



1. Group details

Name of entity:	Hazer Group Limited
ABN:	40 144 044 600
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results for announcement to the market

				\$
Revenues from ordinary activities	up	108%	to	2,705,670
Loss from ordinary activities after tax	down	26%	to	(12,205,599)
Loss for the year	down	26%	to	(12,205,599)

Dividends

No dividend has been declared.

Comments

Revenues from ordinary activities increased by 108% to \$2,705,670 due to a higher R&D tax income accrual than prior year. The driver for the higher accrual is increased spend on R&D salaries and wages and operating consultants during FY23.

Loss from ordinary activities after tax decreased to \$12,205,599 in 2023 (2022: \$16,414,826): primarily due to the decreased spending on the Commercial Demonstration Plant (CDP) construction during the year, with \$146,755 subsequently impaired and expensed, compared to the prior year's impairment in 2022 of \$9,604,916. This was partially offset by higher than prior year spending on consulting and research expenses and employee benefits.

Since commencing the CDP the Group spent \$30,136,116 to the end of 30 June 2023 (2023: \$3,971,686; 2022: \$16,673,069 2021: \$8,439,490 and 2020: \$1,051,871) and offset: \$7,924,084 in R&D rebates (FY23 \$254,970; FY22 \$7,669,114), realised in the year on commencement of the CDP's cold operations; and \$6,959,000 from a grant received from the Australian Renewable Energy Agency (ARENA) (2023: \$2,969,000, 2022: Nil, 2021: \$3,990,000). The net costs incurred on the CDP to the end of 30 June 2023 of \$15,253,032 (\$30,136,116 of total costs, less \$7,924,084 for R&D offset, less \$6,959,000 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 2023 included share based payments associated with options issued to management and employees of \$1,046,848 (2022: \$143,427) and depreciation and amortisation expenses of \$111,258 (2022: \$77,474).

The Group's total operating expenses increased by 73% to \$13,606,408 (2022: \$7,886,814), and comprise; increases in consulting and research costs \$5,670,814 (2022: \$2,494,151) due to CDP Operations and the progression of the Canadian project; increased employee benefits expenditure of \$4,754,006 (2022: \$3,274,499) associated with additional technical staff engaged in research and development activities; increased administration expenses of \$2,810,653 (2022: \$1,488,300) mainly due to increased corporate activities.

The net operating cash outflow for the year was \$1,276,514 (2022: \$5,237,375). Primary operating cash outflows for 2023 were for payments to suppliers and employees of \$11,064,599 (2022: \$6,627,156). Cash inflows in 2023 came from the receipt of the research and development tax incentive rebate of \$9,448,880 (2022: \$1,326,917). 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 \$4,497,509 (2022: \$16,061,049) during the year related to capital costs associated with the Hazer CDP.

Financing cash inflows decreased by 120% to a net outflow of \$2,975,579 (2022: net inflow \$14,686,258). Funds were generated during the previous financial year from: the issue of 15,217,392 shares and the exercise of 1,000,000 unlisted Series L options, 85,000 unlisted Series M options and 10,000 unlisted Series K options. There were no share issues or option conversions in the current year. In 2023 there were proceeds from borrowings of \$2,000,000 (2022: \$2,000,000) and full repayment of the MAM Loan facility totaling an outflow of \$4,852,193 (2022: payment of \$1,326,917).



The Group's cash and cash-equivalent were \$9,278,322 at 30 June 2023 (2022: \$18,027,924) and net assets at 30 June 2023 were \$3,939,477 (2022: \$12,451,967).

3. Control gained over entities

Name of entities (or group of entities) Hazer Group Canada Limited

Date control gained 12th June 2023

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 2023 is attached.

8. Signed

Signed

A handwritten signature in black ink that reads "Tim Goldsmith".

Tim Goldsmith
Chairman

Date: 23 August 2023

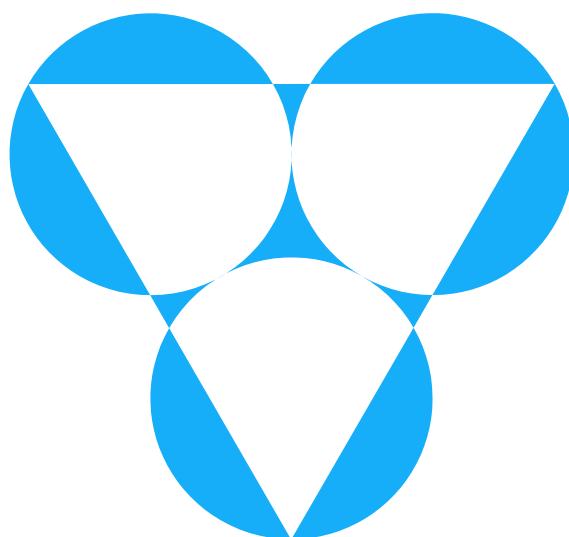
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Hazer Group Limited

ABN 40 144 044 600

Annual Report – 30 June 2023

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Hazer Group Limited
Corporate directory
For the year ended 30 June 2023



Directors	Tim Goldsmith (Non-Executive Chairman) Danielle Lee (Non-Executive Director) Andrew Hinkly (Non-Executive Director) Jack Hamilton (Non-Executive Director) Geoff Ward (Executive Director) (retired on 1 July 2022) Glenn Corrie (Executive Director) (CEO from 10 October 2022 and appointed Managing Director on 3 April 2023)
Company Secretary	Harry Spindler
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	Lavan Legal Level 20/1 William St Perth WA 6000
Bankers	Commonwealth Bank of Australia 150 St Georges Terrace 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

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Dear Shareholder

On behalf of the Board, I am pleased to present the Hazer Group Limited (Hazer) 2023 Annual Report to shareholders.

This has been an exciting year for Hazer as we conclude the final stages of Phase 2, our 'hot operations' construction and commissioning and move towards achieving Ready For Start Up in the development of our Commercial Demonstration Plant (CDP) later in 2023. The development of the CDP is fundamental in commercializing and proving the scalability of our Hazer Process, a world leading methane pyrolysis technology for the low emission and cost-effective production of clean hydrogen. Our team has concluded all relevant tests including plant debugging and performance testing. The cold operations test program has also been completed ahead of schedule. In preparation for the commencement of the start-up phase, Primero has near completed engineering activities to allow installation of the final hot equipment arriving in Q3 of calendar year 2023. Phase 2 construction commenced in June 2023 and has progressed well, including the main furnace installation being completed and pre-commissioning commencing ahead of schedule.

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 program, our R&D program and the flagship impact of our CDP.

We also have some other important projects in the pipeline. Firstly our collaboration with FortisBC in British Columbia, Canada for a plant with capacity to produce up to 2,500tpa of hydrogen and 9,500tpa of marketable graphitic carbon, a scale-up of 25 times on the CDP (~100tpa of hydrogen).

The initial design and engineering work for the plant and commercial scale reactor remain on track. The MKII prototype reactor to be installed at the CDP will utilize the improved technology being developed by Hatch in collaboration with Hazer and is therefore well advanced with detailed engineering and early procurement to commence shortly.

Hazer signed a Memorandum of Understanding (MOU) with Chubu Electric Power and Chiyoda Corporation in April. We are working together to prepare a Project Development Plan for a clean hydrogen and graphite production hub in the Chubu region of Japan. It is currently planned that the facility will target an ultimate hydrogen production capacity of between 50,000 and 100,000tpa.

