

20 Dec 2024

Current Price (A\$)	0.02
Shares in issue (m)	687
Mkt Cap (A\$m)	12
Net debt (A\$m)	-5
EV (A\$m)	7
BVPS (c)	32.2

Share price performance

1m	-5.3%
3m	-10.0%
12m	-55.0%
12 m high/low	0.1/0
Ave daily vol (30D)	427,878

Shareholders

Copia Investment	4.1%
Brand Fletcher	3.8%
Spo Equities	2.7%
Carolyn 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

NEARLY THERE

Provaris has updated the market on progress on two key issues with the expectation of completion of the Fiska Facility sale now expected very early in the new year and significant progress on the term sheet with Uniper and Norwegian Hydrogen again with execution seen as imminent.

Fiska Sale Could Complete in Early January

Provaris is almost over the line on two key transactions and hopes to execute on both very early in the new year. The completion of the sale of the Fiska Facility will allow a restart of the prototype hydrogen tank program including fabrication and testing. This will allow development of the hydrogen storage opportunity and also support co-development of the CO₂ tank programme with Yinson Production. Title transfer is expected on or around 1 January 2025 which leads us to conclude that there are no fellow Scots on the deal team.

Completion of Term Sheet Imminent

The term sheet outlining key terms for negotiation of a long-term hydrogen sale and purchase agreement will move forward the creation of a low carbon hydrogen supply train from Norway to Germany with a 10-year offtake contract for over 40,000t per annum. The train would rest on the use of the Provaris H₂Neo carriers and H₂Leo barge technology and will provide low cost RFNBO compliant hydrogen into the northern European market.

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	-520.7%	-711.1%	-61.3%	-37.6%	-976.2%	-900.1%
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.

Equity Research Disclaimers

Non-independent research

This report has been commissioned by the issuer and prepared and issued by Longspur Research, in consideration of a fee payable by the issuer. It is Non-Independent Research and a marketing communication under the FCA's Conduct of Business Rules. It is not Investment Research as defined by the FCA's Rules and has not been prepared in accordance with legal requirements designed to promote Investment Research independence and is also not subject to any legal prohibition on dealing ahead of the dissemination of Investment Research. We do not hold out this research material as an impartial assessment of the values or prospects of the company.

Notwithstanding this, Longspur Research has procedures in place to manage conflicts of interest which may arise in the production of Research, which include measures designed to prevent dealing ahead of Research.

Minor non-monetary benefit

This Research is a minor non-monetary benefit as set out in Article 12 (3) of the Commission Delegated Directive (EU) 2017/593. The Research is paid for by a corporate client of Longspur Research) and can be distributed free of charge.

Copyright

Copyright 2019 Longspur Capital. This Communication is being supplied to you solely for your information and may not be reproduced, redistributed or passed to any other person or published in whole or in part for any purpose without the prior consent of Longspur Research. Additional information is available upon request.

Regulated by the FCA

Longspur Research Longspur Research is a trading name of Longspur Capital Limited, authorised and regulated by the Financial Conduct Authority (FRN 839313). Longspur Capital is registered in England, company number 11011596.

No warranty as to accuracy or completeness

All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified.

Opinions contained in this report represent those of the Longspur Research analyst at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. No representation or warranty is made as to the accuracy or completeness of the information included in this Research and opinions expressed may be subject to change without notice. Longspur Research does not undertake any obligation to revise such forward-looking statements to reflect the occurrence of unanticipated events or changed circumstances.

This report is solely for informational purposes and is not intended to be used as the primary basis of investment decisions. Longspur Research has not assessed the suitability of the subject company for any person. Because of individual client requirements, it is not, and it should not be construed as, advice designed to meet the particular investment needs of any investor. This report is not an offer or the solicitation of an offer to sell or buy any security.

Longspur Research has no authority whatsoever to make any representation or warranty on behalf of any of its corporate finance clients, their shareholders or any other persons similarly connected.

Information purposes only

This Research is designed for information purposes only. Neither the information included herein, nor any opinion expressed, are deemed to constitute an offer or invitation to make an offer, to buy or sell any financial instrument or any option, futures or other related derivatives. Investors should consider this Research as only a single factor in making any investment decision. This Research is published on the basis that Longspur Research is not acting in a fiduciary capacity. It is also published without regard to the recipient's specific investment objectives of recipients and is not a personal recommendation. The value of any financial instrument, or the income derived from it, may fluctuate.

Take own advice

The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Longspur Research's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Longspur Research may have a position

At any time, Longspur Research or its employees may have a position in the securities and derivatives (including options or warrants) of the companies researched and this may impair the objectivity of this report. Longspur Research may act as principal in transactions in any relevant securities, or provide advisory or other services to any issuer of relevant securities or any company connected therewith.

Only for eligible counterparties and professional clients. Not for retail

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document (nor will such persons be able to purchase shares in the placing).

Distribution in the US

Longspur Capital Limited (Longspur) is not registered as a broker-dealer with the U S Securities and Exchange Commission, and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Longspur is not a member of the Financial Industry Regulatory Authority. It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest. This research report is intended for distribution in the United States solely to "major U.S. institutional investors" in reliance on the exemption from broker-dealer registration provided by Rule 15a-6 under the United States Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major U.S. institutional investor that receives a copy of such a report by its acceptance thereof represents and agrees that it shall not distribute or provide copies to any other person.

MAR Formal disclosure of conflicts

This report has been commissioned by the issuer and prepared and issued by Longspur Research in consideration of a fee payable by the issuer. Fees are paid upfront in cash without recourse. A draft has been sent to the issuer for comment and it has been appropriately amended.

Neither Longspur Research nor the analyst have any holdings in the issuer. Longspur Research may from time to time provide the issuer with of consultancy advice.

See webpage for additional MAR disclosures.

GDPR

For further information about the way we use your personal data please see our Third Party Privacy Notice at <https://longspur.com/privacypolicy.html> or at such other place as we may provide notice of from time to time. We may contact you about industry news, offers and information relating to our products and services which we think would be of interest to you. You can tell us you do not wish to receive such communications by emailing michelle.elsmore@longspur.com.

Laven Consulting Limited (incorporated and registered in England and Wales with company number 10918441) ("Laven") acting through its Paris branch located at 128 Rue La Boetie 75008, Paris, France as designated representative of Two Sigma Investments LP ("Company"), in accordance with art. 27 of the General Data Protection Regulation (the Regulation (EU) 2016/679) ("GDPR"). The Company has mandated Laven to be the European representative of the Company with regards to any communications or enquiry from the Supervisory Authority and/or data subjects on all issues related to the processing of personal data. Please contact Laven on info@eurorep.eu; the postal address is FAO EuroRep, c/o Laven Partners, 128 Rue La Boetie 75008, Paris, France. When contacting Laven regarding the Company please quote the name of the company and the Ref: 0085.

Severability Applicable law

Exclusion of Liability: To the fullest extent allowed by law, Longspur Research shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

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

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