

Hazer Group Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: Hazer Group Limited
ABN: 40 144 044 600
Reporting period: For the half-year ended 31 December 2015
Previous period: For the half-year ended 31 December 2014

2. Results for announcement to the market

				\$
Revenues from ordinary activities	up	148.6%	to	3,739
Loss for the period	up	1,838.7%	to	624,407
Loss to the owners of Hazer Group Limited	up	1,838.7%	to	624,407
<i>Dividends</i>				
No dividends paid in the period				

Comments

The loss for the company amounted to \$1,825,799 (31 December 2014: \$32,207).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>7.43</u>	<u>1.51</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

Not applicable.

7. Audit qualification or review

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

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

8. Attachments

Details of attachments (if any):

The Interim Report of Hazer Group Limited for the half-year ended 31 December 2015 is attached.

9. Signed



Signed _____

Date: 29 February 2016

Geoff Pocock
Director
Perth

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Hazer Group Limited

ABN 40 144 044 600

Interim Report - 31 December 2015

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Hazer Group Limited
Directors' report
31 December 2015

The directors present their report, together with the financial statements, of Hazer Group Limited (referred to hereafter as the 'company') at the end of, or during, the half-year ended 31 December 2015.

Directors

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

Rick Hopkins
Geoff Pocock
Bryant Mclarty
Danielle Lee (appointed on 16 September 2015)

Principal activities

During the financial year the principal continuing activities of the company consisted of research and development of novel graphite and hydrogen production technology.

Costs associated with the research and development of novel graphite and hydrogen production technology have not at the reporting date met the criteria for recognition as an intangible asset. As a result, the company has recognised these costs as an expense when incurred. The company will re-assess the treatment of these costs during future periods as the company continues to progress with the development of its technology.

Review of operations

The loss for the company amounted to \$624,407 (31 December 2014: \$32,207).

Operating expenses during the period principally related to consulting fees, employee expenses, general corporate overhead and costs associated with the listing of the Company on the Australian Securities Exchange ('ASX').

On 30 November 2015, the Company was admitted to the official list of the ASX after successfully raising \$5,000,000 before expenses from the issue of 25,000,000 fully paid ordinary shares at \$0.20 per share.

The funds raised from the initial public offering will be used to further research and develop the Hazer Process by funding development paths being Hazer Process scale-up work, graphite product development / functionalisation and graphite commercialisation work. As a result, operating expenses are expected to increase over the remainder of the financial year ended 30 June 2016.

Significant changes in the state of affairs

Hazer Group Limited was admitted to the official list on the ASX on the 30 of November 2015. Official quotation of its securities commenced on the 2 December 2015.

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

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.

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

On behalf of the directors



Geoff Pocock
Director

29 February 2016
Perth

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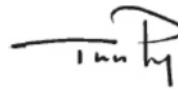
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Hazer Group Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 29 February 2016

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Hazer Group Limited
Contents
31 December 2015

Contents

Statement of profit or loss and other comprehensive income
Statement of financial position
Statement of changes in equity
Statement of cash flows
Notes to the financial statements
Directors' declaration
Independent auditor's review report to the members of Pinnacle Listed Practical Interim Limited

General information

The financial statements cover Hazer Group Limited (the 'company'). 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. Hazer Group Limited was admitted to the official list on the ASX on the 30 of November 2015. Official quotation of its securities commenced on the 2 December 2015.

Its registered office and principal place of business are:

Registered office

7/29 The Avenue
Nedlands WA 6009

Principal place of business

7/29 The Avenue
Nedlands WA 6009

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 February 2016.

Hazer Group Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2015

	Note	31 Dec 2015 \$	31 Dec 2014 \$
Revenue			
Interest received		3,739	1,504
Expenses			
Administration expenses		(301,036)	(11,694)
Consulting and research expenses		(289,273)	(21,948)
Share based payments		(37,735)	-
Finance costs		(102)	(69)
		<hr/>	<hr/>
Loss before income tax expense		(624,407)	(32,207)
Income tax expense		-	-
		<hr/>	<hr/>
Loss after income tax expense for the half-year		(624,407)	(32,207)
Other comprehensive income for the half-year, net of tax		-	-
		<hr/>	<hr/>
Total comprehensive loss for the half-year		<u>(624,407)</u>	<u>(32,207)</u>
		Cents	Cents
Basic and diluted losses per share		(1.55)	(0.21)

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

Hazer Group Limited
Statement of financial position
As at 31 December 2015

	Note	31 Dec 2015 \$	30 Jun 2015 \$
Assets			
Current assets			
Cash and cash equivalents		4,594,971	562,927
GST refundable		55,567	28,388
Total current assets		<u>4,650,538</u>	<u>591,315</u>
Total assets		<u>4,650,538</u>	<u>591,315</u>
Liabilities			
Current liabilities			
Trade and other payables		102,143	46,224
Total current liabilities		<u>102,143</u>	<u>46,224</u>
Total liabilities		<u>102,143</u>	<u>46,224</u>
Net assets		<u>4,548,395</u>	<u>545,091</u>
Equity			
Issued capital	2	4,971,529	1,582,945
Reserves	3	1,368,521	129,394
Accumulated losses	4	<u>(1,791,655)</u>	<u>(1,167,248)</u>
Total equity		<u>4,548,395</u>	<u>545,091</u>