In May we entered an MOU with ENGIE SA ("ENGIE") to prepare a Project Development Plan for a clean hydrogen and graphite production facility also based on our proprietary technology. The facility's initial production capacity will be at least 2,500 tpa of hydrogen with the hydrogen to be used in industrial applications and mobility. Preliminary investigations have established that hydrogen produced from the Hazer facility will meet the requirements for low carbon hydrogen projects under relevant regulatory frameworks and guidelines as administered by the European Union, a significant milestone for the Hazer process technology.

During the year we welcomed Mr Glenn Corrie as Chief Executive Officer of Hazer, effective 10 October 2022 following the retirement of Mr Geoff Ward. Mr Corrie is a proven business leader and senior executive with over 25 years of international energy industry, private equity and investment experience, and a track record of successfully leading large listed and private equity backed companies. He brings substantial capital markets experience across the equity and debt markets as well as extensive global M&A experience across Asia, China, Africa, Latin America, US and Europe. We have already seen the impact Glenn has made on the organization and believe that he will continue to move us forward at great pace.

I would like to thank Geoff Ward for his service to Hazer and note that he was instrumental in moving Hazer towards commercialization and the change in the organization in his tenure was massive. I also note that founder and chief technology officer, Andrew Cornejo, has also recently left Hazer as he wants to pursue other ideas that have long held his interest. I wish both Geoff and Andrew great success in the future endeavours they undertake.

Finally, we continue to be grateful to our shareholders, for your ongoing support throughout 2023. 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 the Hazer Process and in June 2022, Hazer received the handover of its CDP from their construction contractor, Primero Group.

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 will process biogas produced from the treatment of wastewater at the Woodman Point Water Resource Recovery Facility to produce hydrogen and graphitic carbon.

The CDP is progressing on schedule with the Phase 2 ('hot operations') construction and commissioning due to complete in the second half of 2023, reaching Ready For Start Up ('RFSU') at the end of 2023.

During the financial year, the CDP operations team successfully completed the cold operations program, including plant debugging and performance testing, ahead of the hot construction phase. The cold operations test program was completed, using the replica cold reactor, providing initial baseline data needed for whole-of-plant operations. In preparation for the commencement of the start-up phase Primero has near completed engineering activities to allow installation of the final hot equipment arriving in Q3 2023. The construction crew have been mobilised and have completed the installation of available equipment, including the furnace for the hot wall reactor and the low temperature heat exchanger, de-risking the overall project delivery schedule.

Procurement of the heat exchanger and reactor have progressed well and are in their final stages of fabrication and expected to be delivered to site in September 2023. The alternative piping and heat exchanger material (Inconel 617), a higher specification alloy being supplied by Specialty Metals Wiggin (UK), is also progressing well. Hatch continued to make good progress with the improved reactor technology concept during the final quarter which is also being adopted at our commercial scale-up project in Canada. Having a second high quality heat exchanger unit and reactor available during the lifespan of the CDP supports contingency planning and risk mitigation, as well as the research and technical development strategy enabling the optimization of the plant configuration for commercial scale-up and provides important technical data using alternative material selection.

COMMERCIAL OPPORTUNITIES AND PARTNERSHIPS

Hazer-FortisBC Collaboration - British Columbia, Canada

The Hazer Canada Project is based in Vancouver, British Columbia Canada. In a collaboration with FortisBC, a leading Canadian energy utility, the commercial plant is being designed to produce up to 2,500tpa of hydrogen and 9,500tpa of marketable graphitic carbon, a scale-up of 25 times on the CDP (~100tpa of hydrogen).

FortisBC is responsible for supplying the natural gas feedstock to the project and then will offtake the hydrogen from the facility to blend into the Vancouver natural gas pipeline network and use for other potential applications, supporting British Columbia's Government decarbonisation strategy. Hazer will play a lead role providing the core Hazer technology components.

The initial design and engineering work for the plant and commercial scale reactor remain on track. The MKII prototype reactor to be installed at the CDP will utilize the improved technology being developed by Hatch in collaboration with Hazer and is therefore well advanced. The Front-End Engineering & Design ("FEED") study close out report being conducted by Wood Group was completed at end of July.

Suncor has withdrawn from the MOU as a result of a corporate portfolio review, effective 31 July 2023, with Hazer and Fortis BC assuming operatorship. Their withdrawal is not related to the viability of the Hazer technology. With Suncor's departure from the project, Hazer and FortisBC are working together to identify alternative site locations which has resulted in the targeted FID being expected to move from late 2023 to the first half of 2024 to allow additional time to identify the new site for the project.

Chubu Electric and Chiyoda

In April, Hazer signed a Memorandum of Understanding (MOU) with Chubu Electric Power and Chiyoda Corporation to prepare a Project Development Plan for a clean hydrogen and graphite production hub ("The Project") in the Chubu region of Japan. The Project will be based on Hazer's proprietary technology with the hydrogen produced by the hub intended to be used by Chubu Electric as a fuel for power generation, and other hard to abate industries, as well as mobility in the Nagoya area.



The Project's planned production facility will target an ultimate hydrogen production capacity of between 50,000 and 100,000tpa, planned to be achieved in phases. The initial hydrogen production capacity is currently anticipated to be between 2,500 and 10,000tpa.

Collaboration with ENGIE SA in Europe

On 9 May 2023 Hazer and ENGIE SA ("ENGIE"), a French global multi-national utility company, entered into a non-binding MOU, agreeing to work collaboratively to prepare the Project Development Plan for a clean hydrogen and graphite production facility based on Hazer's proprietary technology. The facility will be located at the existing LNG import and regasification terminal at Montoir de-Bretagne in France. ENGIE's affiliate company ELENGY owns and operates the Montoir LNG Terminal, the Project has been named H2Montoir.

The facility's initial production capacity will be at least 2,500 tpa of hydrogen with the hydrogen to be used in industrial applications and mobility. ENGIE conducted a Preliminary Feasibility Study (PFS) on the application of the Hazer process at the existing LNG import and regasification terminal in Montoir-de-Bretagne. During this study, preliminary investigations established that hydrogen produced from the Hazer facility will meet the requirements for low carbon hydrogen projects under relevant regulatory frameworks and guidelines as administered by the European Union. This is a significant milestone for the Hazer process technology in terms of reaching legislative and commercial milestones.

RESEARCH AND TECHNOLOGY DEVELOPMENT

The Company continued its focus on strategy development, planning and resourcing for key workstreams which include the following:

- Process Development – CDP test plan design review to maximise process learnings and reactor scale-up development to optimise design for 10,000tpa hydrogen and larger plant capacities.
- Graphite Market Development – Secure high volume, low complexity offtake prior to optimizing for higher value outlets.
- Catalyst Development – Establish low-cost supply and build fundamental analytical and technical capability to enable optimization and manage quality assurance and quality control.

Progress is in line with expectation, with activities continuing the experimental testing program for the CDP as well as support for the Canada reactor design to achieve 25x scale-up beyond CDP.

Screening work has commenced to evaluate optimal next generation reactor design for further commercial scale-up beyond the Canada reactor design targeting 10,000tpa and higher single train capacity. Significant progress was made towards securing additional resources required to accelerate the Research and Development ("R&D") strategy including specialist skills to support the Hazer graphite product market development. The next phase of graphite market development work commenced with an initial market application assessment completed to assess potential size and value of applicable markets with multiple potential high-volume outlets identified.

Mr Glenn Corrie
Managing Director and Chief Executive Officer

Hazer Group Limited

Directors' report

For the year ended 30 June 2023



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 2023.

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
- Geoff Ward - retired on 1 July 2022
- Glenn Corrie - appointed CEO on 10 October 2022 and appointed Managing Director on 3 April 2023

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

Revenues from ordinary activities increased by 108% to \$2,705,670 due to a higher R&D tax income accrual than prior year. The driver for the higher accrual is increased spend on R&D salaries and wages and operating consultants during FY23.

