

1 October 2024

<b>Current Price (A\$)</b>	<b>0.02</b>
Shares in issue (m)	631
Mkt Cap (A\$m)	13
Net debt (A\$m)	-5
EV (A\$m)	8
BVPS (c)	32.2

<b>Share price performance</b>	
1m	-9.1%
3m	-28.6%
12m	-70.6%
12 m high/low	0.1/0
Ave daily vol (30D)	559,208

<b>Shareholders</b>	
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



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## JDA FOR CO2 TRANSPORT AND STORAGE

Provaris has announced a joint development agreement with Yinson Production Offshore to assess tank designs for the storage and bulk marine transport of CO<sub>2</sub>. Yinson are a leading floating production, storage and offloading (FPSO) operator and are looking to expand into the carbon capture and sequestration space. With no solutions for long range, low pressure CO<sub>2</sub> shipping currently the JDA is looking to adapt Provaris' existing compressed hydrogen tank designs to achieve this. We see a growing demand for CO<sub>2</sub>, particularly to support the roll out of e-fuels, and view this as a sensible partnership to potentially address what could be a significant market.

## Agreement Potentially Augments Provaris' Existing Technology

The partnership is looking evaluate the technical and economic viability of adapting Provaris' existing compressed hydrogen technology to deliver cost-competitive solutions for transporting and storing CO<sub>2</sub>. The collaboration will also look to review the potential for other hydrogen derivatives such as ammonia. Whilst there is already established demand for CO<sub>2</sub> from the likes of the food and beverage industry, CO<sub>2</sub> storage and transport will become increasingly important for the deployment of carbon capture technologies, particularly where local geology does not support underground storage. We are also seeing a growing demand for CO<sub>2</sub> in the development of e-fuels like e-methanol that will require significant CO<sub>2</sub> volumes to support the decarbonisation of industries like shipping.

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	-	-	-	-	-	-
(Cash)	11,617	5,070	457	249	219,087	562,093
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	na	na	na	na	na	na
FCF yield	-468.6%	-640.0%	-55.1%	-33.8%	-878.6%	-810.1%
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
<b>Turnover</b>						
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
<b>Total</b>	<b>367</b>	<b>586</b>	<b>255</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating profit</b>						
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
<b>Operating profit</b>	<b>-6,758</b>	<b>-12,407</b>	<b>-6,222</b>	<b>-6,723</b>	<b>-6,891</b>	<b>27,950</b>
<b>P&amp;L Account</b>	<b>2022a</b>	<b>2023a</b>	<b>2024a</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
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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