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

Hazer Group Limited
Statement of changes in equity
For the half-year ended 31 December 2015

	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2014	714,232	-	(644,755)	69,477
Loss after income tax expense for the year	-	-	(32,207)	(32,207)
Other comprehensive income for the half-year	-	-	-	-
Total comprehensive income for the half-year	-	-	(32,207)	(32,207)
Balance at 31 December 2014	<u>714,232</u>	<u>-</u>	<u>(676,962)</u>	<u>37,270</u>
Balance at 1 July 2015	1,582,945	129,394	(1,167,248)	545,091
Profit after income tax expense for the half-year	-	-	(624,407)	(624,407)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(624,407)	(624,407)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	3,388,584	-	-	3,388,584
Share-based payments	-	1,239,127	-	1,239,127
Balance at 31 December 2015	<u>4,971,529</u>	<u>1,368,521</u>	<u>(1,791,655)</u>	<u>4,548,395</u>

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

Hazer Group Limited
Statement of cash flows
For the half-year ended 31 December 2015

	Note	31 Dec 2015 \$	31 Dec 2014 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(561,568)	(57,716)
Interest received		3,739	734
Interest and other finance costs paid		(103)	(69)
		<hr/>	<hr/>
Net cash used in operating activities		(557,932)	(57,051)
Cash flows from investing activities			
		<hr/>	<hr/>
Net cash used in investing activities		-	-
Cash flows from financing activities			
Capital funds received not yet issued		-	652,092
Proceeds from issue of shares		4,589,976	-
		<hr/>	<hr/>
Net cash from financing activities		4,589,976	652,092
		<hr/>	<hr/>
Net increase in cash and cash equivalents		4,032,044	595,041
Cash and cash equivalents at the beginning of the financial half-year		562,927	66,195
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year		4,594,971	661,236
		<hr/> <hr/>	<hr/> <hr/>

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

Hazer Group Limited
Notes to the financial statements
31 December 2015

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations has not resulted in a significant or material change to the Company's accounting policies.

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

Note 2. Equity - issued capital

	31 Dec 2015 Shares	30 Jun 2015 Shares	31 Dec 2015 \$	30 Jun 2015 \$
Ordinary shares - fully paid	<u>61,192,002</u>	<u>36,192,002</u>	<u>4,971,529</u>	<u>1,582,945</u>

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Opening balance	1 July 2015	36,192,002		1,582,945
Issue of shares	2 December 2015	25,000,000	\$0.20	5,000,000
Share issue transaction costs, net of tax	2 December 2015	-		<u>(1,611,416)</u>
Closing balance	31 December 2015	<u>61,192,002</u>		<u>4,971,529</u>

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.

31 Dec 2015 30 Jun 2014
\$ \$

Note 3. Equity - reserves

Option reserve	1,368,521	129,394
	<u>1,368,521</u>	<u>129,394</u>

Option reserve

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

Movements in reserves

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

	No of Options	Value \$
Balance at 1 July 2015	11,000,000	129,394
<i>New options issued during the half-year vesting immediately</i>		
Series A	500,000	6,095
Series C	5,250,000	36,109
Series D	5,250,000	16,095
Series E	10,000,000	1,109,953
<i>Expensed/deducted from equity over the vesting period</i>		
Series A	-	70,875
Balance at 31 December 2015	<u>32,000,000</u>	<u>1,368,521</u>

The series A Options are primary Options which upon exercise result in the issue of one Share and one Series B Option (a secondary option). This has been factored into the valuation of Series A Options.

Of the above movements during the half-year, \$37,735 were expensed to the statement of profit or loss and other comprehensive income. \$1,201,392 were treated as a deduction from equity, given these were incremental costs directly attributable to the equity transaction (being the listing of the company on the ASX).

31 Dec 2015 30 Jun 2015
\$ \$

Note 4. Equity – Accumulated losses

Accumulated losses at the beginning of the financial year	1,167,248	644,755
Loss after income tax expense for the year	624,407	522,493
Accumulated losses at the end of the financial year	<u>1,791,655</u>	<u>1,167,248</u>

Note 5. Contingent liabilities

The company does not have any contingent assets or contingent liabilities at 31 December 2015.

Note 6. Events after the reporting period

No matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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Hazer Group Limited
Directors' declaration
31 December 2015

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Geoff Pocock
Director

29 February 2016
Perth

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www.rsm.com.au**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
HAZER GROUP LIMITED**

We have reviewed the accompanying half-year financial report of Hazer Group Limited which comprises the statement of financial position as at 31 December 2015, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Hazer Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Hazer Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

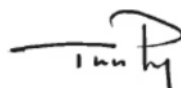
Conclusion

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 29 February 2016

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