

Target Market Determination

Made by:	Hazer Group Limited ACN 144 044 600 (Company)
Product:	Listed options (Options or the product) to acquire fully paid ordinary shares in the capital of the Company issued under a transaction specific prospectus dated on or about 31 July 2023 (as replaced or supplemented, from time to time) (Prospectus)
Effective Date:	31 July 2023

IMPORTANT NOTICE

This target market determination (**TMD**) has been prepared by the Company in relation to an offer to issue Options made by the Company under the Prospectus which is issued pursuant to section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**) and has been designed to help investors understand who the offer of Options is most suitable for.

Pursuant to the Prospectus, each Eligible Shareholder is entitled to receive 3 new fully paid ordinary shares (**New Shares**) for every 16 shares held at an issue price of \$0.48 per New Share with 1 free attaching Option for every 2 New Shares allotted under the Company's pro-rata non-renounceable entitlement offer.

A copy of the Prospectus is available on the Company's website at hazergroup.com.au/announcements/. The offer will be made under, or accompanied by, a copy of the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their stockbroker, accountant, solicitor and/or other professional adviser if they have any questions regarding the contents of the Prospectus.

This TMD sets out the class of consumers for which the Options would likely be consistent with

their financial objectives, the distribution conditions and restrictions imposed on the distribution of the Options, as well as reporting requirements for distributors in accordance with the requirements of section 994B of the *Corporations Act*

This TMD is not a disclosure document for the purposes of the *Corporations Act* and does not provide a full summary of the product features or terms of the Options. This TMD is not to be used except for the purpose of a regulated person complying with their obligations under Part 7.8A of the *Corporations Act*. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. There is no cooling off period in respect of the issue of the Options.

This TMD is not intended to provide you with financial advice or take into account your objectives, financial situations or needs. It is important for you to consider these matters and carefully read the Prospectus before you make an investment decision.

Unless otherwise defined in this TMD, capitalised terms have the meaning given to them in the Prospectus.



1. Product information

Key features of the Options are as follows:

Offer	For every 2 fully paid ordinary shares (Share) subscribed for under a pro-rata non-renounceable entitlement offer of Shares offered by the Company (Entitlement Offer), each participant will receive 1 Option.
Eligibility	<p>Only shareholders of the Company who:</p> <ul style="list-style-type: none"> participate in the Entitlement Offer; are a registered holder of Shares as at 7.00pm (Sydney time) on 3 August 2023 (being the Record Date for the Entitlement Offer); have registered addresses in Australia, New Zealand, the United Kingdom, Singapore or Hong Kong (and in the case of those shareholders with registered addresses in the United Kingdom, Singapore or Hong Kong, who are also “qualified”, “institutional”, “accredited” or “professional” investors as set out in section 2.12 of the Prospectus); and do not hold Shares on behalf of another person who resides outside in Australia, New Zealand, the United Kingdom, Singapore or Hong Kong (and in the case of those shareholders with registered addresses in the United Kingdom, Singapore or Hong Kong, who are also “qualified”, “institutional”, “accredited” or “professional” investors as set out in section 2.12 of the Prospectus), <p>are entitled to participate in the offer of Options by the Company.</p> <p>Eligible Shareholders will also receive Options when applying for Shortfall Securities under the Shortfall Offer (also on the basis of 1 Option for every 2 Shares issued under the Entitlement Offer).</p>
Exercise price	The exercise price for the Options is \$0.75.
Expiry date	<p>Each option will expire at 5:00pm (Sydney time) on 28 February 2025 (Expiry Date).</p> <p>An Option not exercised before 5:00pm (Sydney time) on the Expiry Date will automatically lapse at that time.</p>
Exercise period	The Options are exercisable at any time wholly or in part on or before the Expiry Date.
Shares issued on exercise	A Share issued on exercise of the Options will rank equally in all respects with the then issued Shares in the Company.
Transferability	The Company will apply for the Options to be quoted on the ASX, subject to satisfying ASX's quotation criteria. If the Options are quoted on ASX they will be transferable, subject to any restrictions under applicable law and any restrictions or escrow arrangements imposed by ASX.

2. Target market

The table below summaries the overall class of consumers that fall within the target market for Options, based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet:

