

# Commercial Update | Capital Lite Revenue Model and Hydrogen Supply Chain Progress

## Highlights:

- **Capital Lite Revenue Model designed to generate early cash flow while avoiding large-scale capex exposure.**
- **Revenue secured through Technology License Fees and Origination Fees, ensuring upfront recurring income streams.**
- **Shipping Fleet Funded by Third Parties: Shipowners or Special Purpose Vehicles (SPVs) to finance and operate hydrogen carriers under long-term charter, with flexibility to invest selectively in fleet assets or projects to enhance long-term value for shareholders.**
- **Projected Returns up to USD 34 million (~AUD 54 million) per project, based on two H2Neo carriers and one H2Leo barge.**
- **First Hydrogen Supply Agreement: Recently announced first Term Sheet with Uniper Global Commodities and Norwegian Hydrogen AS for 42,500 tonnes per year of compressed hydrogen.**
- **First Deliveries targeted for early-2029, with FID and newbuild decisions in early 2026.**
- **Expanding Project Pipeline with demand for compression: A second Nordic supply chain project is materially advanced with a preferred German offtake partner and ongoing discussions with developers in Spain, Norway and Finland who are undertaking detailed assessment on the potential selection of Provaris carriers for storage and transport.**

**SYDNEY: Provaris Energy Ltd (Provaris; ASX:PV1)** is pleased to update shareholders on its commercialisation strategy for its proprietary hydrogen storage and transport solution which is focussed on a pipeline of development opportunities for hydrogen supply chains in Europe.

### Capital-Light Revenue Model: Monetization Strategy

Provaris has structured its commercialisation model to maximise early cash flow while minimising capital outlay by the Company. This approach leverages Technology License Fees and Origination Fees, avoiding the need for Provaris to directly finance large scale shipping assets.

**Provaris will target revenue from its compressed hydrogen shipping solutions through a dual model:**

<b>Technology License Fee</b>	<b>5% on Capex for H2Neo carrier &amp; H2Leo barge for our proprietary ship and tank design.</b> Based on well-established and proven LNG containment tank licensing model. Provides upfront revenue and early cash flow during the 30-month construction period.
<b>Origination Fee</b>	<b>5% as a free carried equity Ownership Interest in each H2Neo carrier and H2Leo barge.</b> Fleet financed and operated by experienced ship owners or SPVs which creates long-term financial upside without capex from Provaris.

*In Addition...*

Provaris retains the option to invest further in select shipping fleet and/or projects for additional equity returns.

**Provaris’ Managing Director and CEO, Martin Carolan, commented:** “Our capital lite license model is structured to provide early cashflow, while avoiding large scale capital requirements. With multiple supply chain projects advancing in parallel, this approach allows Provaris to focus on executing agreements without overextending its balance sheet and significant shareholder dilution. Additionally, the Board retains the flexibility to invest selectively in fleet assets or projects to enhance long -term value for shareholders.

### ILLUSTRATIVE PROVARIS RETURNS PER SUPPLY PROJECT

**Assuming a binding 15yr Time Charter for 2 x H2Neo carriers & 1 H2Leo barge with no capital contributions from Provaris.**

Per Supply Project <sup>1</sup>	USD Million	NPV <sub>8</sub> at FID (USD Million)
Technology License Fee <sup>2</sup>	16.5	14.4
Equity share of Time Charter Fees <sup>3</sup>	18.0	7.9
<b>Total Per Project</b>	<b>34.5</b>	<b>22.3</b>
<i>AUD</i>	<i>~54 million</i>	<i>35 million</i>

**Notes:**

1. Supply Project comprises of 2 x H2Neo carrier and 1 x H2Leo barge. All fees allow delivered cost estimates negotiated for delivered cost to be maintained in Term Sheet discussions.
2. Target Technology License Fee is based on Clarksons Norway AS market knowledge on LNG tank containment license fees and shipping industry models. Fee is based on newbuild price of USD 125 million per H2Neo carrier and USD 80 million for H2Leo barge. Fee payable in milestones over 30 months from signing Newbuild Ship Contract.
3. Based on an illustrative Time Charter Model developed with Clarksons Norway AS, which estimates a ‘Bareboat Charter’ rate of ~USD 51,000/day for each H2Neo carrier and USD 32,000/day for H2Leo barge (excluding O&M, commissions, port fees and fuel consumption) to deliver shipping investors a target levered equity rate of return of ~15%, 15-year time Charter, 70% gearing. Average shipping rates of return typically range 8-10% over the cycle for similar bulkers and gas carriers.

**HYDROGEN SUPPLY AGREEMENT: UNIPER & NORWEGIAN HYDROGEN - Milestone Term Sheet Signed for 42,500 TPA RFNBO Hydrogen Supply**

As announced on 6 January 2025, Provaris has executed conditional Term Sheet with Uniper Global Commodities SE (Uniper) and Norwegian Hydrogen AS for the supply, transport and offtake of RFNBO compliant hydrogen.

**Key Highlights**

- > Annual Volume: 42,500 metric tonnes of compressed hydrogen.
- > Delivery Timeline: First deliveries targeted for early 2029, subject to FID in early 2026.
- > **Transport Fleet: Two H2Neo carriers and one H2Leo barge.**
- > **Long-Term Charter Structure: Shipowners/SPVs to finance and operate fleet.**
- > **Next Steps:**
  - Mid-2025: Binding Hydrogen Sale and Purchase Agreement (SPA).
  - Finalization of preferred shipowners and newbuild shipyard agreements for capex confirmation.