Loss from ordinary activities after tax decreased to \$12,205,599 in 2023 (2022: \$16,414,826); primarily due to the decreased spending on the CDP construction during the year, with \$146,755 subsequently impaired and expensed, compared to the prior year's impairment in 2022 of \$9,604,916. This was partially offset by higher than prior year spending on consulting and research expenses and employee benefits.

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

On 7th August 2023, the Company executed binding agreements with Innovation Structured Finance Co., LLC for a \$1.8 million secured loan facility to support the construction of the CDP. The key purpose of the loan is to fund the R&D activities associated with the construction of the CDP. The loan has been drawn down in one tranche and has a maturity date of 31 December 2023, however can be early settled at any time by Company without penalty. Innovation Structured Finance Co., LLC will hold security over Hazer's FY23 R&D Tax Incentive rebate which is estimated to fully clear the loan and any associated costs on receipt before loan maturity date.

On 31st July 2023, the Company announced a non-renounceable rights issue to eligible shareholders of 3 New shares for every 16 Shares held at an issue price of \$0.48 per New Share with 1 attaching New Option for every 2 New Shares allotted. Each New Option is exercisable at \$0.75 per Share and expires on 28 February 2025. The Offer was lead managed and partially underwritten by Viriathus Capital Pty Ltd. The offer closing date was Friday 18 August 2023 with funds raised at signing date totaling \$14.7 million.

The proceeds from this raise are to be principally used towards:

- CDP related operating expenditure including operational performance testing and post start up R&D/reactor operating performance diagnostics;
- Advancing current commercial projects in North America, Japan and France, and pursuing further opportunities in Asia and North America;
- Estimated costs of the Offer and working capital.

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:	<p>Tim was CEO of Rincon Ltd from November 2017, assisting with addressing corporate issues and maintaining solvency. After that was overcome in 2020, Tim ceased that role and became CEO of its subsidiary Rincon Mining Pty Ltd which evaluated and readied for development the strategically important Rincon lithium project in Salta Province in Argentina. In March 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.</p> <p>Prior to that time, Tim was a partner at global professional services firm PricewaterhouseCoopers (PwC) for over 20 years. Tim was PwC's Global Mining Leader. Tim was also an early participator in the China growth story and initiated a China focus in 2002 and worked with many Chinese companies over the following 15 years as they looked to invest offshore.</p>
Other current directorships:	Non-Executive Director of Costa Group Holdings Ltd (ASX: CGC)
Former directorships (last 3 years):	Chairman of Angel Seafood Holdings Limited (ASX: AS1)
Special responsibilities:	Member of the Audit and Risk Committee and Member of Remuneration and Nomination Committee
Interests in shares:	1,814,782
Interests in options:	668,273
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 corporate lawyer with more than 25 years' experience. She has a broad range of skills and legal experience in the areas of corporate advisory, governance and equity capital markets. She has advised Australian public and private companies in a range of industries on corporate transactions, including capital raisings, ASX listings, business and share acquisitions, shareholder agreements and joint venture arrangements.
Other current directorships:	Non-Executive Director of Rare Foods Australia Ltd (ASX: RFA)
Former directorships (last 3 years):	Non-Executive Director of Openn Negotiation Ltd (ASX: OPN)
Special responsibilities:	Chair of Audit and Risk Committee and Member of Remuneration and Nomination Committee
Interests in shares:	810,597
Interests in options:	408,996
Contractual rights to shares:	None

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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 shares¹

Interests in options: 824,676¹

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. This option was exercised in December 2021. On 12th April 2021, AP Ventures Fund II GP LLP were also issued 4,000,000 unlisted, unsecured Convertible Notes with a face value of \$1 each. On 30 June 2023, 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: None

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: 88,681

Interests in options: 352,002

Contractual rights to shares: None

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Name: **Glenn Corrie**

Title: Managing Director and Chief Executive Officer

Length of service: Managing Director since 3 April 2023, and Chief Executive Officer since 10 October 2022

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): Sino Gas & Energy Holdings Limited (resigned April 2019)

Special responsibilities: Managing Director

Interests in shares: 7,289

Interests in options: 4,103,645

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

Harry Spindler has held the role of Company Secretary since 26 October 2022.

Harry is an experienced corporate professional with a broad range of corporate governance and capital markets experience spanning 22 years. Previously he held various company secretary positions and has been involved with several public company listings, merger and acquisitions transactions and capital raisings for ASX-listed companies.

Harry is a member of the Institute of Chartered Accountants Australia and New Zealand and a member of the Financial Services Institute of Australia.

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 2023, and the number of meetings attended by each Director were:

	Full Board		Audit and Risk Committee		Remuneration and Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held
Tim Goldsmith	8	8	2	2	2	2
Danielle Lee	8	8	2	2	2	2
Andrew Hinkley	4	8	-	-	-	-
Jack Hamilton	8	8	2	2	2	2
Glenn Corrie	2	2	-	-	1	1

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

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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	\$ 55,250 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 2023, the Group did not engage the services of an independent remuneration consultant to review its remuneration for Directors, key management personnel and other senior executives.

Voting and comments made at the company's Annual General Meeting ('AGM')

The Company received 89.90% "for" votes on its Remuneration Report for the year ended 30 June 2022.

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 Hinkley – Non-Executive Director
- Jack Hamilton – Non-Executive Director
- Geoff Ward – Executive Director - retired on 1 July 2022
- Glenn Corrie – Executive Director - appointed CEO on 10 October 2022 and appointed Managing Director on 3 April 2023

Neil Brodie is the Interim CFO and is not considered to be Key Management Personnel and is not involved in key management decisions.

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Hazer Group Limited
Directors' report
For the year ended 30 June 2023



Changes since the end of the reporting period:

2023	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments ³	Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Long service leave \$	Equity-settled \$	
<i>Non-Executive Directors:</i>							
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
<i>Executive Directors:</i>							
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.

2022	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Long service leave \$	Equity-settled \$	
<i>Non-Executive Directors:</i>							
Tim Goldsmith	64,500	-	-	1,500	-	-	66,000
Danielle Lee	40,000	-	-	4,000	-	-	44,000
Jack Hamilton ¹	29,343	-	-	-	-	-	29,343
Andrew Harris ²	17,576	-	-	1,758	-	-	19,334
<i>Executive Directors:</i>							
Geoff Ward ³	320,119	42,525	-	33,429	-	-	396,073
	471,538	42,525	-	40,687	-	-	554,750

¹ Jack Hamilton's remuneration is for the period 1 November 2021 to 30 June 2022

² Andrew Harris' remuneration is for the period 1 July 2021 to 8 December 2021

³ Geoff Ward's cash bonus includes a figure of \$28,350 in relation to the current financial year that was paid after the year end.

