



## September 2023 Quarterly Report

### HIGHLIGHTS

- Pure Hydrogen received an executed term sheet from waste management company Solo Resource Recovery for the supply of a hydrogen fuel cell powered waste collection truck
- Term Sheet executed with strategic funding partner to establish a \$125 million equipment finance facility to support the rental of hydrogen powered trucks and buses.
- Pure Hydrogen's majority owned subsidiary, H-Drive International, secured an order to supply two battery electric mini-buses in a deal valued at over \$700,000. The two 18-seat low floor mini-buses will be delivered to Sapphire Coast Buslines in New South Wales during the first quarter of 2024.
- Pure Hydrogen investee H2X Global, announced it secured a cornerstone equity investor to finance the delivery of US\$25.7 million in vehicle orders while supporting its long-term growth strategy.
- Post balance date, Pure Hydrogen advised that construction & development for its hydrogen fuel cell electric waste refuse truck for JJ's Waste and Recycling is nearing completion. Once the body of the hydrogen fuel cell (HFC) waste removal truck is fitted, the agreed 12-month trial is expected to commence.
- Very well-funded with cash of \$9.6 million as at 30 September 2023 after investing in key strategic initiatives.

### Pure Hydrogen Corporation Limited (ASX: PH2)

Pure Hydrogen is a clean energy focused company seeking to become the leader in the development of Hydrogen and Energy Projects through the use of cutting-edge technology. It plans to supply hydrogen fuel to Australian customers and regional Asia Pacific markets, through the production and wholesale purchase of Green, Emerald and Turquoise Hydrogen.

Strategically, Pure Hydrogen will also prioritise incubation for early-stage companies or projects within the clean energy sector, with the aim of realising profits from those investments.

Concurrently, the Company is developing natural gas projects directly in Australia and Botswana.

Pure Hydrogen has Independently Certified Contingent Methane Gas Resources in its three gas projects, net to the company of 326 BCF of 1C, 622 BCF of 2C and 1,130 BCF of 3C.

### Directors

Hon Adam Giles - Non-Executive Chairman  
Scott Brown – Managing Director  
Lan Nguyen – Non-Executive Director  
Ron Prefontaine – Non-Executive Director

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Pure Hydrogen Corporation Limited (ASX: PH2 and “Pure Hydrogen” or “The Company”) is pleased to provide this Activities Report to shareholders for the quarter ended 30 September 2023 (Q1 FY2024). Pure Hydrogen has made solid progress across its strategic initiatives during the September 2023 quarter, including securing a third hydrogen fuel cell electric truck trial and receiving an order for two electric mini-buses valued at over \$700,000.

Also, during the quarter, Pure Hydrogen investee company H2X Global announced it had secured a cornerstone investment partner which will allow it to access finance to deliver its US\$25.7 million in vehicle orders. Pure Hydrogen also continued to make progress advancing its hydrogen production technologies, expanding its partnerships, and strengthening its market position during the quarter. This report provides a comprehensive overview of our financial position and operational highlights.

### **Pure Hydrogen overview**

Pure Hydrogen is a clean energy focussed company developing a portfolio of hydrogen and energy projects using cutting edge technologies. Its objective is to become a leading supplier of Green, Emerald and Turquoise hydrogen fuel and hydrogen powered commercial vehicles and other infrastructure such as generators to customers in Australia and Asia-Pacific.

Concurrently, Pure Hydrogen is developing natural gas projects directly in Australia and Botswana, and through strategic investment holds an interest in a Botswana focussed energy company listed on the Australian Securities Exchange.

During the quarter and up to the date of this report, Pure Hydrogen has the following updates and commenced a number of initiatives including:

#### **Engaging a financing partner to advance its hydrogen electric devices ‘go-to-market’ strategy**

To support the adoption and take-up of new hydrogen fuel cell vehicles, Pure Hydrogen executed a term sheet agreement with Australian financier Monard Capital Pty Limited and its US-affiliate. The agreement, subject to a successful due diligence and accreditation process, will result in the provision of a A\$125 million truck financing facility which will allow customers to lease vehicles for up to ten years. The rental facility will allow Pure Hydrogen to make vehicles, trucks and associated equipment available for rent to approved customers, inclusive of vehicle maintenance and supply of hydrogen fuel.

This development represents a significant step in promoting sustainable transportation solutions, with funding set to be available for allocation in early 2024, subject to a formal accreditation process. Under the terms of the agreement, Pure Hydrogen will establish a special-purpose entity responsible for managing the rented assets. Customers will have the flexibility to rent the assets for a minimum term of 3 years, with potential extensions of up to 10 years. The rental rates will be determined on a case-by-case basis, contingent on a credit assessment of the customer.

