Hazer Group Limited (ACN 144 044 600)
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APPENDIX 4C – 31 MARCH 2025
QUARTERLY ACTIVITIES & CASHFLOW REPORT

PERTH, AUSTRALIA; 14 April 2025: Hazer Group Ltd ("Hazer" or "the Company") (ASX: HZR) lodges the following activity update and attached Appendix 4C Quarterly Cashflow Report for the three-month period ended 31 March 2025 ("Quarter").

Highlights for the Quarter:

- *Operational stability of the Hazer® Process verified by independent assurance provider, Lloyd's Register, validating commercial readiness.*
- *Contract awarded for installation of the commercial design reactor, a concept viable of scale up to large commercial levels of more than 20ktpa of hydrogen production per train.*
- *Canada Project commercial reactor test program successfully completed.*
- *Awarded significant patents in the United States and Japan for the Hazer® Process.*
- *Well-funded with $10.3 million available cash increased from $9.3 million (Dec 24) strengthened by non-dilutive grant proceeds and revenue from FortisBC.*
- *CEO Glenn Corrie and other members of the leadership team will be hosting a webinar on Wednesday, 16 April 2025 at 09:00am (AWST) / 11:00am (AEST). Details provided below.*

Hazer Managing Director Glenn Corrie said: *"The first calendar quarter of 2025 saw substantial non-dilutive funding inflows, while the Company focused on minimising costs to maintain its robust liquidity position during this period of global uncertainty.*

The successful completion of the performance test program last year allowed the Company to maintain the CDP in low-cost standby mode during the Quarter while our team advanced the development of the next reactor program and progressed commercialisation opportunities.

The Company continues to receive strong interest for its unique methane pyrolysis technology, recognised as the most affordable and viable pathway to clean hydrogen and graphite to support industry decarbonisation."

Key activities undertaken during the Quarter are outlined below:

Hazer® Process: Commercial Readiness Confirmed

Building on the successful completion of the Commercial Demonstration Plant ("CDP") test program in November 2024 and continuous operation of over 1,250 hours in aggregate, confidence in the commercial readiness of the Hazer Process continues to strengthen. Specific process performance data, encompassing temperature, flow, pressure and methane conversion collected throughout 2024 has undergone detailed analysis. Evaluation and modelling continue to confirm techno-economic viability, scalability and competitiveness of the Hazer® Process.

These advantages are underpinned by Hazer's key differentiators, principally lower energy intensity, the proven scalability of fluidised bed technology, high methane conversion and graphite value upside. The successful completion of the Canada Project reactor test program further reinforces confidence by validating commercial-scale heat transfer capability - a critical measure for reactor scale-up.

Additionally, during the Quarter, Hazer engaged Lloyd's Register, a globally recognized independent assurance provider, to conduct a comprehensive assessment of the CDP's operational stability and process verification

during the performance test program carried out during 2024. The verification process involved a detailed review of operational data, on-site inspections, and analysis of production outputs. This work provided important validation, which is critical to the commercialisation of Hazer technology. Key findings include:

- Demonstrated process stability and continuous operation over a 7-day period.
- Verification of robust process control and monitoring systems, supporting reliable and safe operations.

During the test period, the Company also verified the following key observations:

- Consistent methane conversion rates, meeting or exceeding design specifications at operating temperature and pressure.
- Hydrogen and graphite outputs consistently achieving required purity and quality standards for commercial applications.
- Emissions and waste management processes confirmed to be compliant with environmental regulations and Hazer's low-carbon objectives.

This independent assessment provides strong third-party validation of the Hazer® Process technology and its readiness for commercial-scale deployment.

During the Quarter, the Company maintained the CDP in a low-OPEX standby mode while progressing the next phase of engineering for the commercial scale design reactor. During this period, Hazer conducted a testing program to validate process recycle capability, an important feature that enables exceptionally high methane conversion rates. In recycle mode, the Hazer® Process can achieve methane conversion rates exceeding 97%.