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Hazer Group Limited
Directors' report
For the year ended 30 June 2023



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

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2023	2022	2023	2022	2023	2022
<i>Non-Executive Directors:</i>						
Tim Goldsmith	60%	100%	-	-	40%	-
Danielle Lee	61%	100%	-	-	39%	-
Andrew Hinkly	-	-	-	-	-	-
Jack Hamilton	61%	100%	-	-	39%	-
<i>Executive Directors:</i>						
Glenn Corrie	32%	-	-	-	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 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 2023 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
	2023	2022	2023	2022
Tim Goldsmith	525,000	-	-	-
Danielle Lee	345,000	-	-	-
Andrew Hinkly	-	-	-	-
Jack Hamilton	345,000	-	-	-
Glenn Corrie	4,100,000	-	-	-
	-	-	-	-
	5,315,000	-	-	-

Hazer Group Limited
Directors' report
For the year ended 30 June 2023



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:

	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
Year ended 30 June 2023	\$	\$	\$	%
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%
	<u>3,088,582</u>	<u>-</u>	<u>-</u>	

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 2022 are set out below:

	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
Year ended 30 June 2022	\$	\$	\$	%
Tim Goldsmith	-	-	1,800,000	-
Andrew Hinkly	-	-	-	-
Jack Hamilton	-	-	-	-
Andrew Harris	-	-	-	-
Geoff Ward	-	500,000	500,000	-
	<u>-</u>	<u>500,000</u>	<u>2,300,000</u>	

Additional information

The earnings of the Group for the five years to 30 June 2023 are summarised below:

	2023	2022	2021	2020	2019
	\$	\$	\$	\$	\$
Revenues from ordinary activities	2,705,670	1,297,805	2,664,459	1,436,617	1,669,368
Loss after income tax	12,205,599	16,414,826	11,656,094	3,225,289	4,396,377
Net assets	3,939,477	12,451,967	13,316,270	18,013,551	5,834,306

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

	2023	2022	2021	2020	2019
Share price at financial year end (\$)	0.63	0.76	0.86	0.37	0.26
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(7.19)	(10.38)	(8.22)	(2.99)	(4.71)

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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
<u>Ordinary Shares</u>					
Tim Goldsmith	1,078,237	-	450,000	-	1,528,237
Danielle Lee	682,608	-	-	-	682,608
Andrew Hinkly ¹	4,680,455	-	4,116,094	-	8,796,549
Jack Hamilton	67,500	-	7,178	-	74,678
Glenn Corrie	-	-	38,871	-	38,871
Geoff Ward ²	1,479,970	-	-	(1,479,970)	-
	<u>7,988,770</u>	<u>-</u>	<u>4,612,143</u>	<u>(1,479,970)</u>	<u>11,120,943</u>

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. This option was exercised in December 2021. On 12th April 2021, AP Ventures Fund II GP LLP were also issued with 4,000,000 unlisted, unsecured Convertible Notes with a face value of \$1 each. On 30 June 2022, 1,333,333 convertible notes were converted to 2,430,455 shares; on 4 August 2022, 1,333,333 convertible notes were converted to 2,008,402 shares and finally on 26 September 2022 the remaining 1,333,334 convertible notes were converted to 2,107,692 shares.

² Disposals/other represents 1,479,970 shares held at resignation date 1 July 2022.

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
<u>Options over ordinary shares</u>					
Tim Goldsmith	-	-	525,000	-	525,000
Danielle Lee	-	-	345,000	-	345,000
Andrew Hinkly	-	-	-	-	-
Jack Hamilton	-	-	345,000	-	345,000
Glenn Corrie	-	-	4,100,000	-	4,100,000
Geoff Ward ¹	4,000,000	-	-	(4,000,000)	-
	<u>4,000,000</u>	<u>-</u>	<u>5,315,000</u>	<u>(4,000,000)</u>	<u>5,315,000</u>

¹ Expired/Forfeited/exercised represents options held at resignation date 1 July 2022.

Other transactions with key management personnel and their related parties

The number of Convertible Notes in the company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

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	Balance at the start of the year	Granted	Additions	Expired Forfeited/ exercised	Balance at the end of the year
<i>Convertible Notes</i>					
Tim Goldsmith	-	-	-	-	-
Danielle Lee	-	-	-	-	-
Andrew Hinkly	2,666,667	-	-	(2,666,667) ¹	-
Jack Hamilton	-	-	-	-	-
Glenn Corrie	-	-	-	-	-
Geoff Ward	-	-	-	-	-
	<u>2,666,667</u>	<u>-</u>	<u>-</u>	<u>(2,666,667)</u>	<u>-</u>

¹ Indirect interest as the Managing Partner of AP Ventures. On 12th April 2021, AP Ventures Fund II GP LLP were issued 4,000,000 unlisted, unsecured Convertible Notes with a face value of \$1 each. On 30 June 2022, 1,333,333 convertible notes were converted to 2,430,455 shares, on 4 August 2022, 1,333,333 convertible notes were converted to 2,008,402 shares and finally on 26 September 2022 the remaining 1,333,334 convertible notes were converted to 2,107,692 shares.

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
Series N	14/11/2018	30/06/2024	\$0.90	2,000,000
Series N	18/10/2019	30/06/2024	\$0.00	1,450,000
Series P	24/11/2022	22/12/2027	\$0.90	4,100,000
Series Q	24/11/2022	22/12/2027	\$0.00	1,215,000
Series R	01/01/2023	01/01/2028	\$0.00	1,867,890
Series S	22/08/2023	02/02/2025	\$0.75	8,032,578
				<u>18,665,468</u>

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

There were no ordinary shares of Hazer Group Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

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.

Hazer Group Limited
Directors' report
For the year ended 30 June 2023



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
Chairman

23 August 2023

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Hazer Group Limited for the year ended 30 June 2023, 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 PARTNERS

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 23 August 2023

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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Hazer Group Limited

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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

Level 9, 99 St Georges Terrace
Perth WA 6000

Principal place of business

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 23 August 2023.

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

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Hazer Group Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023



	Note	Consolidated	
		2023 \$	2022 \$
Revenue			
Interest received		302,861	5,870
R&D tax rebate	31	2,402,809	1,227,221
Grant income		-	50,000
Other income		-	14,714
		<u>2,705,670</u>	<u>1,297,805</u>
Expenses			
Finance costs	21	(370,935)	(629,864)
Administration		(2,810,653)	(1,488,300)
Consulting and research expenses		(5,670,814)	(2,494,151)
Employee benefits expenses		(4,754,006)	(3,274,499)
Share based payments	28	(1,046,848)	(143,427)
Depreciation and amortisation expense		(111,258)	(77,474)
Impairment expense on commercial demonstration plant	8	(146,755)	(9,604,916)
		<u>(12,205,599)</u>	<u>(16,414,826)</u>
Loss before income tax expense			
Income tax expense	20	-	-
		<u>-</u>	<u>-</u>
Loss after income tax expense for the year	19	(12,205,599)	(16,414,826)
Other comprehensive income for the year, net of tax		-	-
		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(12,205,599)</u>	<u>(16,414,826)</u>
		Cents	Cents
Basic earnings per share	30	(7.19)	(10.38)
Diluted earnings per share	30	(7.19)	(10.38)

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

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Hazer Group Limited
Statement of financial position
As at 30 June 2023



	Note	Consolidated 2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	5	9,278,322	18,027,924
Trade and other receivables	6	2,939,084	8,528,905
Other current assets	7	161,457	312,419
Total current assets		<u>12,378,863</u>	<u>26,869,248</u>
Non-current assets			
Commercial Demonstration Plant	8	-	-
Plant and equipment	9	21,162	7,843
Leases	10	265,350	160,819
Total non-current assets		<u>286,512</u>	<u>168,662</u>
Total assets		<u>12,665,375</u>	<u>27,037,910</u>
Liabilities			
Current liabilities			
Trade and other payables	11	5,146,293	3,152,900
Provisions	12	254,360	170,545
Leases	10	87,029	67,195
Contract liabilities	13	951,000	3,920,000
Borrowings	14	-	2,309,095
Convertible note liability and derivative	15	-	2,850,795
Total current liabilities		<u>6,438,682</u>	<u>12,470,530</u>
Non-current liabilities			
Leases	10	174,233	85,413
Contract liabilities	13	1,500,000	1,500,000
Provisions	12	612,983	530,000
Total non-current liabilities		<u>2,287,216</u>	<u>2,115,413</u>
Total liabilities		<u>8,725,898</u>	<u>14,585,943</u>
Net assets		<u>3,939,477</u>	<u>12,451,967</u>
Equity			
Issued capital	17	61,505,433	58,859,172
Reserves	18	1,630,088	2,585,976
Equity - accumulated losses	19	(59,196,044)	(48,993,181)
Total equity		<u>3,939,477</u>	<u>12,451,967</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 year ended 30 June 2023



Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	40,774,126	6,643,064	(34,100,920)	13,316,270
Loss after income tax expense for the year	-	-	(16,414,826)	(16,414,826)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(16,414,826)	(16,414,826)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 17)	14,835,596	-	-	14,835,596
Shares issued pursuant to the exercise of options	3,249,450	(2,677,950)	-	571,500
Share-based payments	-	143,427	-	143,427
Transfer expired options to accumulated losses	-	(1,522,565)	1,522,565	-
Balance at 30 June 2022	58,859,172	2,585,976	(48,993,181)	12,451,967
Consolidated	Issued capital \$	Reserves \$	Retained profits \$	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)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 17)	2,646,261	-	-	2,646,261
Share-based payments	-	1,046,848	-	1,046,848
Transfer expired options to accumulated losses	-	(2,002,736)	2,002,736	-
Balance at 30 June 2023	61,505,433	1,630,088	(59,196,044)	3,939,477

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

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Hazer Group Limited
Statement of cash flows
For the year ended 30 June 2023



	Note	Consolidated	
		2023	2022
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(11,064,599)	(6,627,156)
Interest received		347,981	5,870
Interest and other finance costs paid		(8,776)	(7,720)
Research & development tax rebate received		9,448,880	1,326,917
Grant income received (inclusive of GST)		-	50,000
Other income received		-	14,714
Net cash used in operating activities		<u>(1,276,514)</u>	<u>(5,237,375)</u>
Cash flows from investing activities			
Payments for Commercial Demonstration Plant		(4,476,844)	(16,049,524)
Other property plant and equipment		(20,665)	(11,525)
Net cash used in investing activities		<u>(4,497,509)</u>	<u>(16,061,049)</u>
Cash flows from financing activities			
Proceeds from issue of shares, net of share issue costs		(20,406)	13,502,263
Proceeds from exercise of share options, net of share issue costs		-	571,500
Proceeds from borrowings		2,000,000	2,000,000
Repayment of borrowings		(4,852,193)	(1,326,917)
Transaction costs related to borrowings		(2,200)	-
Repayment of lease liability		(100,780)	(60,588)
Net cash from/(used in) financing activities		<u>(2,975,579)</u>	<u>14,686,258</u>
Net decrease in cash and cash equivalents		(8,749,602)	(6,612,166)
Cash and cash equivalents at the beginning of the financial year		18,027,924	24,640,090
Cash and cash equivalents at the end of the financial year	5	<u>9,278,322</u>	<u>18,027,924</u>

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

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Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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 33.

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 2023 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.

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Note 1. Significant accounting policies (continued)

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.

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.

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Note 1. Significant accounting policies (continued)

Convertible Notes

The Convertible Note valuations methodology is based on the fair value of the conversion option (convertible note derivative), determined using Black-Scholes valuation model, and the residual difference is the value of host liability (convertible note liability).

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
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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.

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.

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Note 1. Significant accounting policies (continued)

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.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

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.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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Note 1. Significant accounting policies (continued)

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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.

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Note 1. Significant accounting policies (continued)

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.

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

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.

As disclosed in the financial statements, the Group's cash balance for the year ended 30 June 2023 was \$9,278,322. The Group incurred a loss of \$12,205,599 and had net cash outflows from operating activities of \$1,276,514 and from investing activities of \$4,497,509 for the year ended 30 June 2023.

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 FY23 and future R&D tax rebates;
- 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;
- As disclosed in note 32 Events after the reporting period, the Company has engaged in a capital raise programme post year end with gross \$14,710,554 raised from existing investors and new investors;
- 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 2023. 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.

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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.

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 Company 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 CDP 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: during FY23, the Group settled its outstanding borrowings with Mitchell Asset Management and all convertible notes on issue to AP Ventures Fund II GP LLP were converted to share capital.

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 \$9,278,322 (2022: 18,027,924) 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)	
	2023	2022	2023	2022
+0.5% (50 basis points)	46,392	90,140	46,392	90,140
-0.5% (50 basis points)	(46,392)	(90,140)	(46,392)	(90,140)

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:

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

	Note	Less than 3 months \$	3 to 12 months \$	1-5 years \$	>5 years \$	Total \$
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
Borrowings	14	-	-	-	-	-
Convertible note liability	15	-	-	-	-	-
Convertible note derivative	15	-	-	-	-	-
		<u>5,168,876</u>	<u>1,015,446</u>	<u>1,674,233</u>	<u>-</u>	<u>7,858,555</u>
Year ended 30 June 2022						
Trade and other payables	11	3,152,900	-	-	-	3,152,900
Lease liabilities	10	16,178	51,017	85,413	-	152,608
Contract liabilities	13	-	3,920,000	1,500,000	-	5,420,000
Borrowings	14	-	2,309,095	-	-	2,309,095
Convertible note liability	15	-	1,357,002	-	-	1,357,002
Convertible note derivative	15	-	1,493,793	-	-	1,493,793
		<u>3,169,078</u>	<u>9,130,907</u>	<u>1,585,413</u>	<u>-</u>	<u>13,885,398</u>

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.

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 2023 the fair values of the short-term deposits pledged was \$332,542 (2022: \$281,222). 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	
	2023 \$	2022 \$
Cash at bank	6,494,780	12,326,702
Cash on deposit	332,542	281,222
Cash at bank – restricted	<u>2,451,000</u>	<u>5,420,000</u>
	<u>9,278,322</u>	<u>18,027,924</u>



Note 5. Cash and cash equivalents (continued)

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	
	2023	2022
	\$	\$
GST refundable	281,305	233,530
R&D tax rebate receivable	2,657,779	8,295,375
	<u>2,939,084</u>	<u>8,528,905</u>

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 2023 (2022: 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	
	2023	2022
	\$	\$
Prepayments	150,859	298,219
Deposits	10,598	14,200
	<u>161,457</u>	<u>312,419</u>

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Note 8. Commercial Demonstration Plant

	Consolidated	
	2023	2022
	\$	\$
Commercial Demonstration Plant	29,543,133	25,654,430
Commercial Demonstration Plant – R&D offset	(7,924,084)	(7,068,153)
Commercial Demonstration Plant – restoration provision	592,983	510,000
Commercial Demonstration Plant – accumulated amortisation & impairment	(15,253,032)	(15,106,277)
Commercial Demonstration Plant – ARENA grant offset	(6,959,000)	(3,990,000)
	<u>-</u>	<u>-</u>

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 2021	5,501,361	(5,501,361)	-
Additions	16,673,069	-	16,673,069
R&D Offset	(7,068,153)	-	(7,068,153)
Impairment of assets	-	(9,604,916)	(9,604,916)
Balance at 30 June 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	<u>15,253,032</u>	<u>(15,253,032)</u>	<u>-</u>

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 2023, 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	
	2023	2022
	\$	\$
Plant and equipment - at cost	74,909	54,244
Less: Accumulated depreciation	<u>(53,747)</u>	<u>(46,401)</u>
Net book value for the period ended	<u>21,162</u>	<u>7,843</u>