Pure Hydrogen will provide customers with options to either return the assets at the end of their rental agreement period or extend the rental term. Alternatively, Pure Hydrogen may sell the asset to the customer or re-lease it to a new customer seeking refurbished zero-emission assets. The intention is for the facility to align with Pure Hydrogen’s strategy to offer compelling hydrogen fuel cell assets on competitive terms and generate long-term demand for its carbon neutral hydrogen fuel.

A competitive tender process was undertaken to select a financing partner for the asset rental facility with strong interest from financiers looking to support the growing hydrogen industry in Australia.

Pure Hydrogen will take steps to partner with funders who can establish financing solutions that both ease the capital burden on customers as they transition to hydrogen and electric technologies, and allow them the flexibility operate assets on terms that mimic their supply contracts.

### **Securing a third hydrogen fuel cell electric truck trial**

During the quarter, Pure Hydrogen received an executed term sheet to provide Solo Resource Recovery, a leading Australian waste management company, with a Hydrogen Fuel Cell (HFC) waste collection truck. The truck is slated to service Solo's municipal contracts, including its engagement with Tweed Shire Council in northern New South Wales. The agreement also outlines the potential for an additional supply of HFC waste collection trucks, contingent upon conditions precedent and a successful six-month trial.

Solo Resource Recovery, a privately-owned industry leader in waste management, caters to councils across multiple regions in Australia, handling over 1.2 million bins per week. Pure Hydrogen's HFC waste collection truck will be deployed for an initial period of six months, with operations commencing in 2024. The trial will be a significant step towards environmentally responsible waste collection, reducing carbon emissions, and contributing to a more sustainable future.

Pure Hydrogen is receiving strong interest in its range of waste collection trucks from customers across Australia. With exclusive distribution rights for the truck design in Australia, Pure Hydrogen is well positioned to be the leading supplier of hydrogen-powered waste collection solutions, subject to successful trials.

The truck being built and supplied for the Solo trial is a side-loading, general household waste collection vehicle, which will undergo testing under various operational conditions. The trial not only offers Solo an opportunity to evaluate the feasibility of hydrogen fuel cell electric vehicles but also provides participating councils with insights into transitioning to hydrogen-fueled electric waste collection vehicles and the necessary infrastructure.

This strategic partnership between Pure Hydrogen and Solo Resource Recovery reflects a shared commitment to environmental responsibility and the integration of innovative technologies in waste management. The execution of the term sheet is for the supply of one HFC electric garbage truck for an initial period of six months, with the option to extend up to 7 years. Solo will pay a rental cost of \$82,500 including GST, together with a deposit plus hydrogen usage and maintenance costs during the trial period, both supplied by Pure Hydrogen.

Upon a successful outcome of the trial period, the term sheet provides Solo with an option to trial and accept additional Hydrogen Fuel Cell Electric trucks. Solo currently operates up to 40 waste collection vehicles per location across its New South Wales, Victoria, Western Australia and South Australian network.



**Image 1: Image of the H-Drive International Waste Collection Truck to be trialled by Solo Resource Recovery in early 2024**

#### **Maiden NSW Mini Bus Order – H-Drive International**

Pure Hydrogen subsidiary H-Drive International, secured an executed sales agreement for the supply of two electric mini-buses valued at over \$700,000 during the quarter. The order, from Sapphire Coast Buslines in New South Wales, will see H-Drive International supply two battery electric (BEV) 18-seat low floor mini-buses. The contract has been executed on a cash basis, with the buses expected to be delivered during the first quarter of 2024.

The zero emissions mini-buses to be supplied by H-Drive International have a range of 325km powered by a 31kWh CATL battery. Configured to carry 18 passengers, they feature a low floor design improving accessibility and efficiencies including reduced stop times. The order represents the efforts Pure Hydrogen has made towards accelerating its go-to-market strategy, supplying high-quality BEV and hydrogen fueled buses and trucks to the Australian market.

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**Image 3: Image of an 18-seat low floor electric mini-bus sold to Sapphire Coast Buslines in NSW**

### **JJ Richards waste collection truck nearing completion**

Post balance date, Pure Hydrogen announced that the development and construction of its hydrogen fuel cell electric waste removal truck for JJ's Waste and Recycling – one of the first of its kind in Australia – is nearing completion. JJ's Waste & Recycling is one of Australia's largest waste management companies with a fleet of ~2,000 waste collection trucks.