US and Japan Patent Awards Strengthen Intellectual Property Protection Rights

As announced on 17 March 2025, the United States Patent and Trademark Office approved another key patent that protects Hazer's innovative process for hydrogen and graphitic carbon production. Hazer has now secured a total of four registered patent rights in the United States.

The US patent application (US 18/195,530) covers a method for pre-treating a naturally occurring polycrystalline iron-ore-grade catalyst, utilising a fluidised bed reactor to convert hydrocarbons into hydrogen and high-quality carbon materials, with separate extraction streams for each product.

In Japan, the Japanese Patent Office awarded a key patent covering the Hazer process and the production of hydrogen and graphitic carbon from hydrocarbons (JP 2021- 167526) utilising an iron oxide catalyst (refer announcement dated 9 January 2025).

These patents further strengthen Hazer's global IP portfolio covering several distinct technology families underpinning the Hazer® Process. This latest development marks a significant step in Hazer's IP protection strategy, particularly in the United States, ensuring the company's innovative technology remains well-positioned in key global markets.

Technology and Commercial Reactor Scale-up Development

Building on the confidence in Hazer's commercial readiness, technology development focus is shifting towards accelerating scale-up to single train capacities in excess of 10,000 tpa H_2 production in the near term. Adoption of a fluidised bed reactor, with proven scalability in the refining and metallurgical industries, reinforces capability to meet customer demand and deploy the Hazer technology at large scale.

During the Quarter, Hazer Group strengthened its collaboration with global fluidization experts, Particulate Solids Research Institute ("PSRI") to accelerate and derisk scale-up efforts. PSRI has extensive experience across a wide range of technologies spanning the refining, petrochemicals, pharmaceuticals and power generation industries. PSRI has over 160 years of combined experience in fluidisation and particle technology supported by more than 225 peer-reviewed publications in the field.

Their capabilities include industrial-scale testing facilities, particle characterization, and advanced process modelling that are critical for accelerating process scale-up.

As part of the Hazer / PSRI engagement, PSRI recently visited Hazer in Perth to deliver their globally recognized Fluidisation Seminar to build deep fluidisation expertise throughout Hazer's research and engineering departments. Additionally, an intensive workshop to review Hazer's process design and scale-up strategy was held with resoundingly positive feedback. By leveraging PSRI's unparalleled knowledge, Hazer aims to accelerate the scale-up and commercialization of the Hazer Technology.

During the Quarter, Hazer's team also progressed engineering work to enable installation of the commercial reactor design this year. This reactor concept has been developed to complement the smaller scale reactor successfully tested in the CDP through 2024 and will provide hot operation data to validate larger scale commercial projects of more than 20ktpa of hydrogen production per train.

In March, the Company awarded a contract for the construction and installation works for the commercial reactor design to Altrad, an international project delivery company and long-time partner of Hazer at the CDP. Altrad is one of the nation's largest industrial service providers, with significant brownfields experience in hydrogen and hydrocarbons, local manufacturing and resources base, and has a demonstrated strong safety culture. Importantly, as announced on 3 December 2024, this forward work program will be co-funded by the WA State Government following an award of ~$6.2 million through the Lower Carbon Grant- Gorgon Fund ("LCG").

Canada FortisBC Client Project

Hazer continued to support FortisBC in Canada with the development of its Hydrogen project in the British Columbia province, our team attended the operation of the Pilot Rig for testing of some properties of the HAZER® Process ahead of the commencement of final engineering to progress to a Final Investment Decision. FortisBC has had success in completing its pilot testing targets and achieving the milestones set out in the Clean BC funding agreement (refer announcement dated 6 May 2024). The series of performance tests culminated in a flawless continuous 4-day testing program delivering the following key results:

- Confirmation of the stability of the HAZER® Process using commercial equipment under extended operating conditions;
- Characterisation of heat transfer behaviour over a range of process operating conditions; and
- Identification of opportunities for further optimisation of the process equipment for capex and process performance improvements.

Figure 1. Pilot Rig testing at FortisBC's project in Canada

The equipment was designed to mimic key aspects of the Hazer® Process for producing hydrogen and graphite at commercial scale, and the completion of this testing is a major milestone for the government support from Clean BC.