Consolidated	Cost \$	Depreciation \$	Total \$
Balance at 1 July 2021	42,719	(29,272)	13,447
Additions	<u>11,525</u>	<u>(17,129)</u>	<u>(5,604)</u>
Balance at 30 June 2022	54,244	(46,401)	7,843
Additions	<u>20,665</u>	<u>(7,346)</u>	<u>13,319</u>
Balance at 30 June 2023	<u>74,909</u>	<u>(53,747)</u>	<u>21,162</u>

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:

	Consolidated	
	2023	2022
	\$	\$
Right-of-use assets		
At 1 July	160,819	29,119
Additions	208,444	192,045
Depreciation expense	<u>(103,913)</u>	<u>(60,345)</u>
At 30 June	<u>265,350</u>	<u>160,819</u>

	Consolidated	
	2023	2022
	\$	\$
Lease liabilities		
At 1 July	152,608	27,333
Additions	208,444	172,045
Accretion of interest	990	13,818
Payments	<u>(100,780)</u>	<u>(60,588)</u>
At 30 June	<u>261,262</u>	<u>152,608</u>



Note 10. Leases (continued)

	Consolidated	
	2023	2022
	\$	\$
Lease liabilities classification		
Current	87,029	67,195
Non-current	174,233	85,413
	261,262	152,608

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

	Consolidated	
	2023	2022
	\$	\$
The following are amounts recognised in the profit or loss:		
Depreciation expense of right-of-use assets	103,913	60,345
Interest expense on lease liabilities	(990)	(13,818)
Expenses relating to short-term leases (included in administration expenses)	-	13,102
	102,923	59,629

The Group had total cash outflows for leases of \$100,780 in 2023 (2022: \$60,588). The Group also had non-cash additions to right-of-use assets and lease liabilities of \$208,444 in 2023 (2022: 192,045). 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.

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 2022			
Extension options expected not to be exercised	249,887	-	249,887
At 30 June 2023			
Extension options expected not to be exercised	361,919	-	361,919

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Note 11. Trade and other payables

	Consolidated	
	2023	2022
	\$	\$
Accounts payable	3,627,453	2,511,287
Other payables	1,518,840	641,613
	5,146,293	3,152,900

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

Note 12. Provisions

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Employee benefits	254,360	170,545
<i>Non-current liabilities</i>		
Lease make good	20,000	20,000
Provision for restoration	592,983	510,000
	612,983	530,000
	867,343	700,545

Employee benefits

The 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.

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 2022	510,000
Additional provision recognised	82,983
At 30 June 2023	592,983

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.

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Note 13. Contract liabilities

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Current Contract liabilities	951,000	3,920,000
<i>Non-current liabilities</i>		
Non-current Contract liabilities	1,500,000	1,500,000
	<u>2,451,000</u>	<u>5,420,000</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 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 targets to achieve practical completion in FY2024, amounts attributable to Milestone 3.b are classified as current liabilities and are expected to be released in the next 12 months from 30 June 2023. Amounts relating to operational Milestones are 4 – 6 classified as non-current as the Group is required to fulfil a minimum of 12, 24 and 36 months of operations prior to being eligible for the application of funds.

Note 14. Borrowings

	Consolidated	
	2023	2022
	\$	\$
Current borrowings	-	2,309,095

The Group had a \$6.5 million Senior Secured Loan Facility with Mitchell Asset Management (MAM) in its capacity as trustee for the Mitchell Asset Management Go-Innovation Finance Fund (ABN 88 447 520 706) which was fully discharged during the current financial year.

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Note 15. Convertible note liability and derivative

	Consolidated	
	2023	2022
	\$	\$
Convertible note liability	-	1,357,002
Convertible note derivative	-	1,493,793
	-	2,850,795
	-	2,850,795

At 30 June 2022, the Group had 2,666,667 notes on issue to AP Ventures Fund II GP LLP as unlisted, unsecured Convertible Notes with a face value of \$1 each.

All Notes were converted to shares during FY23.

The conversion feature of the Notes have been recognised at fair value as a convertible note derivative. The reconciliation for the movements in the Convertible Note features is shown in Note 16 'Fair value measurement'.

Note 16. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Liabilities</i>				
Convertible Note Liability	-	-	-	-
Convertible Note Derivative	-	-	-	-
Total liabilities	-	-	-	-
Consolidated - 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Liabilities</i>				
Convertible Note Liability	-	-	1,357,002	1,357,002
Convertible Note Derivative	-	-	1,493,793	1,493,793
Total liabilities	-	-	2,850,795	2,850,795

There were no transfers between levels during the financial year.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The Convertible Note valuations methodology is based on the fair value of the conversion option (convertible note derivative), determined using Black-Scholes valuation model.

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Note 16. Fair value measurement (continued)

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Convertible Note		Total
	Liability	Derivative	
	\$	\$	\$
Balance at 1 July 2021	1,496,911	2,503,089	4,000,000
Losses recognised in profit or loss	-	(354,463)	(354,463)
Interest recognised in profit or loss	538,591	-	538,591
Conversions	(678,500)	(654,833)	(1,333,333)
Balance at 30 June 2022	1,357,002	1,493,793	2,850,795
Losses recognised in profit or loss	-	(225,446)	(225,446)
Interest recognised in profit or loss	41,319	-	41,319
Conversions	(1,398,321)	(1,268,347)	(2,666,668)
Balance at 30 June 2023	-	-	-

Note 17. Issued capital

	Consolidated			
	2023 Shares	2022 Shares	2023 \$	2022 \$
Ordinary shares - fully paid	170,443,743	166,327,649	61,505,433	58,859,172

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Opening balance 1 July 2021	1 July 2021	145,334,802		40,774,126
Share placement	8 October 2021	7,608,696	\$0.92	7,000,000
Share purchase plan	1 November 2021	7,608,696	\$0.92	7,000,000
Issue of shares on exercise of Series K Options	1 November 2021	10,000	\$1.20	12,000
Issue of shares on exercise of Series M Options	1 November 2021	85,000	\$0.70	59,500
Issue of shares on exercise of Series O Options	14 December 2021	2,250,000	\$0.00	1
Issue of shares on exercise of Series L Options	30 June 2022	1,000,000	\$0.50	500,000
Transfer of Series K options from options reserve		-		4,212
Transfer of Series M options from options reserve		-	\$0.00	17,080
Transfer of Series L options from options reserve		-	\$0.00	136,657
Transfer of Series O options from options reserve		-	\$0.00	2,520,000
Unsecured Convertible Note conversion		2,430,455	\$0.55	1,333,333
Share issue transaction costs, net of tax		-	\$0.00	(497,737)
Closing balance 30 June 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



Note 17. Issued capital (continued)

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 18. Reserves

Options reserve

Consolidated	
2023	2022
\$	\$
1,630,088	2,585,976

Option reserve

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

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Note 18. Reserves (continued)

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 2021	17,050,000	6,643,064
Options exercised - Series K	(10,000)	(4,212)
Options exercised - Series M	(85,000)	(17,081)
Options exercised - Series O	(2,250,000)	(2,520,000)
Options exercised - Series L	(1,000,000)	(136,657)
Options lapsed during the period - Series K	(3,290,000)	(1,385,908)
Options lapsed during the period - Series L	(1,000,000)	(136,657)
Existing options issued in prior periods vesting over multiple periods	-	143,427
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)
Closing balance 30 June 2023	10,632,890	1,630,088

Note 19. Equity - accumulated losses

	Consolidated	
	2023	2022
	\$	\$
Accumulated losses at the beginning of the financial year	(48,993,181)	(34,100,920)
Loss after income tax expense for the year	(12,205,599)	(16,414,826)
Transfer expired options to accumulated losses	2,002,736	1,522,565
Accumulated losses at the end of the financial year	<u>(59,196,044)</u>	<u>(48,993,181)</u>