A successful trial provides the catalyst for transition of the fleet from ICE (Internal Combustion Engine) to HFC vehicles. The body of the HFC waste removal truck is being fitted out by Bucher Municipal in Australia, a division of the global Swiss engineering conglomerate Bucher Industries. Extensive testing was carried out to meet the national standards for road vehicle safety in accordance with the designated Australian Design Rules (ADR) for the manufacture of new road vehicles in Australia.

Once completed, Pure Hydrogen will commence a 12-month trial with JJ's Waste & Recycling, followed by an extensive roadshow to showcase the vehicle's attributes for industry participants in the waste management sector. Pure Hydrogen continues to note ongoing significant interest across international markets among established businesses in the waste management and transport industries to transition away from conventional ICE powered vehicles in favour of HFC vehicles.



**Image 4: An aerial image of Pure’s first hydrogen fuel cell waste collection vehicle, which is now being fitted with refuse collection components by Bucher Municipal.**

### **H2X’s agreement with cornerstone investor to support its European growth strategy**

Pure Hydrogen’s investee company H2X Global (‘H2X’) secured a funding arrangement during the quarter to support its working capital requirements and continued growth via a strategic cornerstone investment. H2X Global is a leading hydrogen fuel cell electric vehicle company which has been working with to develop hydrogen fuel cell products suited to the global market.

H2X Global has advised that Verde Mobility has executed a term sheet agreeing to invest an initial amount of US\$3.4 million equity funding into H2X Global. The agreement includes an option for H2X to accept up to US\$57 million in funding, over the 2024 to 2025 period, subject to operational milestones.

H2X Global has secured the cornerstone equity investment agreement to finance the delivery of its US\$25.7 million in vehicle orders while supporting its continued growth. H2X has ambitions to list on the London Stock Exchange in the near term. As a result of the announced investment, Pure Hydrogen’s equity interest in H2X Global will be diluted.

The extent of the dilution is dependent on the size of the drawdown over the 2023/24 financial year period which is subject to H2X meeting operational milestones. In the event the initial transaction is completed, Pure Hydrogen’s equity interest would be 17%.

Pure Hydrogen made a strategic equity-funded investment in H2X over two years ago to facilitate the supply of hydrogen fuel cell electric vehicles. The investment in H2X is consistent with its investment philosophy to sell hydrogen fuel cell devices to customers in the Australian market with the view to supplying hydrogen fuel to power the devices on long-term supply agreements.



**Image 2: The Warrego hydrogen fuel cell electric ute which continues to gain strong interest across the European market**

The investment in H-Drive International and H2X form part of Pure Hydrogen’s ‘go-to-market’ strategy, allowing Pure Hydrogen access to a broad range of specialist hydrogen fuel cell electric vehicles and generators across both brands. H2X continue to receive strong interest in the light to medium commercial vehicle segment across European markets, and H-Drive International are receiving strong interest in its range of trucks, buses and prime movers in the Australian market.

### **Pure Hydrogen Gas Projects**

In addition to its hydrogen business, Pure Hydrogen has three significant gas-based energy projects which represent significant value for shareholders. Pure Hydrogen has a net total 12.4 TCF of Prospective Gas Resources, 1,038 BCF of 3C and 548 BCF of 2C Contingent Gas Resources across its asset suite in Queensland and Botswana.

#### **Serowe Gas Project**

Post quarter-end, ASX-listed Botala Energy Limited (ASX: BTE) provided an update on flow testing at its Serowe-7 and Serowe-3 gas wells in Botswana. Pure Hydrogen has a 30% interest in the Serowe Gas Project together with a 18.77% interest in Botala Energy Limited, the operator and owner of 70% interest in the Serowe Project.

NMR logging on the Serowe-7 well confirmed the presence of gas in the 35m of coal intersected in three seams. A decision was subsequently taken to progress to flow-testing. Flow testing at the Serowe-3 well is showing a steady increase in bubbling of gas, while pumping water rates stabilised as anticipated. Pure Hydrogen is reviewing its interest in this project.

