded a \$6.2 million grant from the Western Australian Government under the Lower Carbon Grants Program – Gorgon Fund (refer to announcement 3 December 2024). The Company will receive milestone payments from this grant over the next 12-18 months, with the first payment of ~\$2.2 million, including GST, received on 16 January 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Hazer Group Limited**  
**Directors' declaration**  
**For the half-year ended 31 December 2024**



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

  
\_\_\_\_\_  
Tim Goldsmith  
Chairman

24 February 2025

## INDEPENDENT AUDITOR'S REVIEW REPORT

### To the Members of HAZER GROUP LIMITED

#### Report on the Half-Year Financial Report

##### Conclusion

We have reviewed the accompanying half-year financial report of Hazer Group Limited (the Company) which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising material accounting policy information other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Hazer Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

##### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 annual 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 Hazer Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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### *Directors' Responsibility for the Half-Year Financial Report*

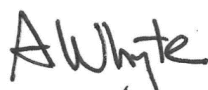
The directors of Hazer Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

RSM  
RSM AUSTRALIA

  
ALASDAIR WHYTE  
Partner

Perth, WA  
Dated: 24 February 2025

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