Note 20. Income Tax

The major components of income tax expense for the years ended 30 June 2023 and 2022 are:

	Consolidated	
	2023	2022
	\$	\$
Statement of profit or loss		
Current income tax:	-	-
Deferred tax:	-	-
Relating to the origination and reversal of temporary differences	(838,517)	(2,393,503)
Derecognition of current year temporary differences	838,517	2,393,503
Income tax expense/(benefit) reported in the statement of profit or loss	<u>-</u>	<u>-</u>



Note 20. Income Tax (continued)

Reconciliation of tax expense and accounting profit multiplied by Australia's prima facie tax rate of 25% for 2023 and 2022:

	2023 \$	2022 \$
Accounting loss before income tax	(12,205,599)	(16,414,826)
Tax on loss at Australian prima facie tax rate of 25%	(3,051,399)	(4,103,706)
Impact of tax rates applicable outside of Australia	(41,225)	
Expenses eligible for R&D rebate	1,380,925	705,300
Share based payments	261,712	35,857
Other non-deductible expenses	4,865	2,799
R&D rebate received on eligible expenses	(600,702)	(306,805)
Movement in temporary deductible and taxable differences in statement of taxable income	838,517	2,393,503
		-
At the effective income tax rate of 25% (2022: 25%)	(1,207,308)	(1,273,052)
Tax losses not brought/(brought) to account	1,207,308	1,273,052
Income tax expense/(benefit) reported in the statement of profit or loss	-	-

	2023 \$	2022 \$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	15,610,972	10,978,655
Potential tax benefit at 25%	3,902,743	2,744,664

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 2023 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.

The corporate tax rate applicable to base rate entities is 25% in current year and then remains at 25% in future years. The Company qualifies as a base rate entity as it has a turnover of less than \$50 million and less than 80% of its assessable income is derived from base rate entity passive income. The Company has measured its deferred tax balances, and any unrecognised potential tax benefits arising from carried forward tax losses, based on the effective tax rate that is expected to apply in the year the temporary differences are expected to reverse or benefits from tax losses realised.

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Note 21. Finance Costs

	Consolidated	
	2023	2022
Convertible note interest	41,319	538,591
Fair Value (Gain)/Loss on convertible note derivative	(225,446)	(354,463)
Interest and other finance costs	552,862	442,436
Transaction costs related to borrowings	2,200	3,300
	370,935	629,864
	370,935	629,864

Note 22. 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	
	2023	2022
	\$	\$
Short-term employee benefits	673,343	514,065
Post-employment benefits	46,566	40,687
Share-based payments	898,369	-
	1,618,278	554,752
	1,618,278	554,752

Neil Brodie is the Interim CFO and is not considered to be Key Management Personnel and is not involved in key management decisions.

Note 23. 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	
	2023	2022
	\$	\$
<u>Audit services</u>		
Audit or review of the financial statements	77,000	71,000
	77,000	71,000
	77,000	71,000

Note 24. Contingent assets and liabilities

The Group has given bank guarantees as at 30 June 2023 of \$297,542 (2022: \$246,222) to various landlords and Western Power in association with the Commercial Demonstration Plant.

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Note 25. Commitments

Committed at the reporting date but not recognised as liabilities:

	Consolidated	
	2023	2022
	\$	\$
<i>Research collaboration agreement:</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	100,000	61,896
Later than 1 year but not later than 5 years	-	-
More than five years	-	-
	100,000	61,896
<i>Construction of Commercial Demonstration Plant</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	2,251,460	2,861,723
Later than 1 year but not later than 5 years	-	-
More than five years	-	-
	2,251,460	2,861,723

Note 26. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the Directors' report.

Transactions with related parties

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. This option was exercised in December 2021. On 12th April 2021, AP Ventures Fund II GP LLP were also issued with 4,000,000 unlisted, unsecured Convertible Notes with a face value of \$1 each. By 30 June 2023, all convertible notes were converted.

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.

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Note 27. Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated	
	2023	2022
	\$	\$
Loss after income tax expense for the year	(12,205,599)	(16,414,826)
Adjustments for:		
Share-based payments	1,046,848	143,427
Depreciation	111,258	77,474
Transaction costs related to borrowings	2,200	-
Finance costs	359,959	622,145
Impairment expense	146,755	9,604,916
Change in operating assets and liabilities:		
Other current assets	150,963	(66,089)
Trade and other payables	2,689,327	715,270
Employee benefits	83,815	5,867
Trade and other receivables	6,337,960	74,441
Net cash used in operating activities	<u>(1,276,514)</u>	<u>(5,237,375)</u>

Note 28. Share based payments

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	Granted	Exercised/ Quoted as Listed options	Expired/ forfeited/ other	Balance at the end of the year
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)	-
24/11/2022	22/12/2027	\$0.00	-	4,100,000	-	-	4,100,000
24/11/2022	22/12/2027	\$0.00	-	1,215,000	-	-	1,215,000
01/01/2023	01/01/2028	\$0.00	-	1,867,890	-	-	1,867,890
			<u>9,415,000</u>	<u>7,182,890</u>	<u>-</u>	<u>(5,965,000)</u>	<u>10,632,890</u>



Note 28. Share based payments (continued)

For the year ended 30 June 2022:

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	Granted	Exercised/ Quoted as Listed options	Expired/ forfeited/ other	Balance at the end of the year
06/04/2017	31/12/2021	\$1.20	1,000,000	-	-	(1,000,000)	-
04/12/2017	31/12/2021	\$1.20	2,300,000	-	(10,000)	(2,290,000)	-
29/08/2018	30/06/2023	\$0.70	500,000	-	-	-	500,000
14/11/2018	30/06/2022	\$0.50	2,000,000	-	(1,000,000)	(1,000,000)	-
14/11/2018	30/06/2023	\$0.70	2,000,000	-	(85,000)	-	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
02/04/2021	12/04/2026	\$1.00 ¹	2,250,000	-	(2,250,000)	-	-
			<u>17,050,000</u>	<u>-</u>	<u>(3,345,000)</u>	<u>(4,290,000)</u>	<u>9,415,000</u>

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. The options will expire 5 years from the date of their issue and cannot be exercised in the first 12 months following issue of the options.

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

Option series	Grant date	Expiry date	2023 Number	2022 Number
Series M	29/08/2018	30/06/2023	-	500,000
Series M	14/11/2018	30/06/2023	-	2,000,000
Series N	14/11/2018	30/06/2024	2,000,000	2,000,000
Series M	18/10/2019	30/06/2023	-	1,465,000
Series N	18/10/2019	30/06/2024	1,450,000	1,450,000
Series N	01/12/2020	30/06/2024	-	2,000,000
Series P	24/11/2022	22/12/2027	1	4,100,000
Series Q	24/11/2022	22/12/2027	1	1,215,000
Series R	01/01/2023	01/01/2028	1	1,867,890
			<u>10,632,890</u>	<u>9,415,000</u>

¹ None of the options issued have vested at the reporting date and are vesting over a period.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.36 years (2022: 1.58).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise Price	Expected volatility %	Dividend yield %	Risk-free interest rate %	Fair value at grant date
24/11/2022	22/12/2027	\$0.69	\$0.001	75.00%	-	3.29%	3,088,583
01/01/2023	01/01/2028	\$0.57	\$0.001	75.00%	-	3.63%	502,649



Note 28. Share based payments (continued)

Expenses arising from share based payment transactions

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

	Consolidated	
	2023	2022
	\$	\$
Options issued to KMP	898,369	-
Options issued to employees/consultants	148,479	143,427
	<u>1,046,848</u>	<u>143,427</u>

Note 29. 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	
		2023	2022
		%	%
Hazer Group Canada Limited	Canada	100.00%	-

Note 30. Earnings per share

	Consolidated	
	2023	2022
	\$	\$
Loss after income tax	<u>(12,205,599)</u>	<u>(16,414,826)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	169,754,277	158,099,058
	Cents	Cents
Basic earnings per share	(7.19)	(10.38)
Diluted earnings per share	(7.19)	(10.38)

The Company has 10,632,890 (2022: 9,415,000) options at 30 June 2023, 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 31. 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 2023 to be \$2,657,779: \$254,970 in relation to the capitalised CDP expenditure and \$2,402,809 in relation to other expensed R&D costs.