Investment objective	The Company expects that an investment in the Options will be suitable to investors who wish to have the right, but not the obligation, to gain exposure to
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	<p>equities in a company listed on the ASX that is involved in the commercialisation of a world-leading low-emission methane pyrolysis technology that enables the production of hydrogen and high-quality graphite.</p>
Investment Timeframe	<p>The target market of investors will take a short to medium term outlook in relation to their investment.</p> <p>The Company will apply quotation of the Options which remains subject to compliance with the requirements of ASX and the ASX Listing Rules.</p> <p>To the extent the Options are quoted on ASX's Official List, subject to any escrow restrictions imposed by ASX, the Options will be transferable from the date of issue.</p> <p>Option holders will also have an ability to exercise Options and trade the underlying Shares issued on exercise (irrespective of whether the Options are quoted on ASX or not), however investors should be aware that such dealing is only likely to be commercially viable in the event that the trading price of the Shares exceeds the exercise price of the Options both at the date of exercise and at the date of sale.</p> <p>Investors with a medium-term outlook will benefit from an ability to exercise Options until the 28 February 2025 expiry of the Options and increase their shareholding and exposure to the potential upside in the Shares in the future (although no upside can be guaranteed).</p>
Investor Metrics	<p>While the Company does not have an established eligibility framework for investors based on metrics such as age, expected return or volatility, it is expected that the target market of investors will be able to withstand potential fluctuations in the value of their investment.</p> <p>An exercise price is required to be paid to acquire Shares on exercise of Options. As such, the capacity to realise the underlying value of the Options would require that they be exercised on or before the Expiry Date. Investors in the target market will need to be in a financial position to have sufficient available funds so as to facilitate an exercise of the Options prior to the Expiry Date. Prior to the Expiry Date, investors' ability to liquidate the Options may be limited by a lack of liquidity in the trading of Options and Shares and the price of the Shares.</p> <p>The Options offer no guaranteed income or capital protection.</p>
Risk	<p>The Company considers that an investment in the Options will have a different risk profile to a direct upfront investment in Shares, including due to the fact that there is no obligation to exercise the Options prior to the Expiry Date.</p> <p>Investors should consider the risk that there is no guarantee that the Company's Share price will exceed the exercise price of the Options. Investors should take this into consideration in subscribing for Shares and taking up their right to the free attaching Options. The Options are considered not appropriate for an investor who would not be able to bear a loss of some or all of their investment in Shares and Options.</p> <p>Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to understand and appreciate the risks of investing in options as an asset class generally and the more specific risks of investing in the Company.</p> <p>Specific risks relating to the Company and an investment in the Shares are set out in the Prospectus and investors should review those risks carefully before deciding whether to invest.</p>

The Company has assessed the Options and formed the view that the Options, including the key attributes set out in section 1, are likely to be consistent with the objectives, financial situation and needs of investors in the target market described above in this section 2.



3. Distribution conditions

The offer of Options under the Prospectus is being made to those shareholders who are eligible to participate in the Entitlement Offer.

The Prospectus will include jurisdictional conditions on eligibility.

The Options will also be subject to the distribution condition that retail investors will be provided with a copy of the Prospectus and access to this TMD before they apply for the Options.

4. Review triggers

The Options are being offered for a limited offer period set out in the Prospectus, after the conclusion of which the Options will no longer be available for investment by way of issue. It follows that the TMD will only apply in the period between the commencement of the offer of the Options under the Prospectus and the issue of the Options shortly after the closing date of the Entitlement Offer (**Offer Period**), after which the TMD will be withdrawn.

To allow the Company to determine whether circumstances exist that indicate this TMD is no longer appropriate and that distribution of the Options should cease, the following review triggers will apply for the Offer Period:

- 4.1 there is a material change to the Options' key attributes that make it no longer consistent with the likely objectives, financial situation and needs of clients in the target market;
- 4.2 the Company lodges with the Australian Securities and Investments Commission (**ASIC**) a supplementary or replacement prospectus in relation to the Prospectus;
- 4.3 the occurrence of a significant dealing in Options that is not consistent with this TMD. The Company does not consider that an on-sale of the Options on market is a significant dealing;
- 4.4 the Company identifies a substantial divergence in how the Options are being distributed and purchased from this TMD;
- 4.5 an unexpectedly high number of complaints are received from customers that indicate the Options are not suitable for the target market or that the product is not being distributed to the target market;
- 4.6 ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Options or this TMD; and
- 4.7 material changes to the regulatory environment that applies to an investment in the Options.

The Company may also update or amend this TMD at any time.

5. Review

If a review trigger occurs during the Offer Period, the Company will undertake a review of the TMD in light of the review trigger as soon as reasonably practicable and, in any case, within 10 business days of the review trigger occurring.

The Company will otherwise conduct a review of the TMD prior to the issue of Options under the Entitlement Offer. If the Offer Period extends for more than three months, the TMD will also be reviewed on monthly basis.

6. Reporting requirements



In the event that an external distributor is appointed to undertake retail product distribution of the Options, the following reporting requirements will apply:

Reporting Requirement	Period for reporting to the Company by the distributor	Information to be provided
Whether the distributor received complaints about the Options.	<ul style="list-style-type: none"> For such time as the Offer Period remains open, within 10 business days after the end of each quarter. Within 10 business days after the end of the Offer Period. 	<ul style="list-style-type: none"> The number of complaints received. A summary of the nature of each complaint or a copy of each complaint.
A significant dealing of the Options that is not consistent with this TMD.	As soon as reasonably practicable after the significant dealing occurs, but in any event no later than 10 business days after the significant dealing occurs.	<ul style="list-style-type: none"> Details of the significant dealing. Reasons why the distributor considers that the significant dealing is not consistent with this TMD.
A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.	Within 10 business days after the end of the close of the offer of Options in accordance with the Prospectus.	Within 10 business days after the end of the close of the offer of Options in accordance with the Prospectus.

7. Contact Details

Contact details in respect of this TMD are:

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