**Strategic Importance**

This agreement represents a major de-risking milestone, as it provides a clear pathway to binding offtake contracts while allowing Provaris to generate revenue without asset-heavy commitments. *Further details from the ASX Announcement, 6 January 2025, "Signed Term Sheet for Hydrogen Supply with Uniper".*

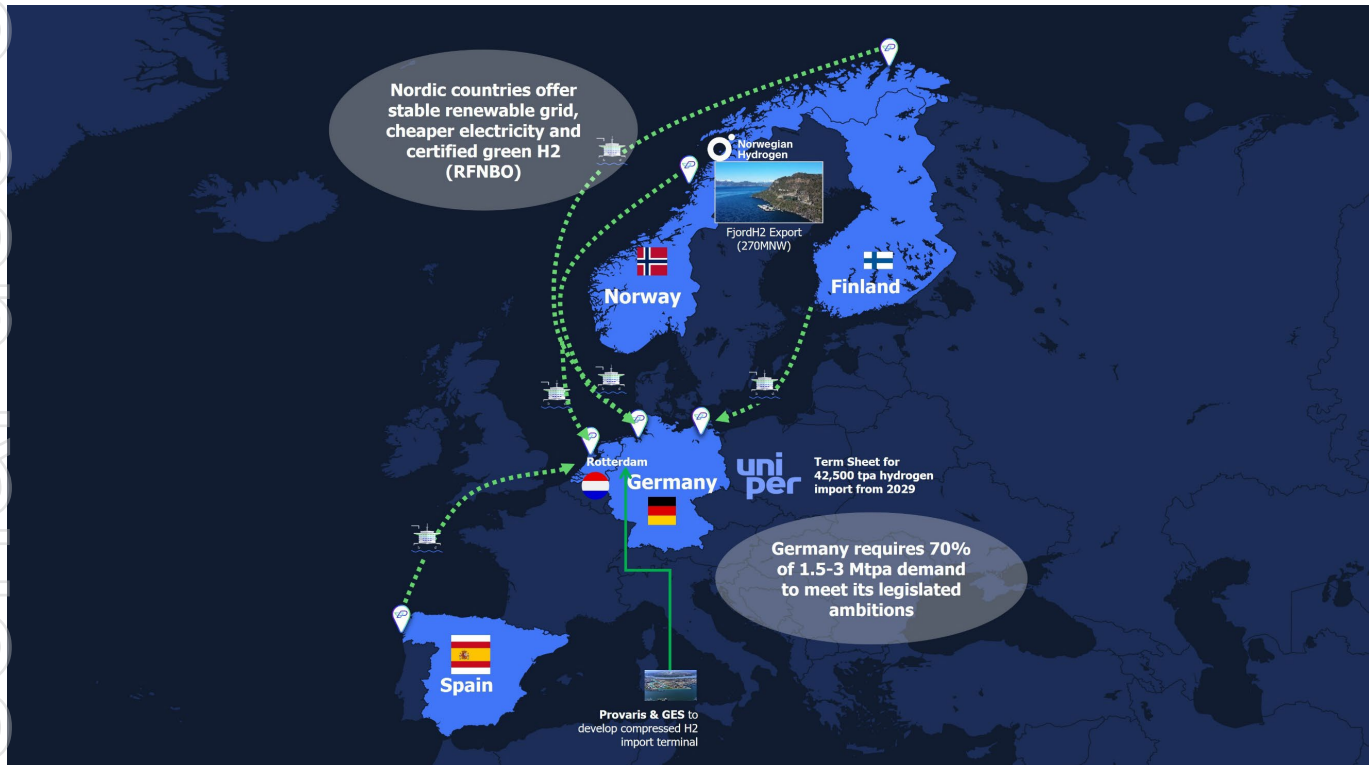
## EXPANSION OF SUPPLY CHAIN PROJECTS

Provaris is progressing a second hydrogen supply chain project in the Nordics, with an advanced selection process for a German offtake partner.

Additional opportunities under review:

- > **Norway:** Working with developers on hydrogen export infrastructure
- > **Spain:** Assessing sites for export and supply chain integration.
- > **Finland:** Identification of suitable sites for bulk-scale hydrogen export infrastructure.

These initiatives further diversify Provaris' revenue potential and position the company as a key enabler of Europe's hydrogen transition.



## UPCOMING COMPANY MILESTONES

Milestone	Target Completion
Binding Hydrogen SPA with Uniper	June 2025
Selection of Preferred Shipowners & SPVs	Mid-2025
Final Class Approvals for H2Neo & Shipyard LOI	Q3 2025
FID & Ship Newbuild Contract	Early 2026
First Hydrogen Deliveries Commence	Early 2029

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This announcement has been authorised for release by the Board of Provaris Energy Ltd

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**About Provaris Energy**

For more information: [www.provaris.energy](http://www.provaris.energy)

Provaris Energy Ltd (ASX: PV1) is an Australian public company developing a portfolio of integrated green hydrogen projects strategically focused on the European market where policy for energy security and decarbonisation depends on new bulk storage and maritime imports. Collaborating with European producers for hydrogen supply and German utilities for offtake of compressed hydrogen offers the lowest regional delivered cost in Europe. Our proprietary tank IP and innovative ship design prioritises simplicity and efficiency to reduce storage and transport costs. More recently, a strategic partnership to innovate CO<sub>2</sub> tank design for storage and marine transport, enabling higher volumes over long distances, is increasing our leadership in the energy transition.

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