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Note 32. Events after the reporting period

On 7th August 2023, the Company executed binding agreements with Innovation Structured Finance Co.,LLC for a \$1.8 million secured loan facility to support the construction of the CDP. The key purpose of the loan is to fund the R&D activities associated with the construction of the CDP. The loan has been drawn down in one tranche and has a maturity date of 31 December 2023, however can be early settled at any time by Company without penalty. Innovation Structured Finance Co.,LLC will hold security over Hazer's FY23 R&D Tax Incentive rebate which is estimated to fully clear the loan and any associated costs on receipt before loan maturity date.

On 31st July 2023, the Company announced a non-renounceable rights issue to eligible shareholders of 3 New shares for every 16 Shares held at an issue price of \$0.48 per New Share with 1 attaching New Option for every 2 New Shares allotted. Each New Option is exercisable at \$0.75 per Share and expires on 28 February 2025. The Offer was lead managed and partially underwritten by Viriathus Capital Pty Ltd. The offer closing date was Friday 18 August 2023 with funds raised at signing date totaling \$14.7 million.

The proceeds from this raise are to be principally used towards:

- CDP related operating expenditure including operational performance testing and post start up R&D/reactor operating performance diagnostics;
Advancing current commercial projects in North America, Japan and France, and pursuing further opportunities in Asia and North America;
Estimated costs of the Offer and working capital.

Note 33. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2023	2022
	\$	\$
Loss after income tax	(12,205,599)	(16,414,826)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss	(12,205,599)	(16,414,826)

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Note 33. Parent entity information (continued)

Statement of financial position

	Parent	
	2023	2022
	\$	\$
Total current assets	12,378,863	26,869,248
Total non-current assets	286,623	168,662
Total assets	12,665,486	27,037,910
Total current liabilities	6,438,793	12,470,530
Total non-current liabilities	2,287,216	2,115,413
Total liabilities	8,726,009	14,585,943
Net assets	<u>3,939,477</u>	<u>12,451,967</u>
Equity		
Issued capital	61,505,433	58,859,172
Reserves	1,630,088	2,585,976
Accumulated losses	(59,196,044)	(48,993,181)
Total equity	<u>3,939,477</u>	<u>12,451,967</u>

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.

Significant accounting policies

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.

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Hazer Group Limited
Directors' declaration
For the year ended 30 June 2023



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 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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
Chairman

23 August 2023

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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 (**Group**), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, 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 2023 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* (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.

THE POWER OF BEING UNDERSTOOD

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Key Audit Matters

Key audit matters (KAM) 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
<p>R&D tax rebate Refer to Note 31 in the financial statements</p> <p>The Group claims a refundable tax offset for eligible expenditure under the research and development (R&D) tax incentive scheme.</p> <p>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.</p> <p>The Group recognises the R&D tax rebate income on an accrual basis. The receivable at year-end for the incentive is \$2,657,779 representing the estimated claim for the activity for the year ended 30 June 2023.</p> <p>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.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▪ 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. ▪ Agreeing a sample of individual expenditure items included in the estimate to underlying supporting documentation to determine that they have been appropriately recognised in the accounting records and that they are eligible expenditures. ▪ Reviewing the appropriateness of the disclosures in the financial statements.

Share-based payment

Refer to Note 28 in the financial statements

<p>In accordance with AASB 2 <i>Share-based Payment</i>, the Group recognised share-based payment expenses from the issue of options:</p> <ul style="list-style-type: none"> ▪ 5,315,000 options with market vesting conditions to key management personnel. ▪ 1,867,890 options with market vesting conditions to employees. <p>Management used a valuation model to value these options and estimated the length of the expected vesting period.</p> <p>We determined this to be a key audit matter due to the material amount of the share-based payment and the significant judgement involved in assessing the fair value of the transactions in accordance with AASB 2 <i>Share-based Payment</i>.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▪ Obtaining an understanding of the key terms and conditions of the options issued; ▪ Verifying the completeness of options issued at the reporting date; ▪ Obtaining the valuation models prepared by management and assessing whether the models were appropriate for valuing the options; ▪ Assessing the mathematical accuracy of the computation and the apportioned expense over the vesting period; ▪ Challenging the reasonableness of key assumptions used by management to value the options; and ▪ Assessing the relevant disclosures in the financial statements to ensure compliance with Accounting Standards.
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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 2023, 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 the 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 financial report that gives a true and fair view and is free from material 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: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

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 2023.

In our opinion, the Remuneration Report of Hazer Group Limited, for the year ended 30 June 2023, 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 PARTNERS



ALASDAIR WHYTE
Partner

Perth, WA
Dated: 23 August 2023

Hazer Group Limited
Shareholder information
For the year ended 30 June 2023



ASX Additional Information

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

The shareholder information set out below was applicable as at 31 July 2023.

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	2,891,753	4,405
1,001 to 5,000	16,476,315	6,357
5,001 to 10,000	16,343,483	2,087
10,001 to 100,000	64,778,246	2,299
100,001 and over	<u>69,953,946</u>	<u>186</u>
	<u>170,443,743</u>	<u>15,334</u>
Holding less than a marketable parcel	<u>1,557,211</u>	<u>3,025</u>

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Equity security holders

Twenty largest quoted equity security holders

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

	Number held	Ordinary shares % of total shares issued
BNP PARIBAS NOMS PTY LTD DRP	10,657,646	6.25
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	6,439,683	3.78
CITICORP NOMINEES PTY LIMITED	3,846,257	2.26
MR JAMIE PHILLIP BOYTON	2,832,678	1.66
OOFY PROSSER PTY LTD	1,772,365	1.04
POINT AT INFINITY PTY LTD	1,512,937	0.89
MR ADRIAN JOHN MCTIERNAN	1,300,000	0.76
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,271,364	0.75
UBS NOMINEES PTY LTD	1,175,064	0.69
BNP PARIBAS NOMINEES PTY LTD	1,163,749	0.68
RANGEGROVE PTY LTD	1,161,549	0.68
SHARESIES NOMINEE LIMITED	1,096,361	0.64
MRS LORRAINE ALYSSA GOLDSMITH	1,078,237	0.63
THE UNIVERSITY OF WESTERN AUSTRALIA	996,147	0.58
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	712,000	0.42
JOE BOY & MIA MOO PTY LTD	651,110	0.38
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	606,979	0.36
SUPERHERO SECURITIES LIMITED	581,276	0.34
SHERKANE PTY LTD	503,162	0.30
MOLLYGOLD SUPERANNUATION PTY LTD	450,000	0.26
	<u>39,808,564</u>	<u>23.35</u>

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares - Series N	3,450,000	4
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
	<u>10,632,890</u>	<u>28</u>

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:

	Number held	Ordinary shares % of total shares issued
BNP PARIBAS NOMS PTY LTD DRP	10,657,646	6.25

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Hazer Group Limited
Shareholder information
For the year ended 30 June 2023



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.

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