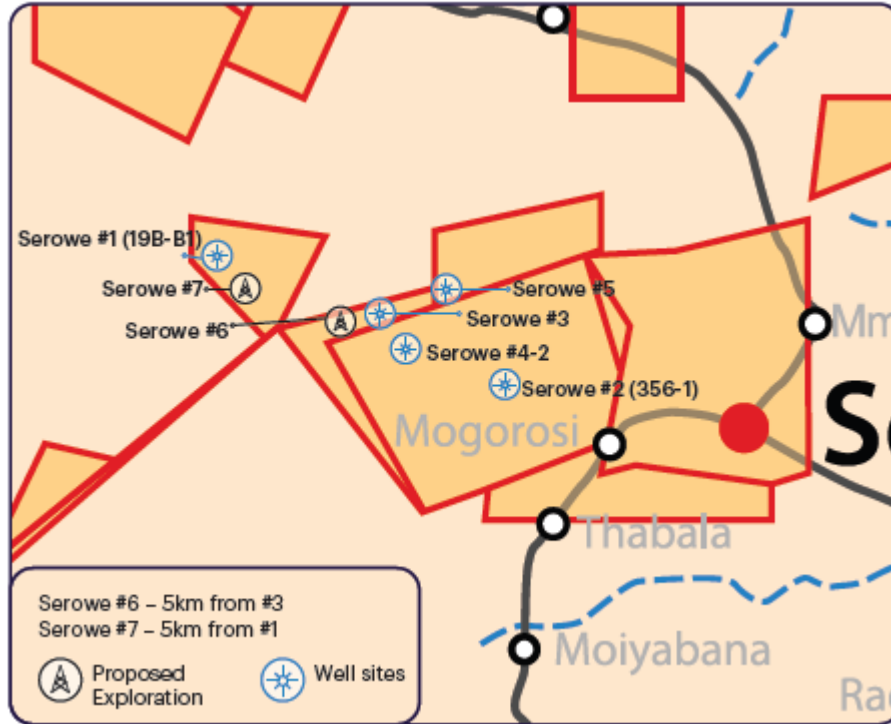
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Image 5: Serowe 3.3 well

Also, during the quarter, the Company secured Local Asset Status and Accreditation from the Botswana Investment and Trade Centre (BITC), providing increased access to capital markets and local investment partners. In addition, Botala has made significant advances in its ambition to develop renewable energy projects within Botswana. The second flow-test at the Serowe-7 well is a significant step towards proving commercial flows within Botala's tenement holding of ~420,000 hectares.





**Image 6: Map of the Serowe Gas Project and well locations**

### Windorah Gas Project

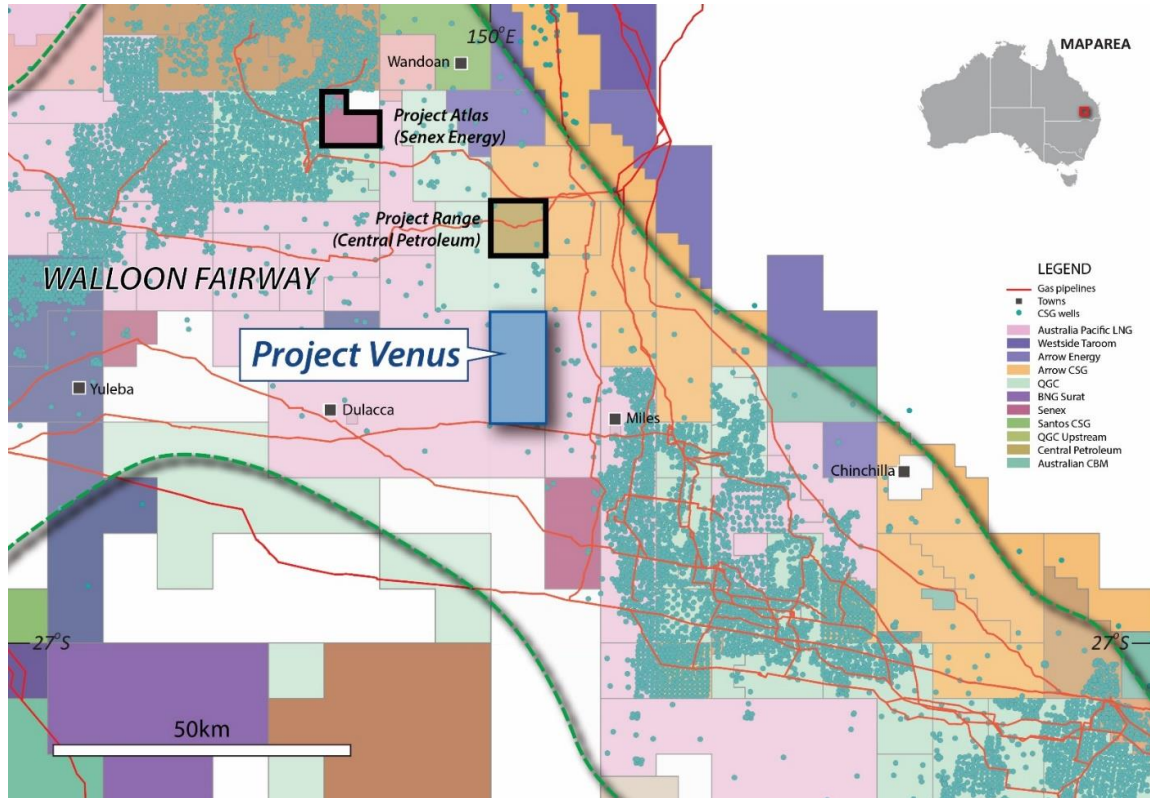
After the end of the quarter the Company lodged with the Queensland Government a renewal of the exploration permit ATP927 and a PCA application in respect of Windorah Project which covered a significant proportion of the current ATP927 acreage. The Company has spent a significant amount defining a contingent gas resource on the Project of 330 Bcf 2C Continent Gas resource.