Hazer continued to provide technology services, technical materials and specialist skills to the FortisBC team over the Quarter. Hazer supported FortisBC with site visits for Pilot Rig testing, assistance to FortisBC for the development of strategies for project execution, assistance with project scheduling, reviewing project documents and supporting the detailed review of regulatory notifications, submissions and applications where required.

Business Development

Hazer continues to advance discussions and engage with a range of potential customers and strategic partners, with a focus on hard-to-abate sectors, particularly in Australia, North America and Asia. The existing pipeline of prospects comprises over 40 individual potential customers and partners. Hazer has observed a noticeable increase in the market demand in terms of Hazer facilities production capacity. Hazer is regularly involved in discussions for their process technology to be deployed at a scale of 50,000 – 100,000+ tonnes of hydrogen production per annum. The key industry sectors targeted by Hazer are hard-to-abate sectors where hydrogen is used as a feedstock (i.e. for chemistry) such as ammonia & methanol production, refining of petrochemicals, as well as iron and steel making.

Hazer has also been shipping larger volumes of graphite samples to its strategic partners and potential buyers for evaluation and/or further processing. This includes existing partners such as Chubu Electric, Mitsui, POSCO and ENGIE, as well as other companies interested in Hazer's graphite.

Global markets / buyers of graphite and other carbon materials have noticeably shifted to reduce sovereign risk in traditional global supply chains. Many existing applications of carbon materials heavily rely on conventional products, that typically have a high CO_2 footprint. Hazer's technology enables the localised production of low emissions graphite, directly addressing key market drivers. Hazer graphite is a unique and versatile product. The process to control the morphology of the produced graphite is part of Hazer's Intellectual Property portfolio, with the rights fully owned by Hazer.

Hazer frequently hosts site visits to its CDP. Visitors range from potential customers from both Australia and overseas, as well as representatives of both state and federal government agencies, and other industry stakeholders. During the Quarter, Hazer facilitated a site visit by representatives from the Department of Industry, Science and Resources ("DISR") of Australia's federal government. DISR has several relevant technology and innovation grant programs that are well-suited to supporting Hazer.

Figure 2. Hazer hosted site visit by representatives from the Department of Industry, Science and Resources (DISR)

Corporate Update

As of 31 March 2025, the Company has secured funding of $12.6 million comprising of $10.3 million of available cash ($9.3 million at December 2024) and $2.3 million of LCG grant funding which will transfer to Hazer upon satisfaction of future grant milestones. Hazer's cash position was strengthened during the Quarter by non-dilutive grant inflows and further revenue income from FortisBC.

During the Quarter, the Company had net operating cash inflows of $1.1 million. Normal expenses were substantially lower than the prior quarter reflecting the Company's cost discipline and maintaining the CDP in standby mode. Further, with reference to announcements of 20 January 2025 and 24 March 2025 respectively, the Company received LCG grant milestone payments totalling $3.8 million excluding GST.

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

The Company remains focused on its strategic priorities to unlock the full value of Hazer's technology while maintaining capital discipline and operating flexibility. The early and successful completion of the CDP test program alongside solid progress scaling-up of the technology and reactor development for commercial deployment has supported a substantial reduction in operating expenditure at the CDP. This has enabled Hazer to accelerate commercial discussions with several third parties regarding specific project and strategic opportunities – key steps towards realising the technology's large commercial potential.

In March, CEO Glenn Corrie and Chairman Tim Goldsmith visited Canberra to discuss Hazer's technology with key government departments, including Energy, Climate Change, Critical Minerals, and Industry and Science. This was a meaningful opportunity to elevate Hazer's profile as a leader in low-emission hydrogen and graphite production and to contribute to discussions on Australia's energy and critical minerals policy framework. Direct engagement with policymakers is a priority to ensuring that the Hazer Process is integrated into the country's long-term clean energy strategy.

