

3 December 2024

Current Price (A\$)	0.02
Shares in issue (m)	687
Mkt Cap (A\$m)	13
Net debt (A\$m)	-5
EV (A\$m)	8
BVPS (c)	32.2

Share price performance

1m	-9.5%
3m	-17.4%
12m	-56.8%
12 m high/low	0.1/0
Ave daily vol (30D)	492,402

Shareholders

Copia Investment	4.1%
Brand Fletcher	3.8%
Spo Equities	2.7%
Carolan Martin	2.6%
Davies Robert Franci	2.5%
Triglavcanin Garry	2.3%
Garner Paul Charles	1.6%
Copulos Group	0.9%
Northgold Pty Ltd	0.9%
John Todd Morris	0.8%
Total for top 10	22.2%
Free float	80.4%
Source: Bloomberg	01 Oct 24

Next news Q1 Update

Business description

Hydrogen shipping and project developer



Research

Adam Forsyth

adam.forsyth@longspur.com
+44 (0) 131 357 6770

Max Campbell

max.campbell@longspur.com
+44 (0) 7900 206039

Distribution

Adam Robertson

adam.robertson@longspur.com
+44 (0) 203 940 6602

JDA PAYMENT

The receipt of US\$200,000 from Yinson shows progress on the CO2 joint development agreement. With moves towards a global carbon trading system seeing significant progress at COP 29, we see growing interest in efficient CO2 transportation. Provaris has the only long-range, low-pressure solution for shipping CO2.

Payment Represents Progress on CO2 JDA

Provaris has received a US\$200,000 payment from Yinson Production Offshore as part of the joint development agreement to develop storage and marine transport solutions for CO2. The payments is related to technical services fees for the provision of background intellectual property and other technical information to allow the scope of work to progress towards concept design activities which are expected to run to Q1 2025.

Developing Provaris Tanks for CO2

The agreement with Yinson will assess tank designs for the storage and bulk marine transport of CO2. With no solutions for long range, low pressure CO2 shipping currently, the JDA is looking to adapt Provaris' existing compressed hydrogen tank designs to achieve this. We see a growing demand for CO2, particularly to support the roll out of e-fuels and as part of carbon dioxide removal (CDR) solutions.

A\$,000 June	2022a	2023a	2024a	2025e	2026e	2027e
Sales	367	586	255	0	0	0
EBITDA	-6,342	-12,200	-6,222	-6,723	-6,891	-2,000
PBT	-6,758	-12,407	-6,135	-6,723	-13,685	-25,843
EPS	-13.2	-24.2	-1.1	-0.7	-0.6	-0.5
CFPS	-9.4	-12.8	-1.1	-0.7	-17.6	-16.2
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt	-11,617	-5,070	-457	-249	219,087	562,093
(Cash)						
Debt/EBITDA	2	0	0	0	-32	-281
P/E	0.0	0.0	0.0	0.0	0.0	0.0
EV/EBITDA	1.8	0.4	0.1	0.0	-31.8	-281.1
EV/sales	-31.6	-19.8	-45.6	na	na	na
FCF yield	-493.3%	-673.7%	-58.1%	-35.6%	-924.8%	-852.7%
Div yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

FINANCIAL MODEL

Profit and Loss Account

AU\$,000, Dec	2022a	2023e	2024a	2025e	2026e	2027e
Turnover						
Project income	367	586	255	0	0	0
Central costs and fees	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	367	586	255	0	0	0
Operating profit						
Project income	367	586	-2,314	0	0	0
Central costs and fees	-7,125	-12,993	-3,908	-6,723	-6,891	-2,000
Other	0	0	0	0	0	0
Other	0	0	0	0	0	0
Operating profit	-6,758	-12,407	-6,222	-6,723	-6,891	27,950
P&L Account	2022a	2023a	2024a	2025e	2026e	2027e
Turnover	367	586	255	0	0	0
Operating Profit	-6,758	-12,407	-6,222	-6,723	-6,891	-2,000
Investment income	0	0	0	0	0	0
Net Interest	0	0	87	0	-6,795	-23,843
Pre Tax Profit (UKSIP)	-6,758	-12,407	-6,135	-6,723	-13,685	-25,843
Goodwill amortisation	0	0	0	0	0	0
Exceptional Items	0	0	0	0	0	0
Pre Tax Profit (IFRS)	-6,758	-12,407	-6,135	-6,723	-13,685	-25,843
Tax	0	0	0	0	0	0
Post tax exceptionals	0	0	0	0	0	0
Minorities	0	0	0	0	3,397	11,921
Net Profit	-6,758	-12,407	-6,135	-6,723	-10,288	-13,921
Dividend	0	0	0	0	0	0
Retained	-6,758	-12,407	-6,135	-6,723	-10,288	-13,921
EBITDA	-6,342	-12,200	-6,222	-6,723	-6,891	-2,000
EPS (p) (UKSIP)	-13	-24	-1	-1	-1	0
EPS (p) (IFRS)	-13	-24	-1	-1	-1	0
FCFPS (p)	-9	-13	-1	-1	-18	-16
Dividend (p)	0	0	0	0	0	0