### Project Venus Surat Basin Walloon CSG:

Project Venus, permit ATP2051 is 100% owned by Pure Hydrogen. Project Venus contains high quality and very prospective acreage covering 154km<sup>2</sup> within the main Walloon Coal Seam Gas Fairway and close to gas infrastructure including gas pipelines. There is significant coal in this permit and the Company believes it can turn these into significant gas resources.

Pure Hydrogen's Project Venus is located within the proven Walloon CSG Fairway and immediately adjacent to gas pipeline infrastructure in the Surat Basin. It offers relatively low risk and a lot of value with its 130PJ of 2C Contingent Gas Resources and 536 PJ of Prospective Gas Resources.

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The independent review of the data for Project Venus (ATP2051) has the following Contingent Gas Resources:

### Project Venus

### Contingent Resources PJ

Walloon Subgroup  
Upper Junandah Coal Measures

1C	2C	3C
87.7	130.3	157.9

### Tenement schedule at end of quarter:

Permit	PH2 ownership %	Location
ATP927P	100	Cooper Basin, South West Queensland
ATP2051P	100	Surat Basin, Southern Queensland
Serowe CSG	30 <sup>1</sup>	Botswana
ATP1194P	100 <sup>2</sup>	Cooper Basin, South West Queensland

1. Subject to completion of farm out
2. Subject to agreement to sell the permit

### Corporate

As at 30 September 2023, Pure Hydrogen held \$9.6 million cash at bank and no debt. During the quarter the Company invested over \$2.2 Million in Pure Hydrogen's business and its operating cash outflow was \$832,000, which includes \$103,000 on director's fees and related party consulting remuneration. The company had 356,249,721 shares outstanding and over 12,000 shareholders on its register. The Company had 8,650,000 unlisted options as at the end of the reporting period.

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**For further information, please contact:**

**Mr Scott Brown**  
Managing Director

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## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Pure Hydrogen Corporation Limited

ABN

27 160 885 343

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	77	77
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(3)	(3)
(d) staff costs	(583)	(583)
(e) administration and corporate costs	(404)	(404)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	137	137
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and R & D tax incentives	-	-
1.8 Other – costs in relation to R & D tax incentive	(56)	(56)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(832)</b>	<b>(832)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(756)	(756)

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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
(d) exploration & evaluation	(85)	(85)
(e) investments	(1,376)	(1,376)
(f) other non-current assets	-	-
<b>2.2 Proceeds from the disposal of:</b>		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (deposit received for sales of a tenement)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(2,217)</b>	<b>(2,217)</b>
<b>3. Cash flows from financing activities</b>		
<b>3.1 Proceeds from issues of equity securities (excluding convertible debt securities)</b>	-	-
<b>3.2 Proceeds from issue of convertible debt securities</b>	-	-
<b>3.3 Proceeds from exercise of options</b>	-	-
<b>3.4 Transaction costs related to issues of equity securities or convertible debt securities</b>	-	-
<b>3.5 Proceeds from borrowings</b>	-	-
<b>3.6 Repayment of borrowings</b>	-	-
<b>3.7 Transaction costs related to loans and borrowings</b>	-	-
<b>3.8 Dividends paid</b>	-	-
<b>3.9 Other (provide details if material)</b>	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	12,626	12,626
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(832)	(832)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,217)	(2,217)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>9,577</b>	<b>9,577</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	5,279	4,575
5.2	Call deposits	4,298	8,051
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>9,577</b>	<b>12,626</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	103
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

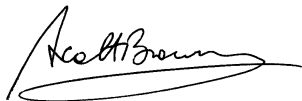
<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(832)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(85)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(917)
8.4 Cash and cash equivalents at quarter end (item 4.6)	9,577
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	9,577
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	10.44
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 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:	
8.8.2 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:	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

## 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.

Sign here:



Date: 31/10/2023

Director/~~Company secretary~~

Print name: Scott Brown

### 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 6: Exploration for and Evaluation of Mineral Resources* and *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 standards apply 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 – eg 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".