Corporate Access

Hazer Group Q3FY25 Investor Webinar

Hazer CEO Glenn Corrie and other members of the leadership team will host a webinar to discuss the Q3FY25 Report followed by a Q&A session. If you would like to join, please click on the link below to register:

Date: Wednesday, 16 April 2025
Time: 09:00am (AWST) / 11:00am (AEST)
Registration: https://us02web.zoom.us/webinar/register/WN_tsqzGv7sSKy30FzKL9lzHQ

To submit questions ahead of time, please send them to WE-AUHazer@we-worldwide.com

[ENDS]

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

For further information or investor enquiries, please contact:

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ABOUT HAZER GROUP LTD

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

Hazer Group Limited - Social Media Policy

Hazer Group Limited is committed to communicating with the investment community through all available channels. Whilst ASX remains the prime channel for market-sensitive news, investors and other interested parties are encouraged to follow Hazer on X (Twitter) (@hazergroupltd), LinkedIn, Facebook, and YouTube. Subscribe to HAZER NEWS ALERTS - visit our website at www.hazergroup.com.au and subscribe to receive HAZER NEWS ALERTS, our email alert service. HAZER NEWS ALERTS is the fastest way to receive breaking news about @hazergroupltd.

Forward-looking Statements

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

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

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

Appendix 4C

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

Name of entity

HAZER GROUP LIMITED

ABN	**Quarter ended ("current quarter")**
40 144 044 600	31 MARCH 2025

	Consolidated statement of cash flows	**Current quarter $ A'000**	**Year to date (9 months) $ A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	157	606
1.2	Payments for		
	(a) research and development[1]	(849)	(3,508)
	(b) product manufacturing and operating costs		
	(c) advertising and marketing		
	(d) leased assets		
	(e) staff costs, including research and development staff	(1,765)	(5,331)
	(f) administration and corporate costs	(597)	(2,258)
1.3	Dividends received (see note 3)		
1.4	Interest received	106	317
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
	- R&D tax rebate	-	5,069
	- JTSI Lower Carbon Grant – Gorgon Fund	3,833	3,833
1.8	Other (provide details if material)		
	- Net GST received / (paid)	189	176
	- Security deposits received / (paid)		
1.9	**Net cash from / (used in) operating activities**	**1,074**	**(1,096)**

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

Consolidated statement of cash flows		Current quarter $ A'000	Year to date (9 months) $ A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment[2]	(100)	(1,430)
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(100)**	**(1,430)**

[2] Expenditure in 2.1(c) relates primarily to the CDP development of the next scaled up reactor type and R&D program. This expenditure is expected to be eligible for the R&D tax incentive rebate.

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	4	6
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(4)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**4**	**2**

Consolidated statement of cash flows		Current quarter $ A'000	Year to date (9 months) $ A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at the beginning of the period	9,319	12,821
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,074	(1,096)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(100)	(1,430)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4	2
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	**Cash and cash equivalents at the end of the period**	**10,297**	**10,297**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $ A'000**	**Previous quarter $ A'000**
5.1	Bank balances	8,204	7,243
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
	- Deposits for bank guarantees	333	333
	- Restricted cash (ARENA grant)	1,760	1,743
5.5	**Cash and cash equivalents at the end of the quarter (should equal item 4.6 above)**	**10,297**	**9,319**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1[3]	184
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

[3] Salary, Director's fees and superannuation paid to Directors A$(184k).

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

7.5	**Unused financing facilities available at quarter-end**	0

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

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

8.	**Estimated cash available for future operating activities**	**$ A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	1,074
8.2	Cash and cash equivalents at quarter-end (Item 4.6)	10,297
8.3	Unused finance facilities available at quarter-end (Item 7.5)	0
8.4	Total available funding (Item 8.2 + Item 8.3)	10,297
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)[4]**	**N/A**

[4] Entity reported positive net operating cash flows in item 1.9 due to receipts in the current quarter of Lower Carbon Grant – Gorgon Fund milestone grant payments. Estimated quarters of funding available allowing for this item is 3.73.

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

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

Answer: N/A

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

Answer: N/A

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

Answer: N/A

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 14 April 2025

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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – e.g. Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.