Source: Company data, Longspur Research estimates

KEY POINTS

- No modelled grant income from 2024 and then first revenues from the first Norwegian project in 2028
- This then builds beyond the forecast period presented above

Balance Sheet

AU\$,000, Dec	2022a	2023a	2024a	2025e	2026e	2027e
Fixed Asset Cost	1	0	0	0	298,660	768,781
Fixed Asset Depreciation	0	0	0	0	0	0
Net Fixed Assets	1	0	0	0	298,660	768,781
Goodwill	0	0	0	0	0	0
Other intangibles	5,386	0	0	0	0	0
Investments	0	0	0	0	0	0
Stock	0	0	0	0	0	0
Trade Debtors	0	0	0	0	0	0
Other Debtors	343	159	483	483	483	483
Trade Creditors	-771	-782	-571	-585	-600	-600
Other Creditors <1yr	0	0	-12	-12	-12	-12
Creditors >1yr	0	0	0	0	0	0
Provisions	-62	-115	-129	-129	-129	-129
Pension	0	0	0	0	0	0
Capital Employed	4,897	-738	-229	-243	298,403	768,524
Cash etc	11,617	5,070	744	249	-10,024	-37,535
Borrowing <1yr	0	0	0	0	0	0
Borrowing >1yr	0	0	287	0	209,062	524,558
Net Borrowing	-11,617	-5,070	-457	-249	219,087	562,093
Share Capital	85,812	85,901	21,078	316,532	2,352,852	5,558,222
Share Premium	0	0	0	-288,955	2,280,475	5,415,326
Retained Earnings	-73,019	-85,426	-24,812	-31,535	-38,426	-40,426
Other	3,721	3,856	3,963	3,963	3,963	3,963
Minority interest	0	0	0	0	41,402	99,999
Capital Employed	4,897	-738	-229	-243	298,403	768,524
Net Assets	16,514	4,332	229	6	79,316	206,431
Total Equity	16,514	4,332	229	6	79,316	206,431

Source: Company data, Longspur Research estimates

KEY POINTS

- We have assumed capex commences in FY26 with spend on electrolyzers and part payments on vessels however this can be brought leftwards into 2025 to arrange long lead items
- This has a corresponding rise in net debt and equity with the associated funding required for the capex

Cashflow

AU\$,000, Dec	2022a	2023a	2024a	2025e	2026e	2027e
Operating profit	-6,758	-12,407	-6,222	-6,723	-6,891	-2,000
Depreciation	416	207	0	0	0	0
Provisions	0	0	0	0	0	0
Other	1,159	5,388	255	0	0	0
Working capital	376	248	-380	14	15	0
Operating cash flow	-4,807	-6,565	-6,348	-6,708	-6,876	-2,000
Tax paid	0	0	0	0	0	0
Capex (less disposals)	0	0	0	0	-298,660	-470,121
Investments	0	0	0	0	0	0
Net interest	0	0	-4	0	-3,397	-11,921
Net dividends	0	0	0	0	0	0
Residual cash flow	-4,807	-6,565	-6,352	-6,708	-308,933	-484,042
Equity issued	9,823	0	1,775	6,500	44,799	70,518
Change in net borrowing	0	6,547	4,613	208	219,335	343,006
Adjustments	38	0	-36	0	0	0
Total financing	9,861	6,547	6,352	6,708	264,134	413,524

Source: Company data, Longspur Research estimates

KEY POINTS

- Cash outflows for project and administration costs until FY26 when capex commences
- Assumed raises in FY25, FY26 and FY27 assuming there is no farmout of projects and a portion of these are equity funded.

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Longspur Research
10 Castle Street,
Edinburgh. EH2 3AT
UK

Longspur Capital
20 North Audley Street,
London. W1K 6WE
UK