



APPENDIX 4D – HALF YEAR REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

24 February 2023

DETAILS OF THE REPORTING PERIOD

This report details the consolidated results of Provaris Energy Ltd, ABN: 53 109 213 470 (“Provaris” or “Company”) and its controlled entities (“Group”) for the half-year ended 31 December 2022. Comparatives are for the half-year ended 31 December 2021.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				2022	2021
				\$'000	\$'000
2.1	Revenue from ordinary activities		0%	—	—
2.2	Profit/(Loss) from ordinary activities after tax attributable to members	Up	42%	(3,846)	(2,705)
2.3	Net profit/(loss) for the year attributable to members	Up	42%	(3,846)	(2,705)
				Cents	Cents
2.4	Net Tangible assets per security – at the end of the period			1.37	2.67

OPERATING RESULTS

For commentary on the financial results please refer to the information provided in the Directors Report in the attached interim financial report. The half-year report should be read in conjunction with the most recent annual report.

DIVIDENDS

No dividends have been paid or declared since the start of the financial half-year by the Company. The directors do not propose to pay either a final or interim dividend. The Company does not have a dividend reinvestment plan.

DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

The Group established a new 100% owned subsidiary, Provaris Norway AS, based in Oslo, during the half-year. The Group did not gain or lose control over any other entities during the half-year ended 31 December 2022.

DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

The Group did not have any associates or participation in any joint ventures during the half-year ended 31 December 2022.

AUDIT OF FINANCIAL STATEMENTS

This report is based on the attached half-year financial report which has been reviewed by our auditors.



Provaris Energy Ltd

**Consolidated Financial Report
for the Half Year ended 31 December 2022**



CORPORATE DIRECTORY

DIRECTORS: Greg Martin (Independent, Non-Executive Chairman)
Martin Carolan (Managing Director and CEO)
Garry Triglavcanin (Executive Director)
Andrew Pickering (Independent, Non-Executive Director)
David Palmer (Independent, Non-Executive Director)

COMPANY SECRETARY: Norman Marshall

ABN: 53 109 213 470

ASX CODE: PV1

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DIRECTORS' REPORT

The directors of Provaris Energy Ltd A.C.N. 109 213 470 ("Provaris" or "Company") present their report including the consolidated financial report of the Company and its controlled entities ("Consolidated Entity" or "Group") for the half-year ended 31 December 2022. The Company is a listed public company limited by shares and incorporated and domiciled in Australia.

DIRECTORS

The names of the directors of the Company who held office during the half-year and up to the date of this report, unless otherwise indicated, are:

Greg Martin	Independent, Non-Executive Chairman
Martin Carolan	Managing Director and CEO
Garry Triglavcanin	Executive Director
Andrew Pickering	Independent, Non-Executive Director
David Palmer	Independent, Non-Executive Director

OPERATING RESULTS

The operating loss for the Consolidated Entity, after income tax, amounted to \$3,846,406 (2021: \$2,705,067).

REVIEW OF OPERATIONS

I. BUSINESS DEVELOPMENT

The half-year period delivered pleasing progress in the Company's strategy to become an innovative and fully integrated developer of green hydrogen projects, with the ongoing progression of the Company's Tiwi H2 Project, where it is the 100% developer of a full export green hydrogen value chain, and the completion of the HyEnergy Export Feasibility Study, which received funding from the Renewable Hydrogen Fund as part of the Western Australian Government's Renewable Hydrogen Strategy. In addition, the Company has continued to identify and advance a number of opportunities where Provaris' proprietary GH2 Carriers, for the storage and marine transportation of gaseous hydrogen in compressed form, are being positioned as a low-cost hydrogen carrier in the regional markets of Asia and Europe. Details on the Company's activities during the half-year are provided below.

Tiwi H2 Project, Tiwi Islands, Northern Territory

Provaris acknowledges that its proposed Tiwi H2 Project is located on the traditional lands of the Munupi people. It is a privilege to have the support and such a close working relationship with the Munupi Clan and other key stakeholders.

The Company continued to advance its flagship 2.8 GW renewable green hydrogen export project (Tiwi H2) during the period. Located on the Tiwi Islands, Northern Territory, the Tiwi H2 project will develop an integrated compressed hydrogen export supply chain for export into Asia, avoiding up to almost 1 million tonnes of CO₂ emissions annually. Tiwi H2 has been awarded Major Project Status by the Northern Territory Government, as recognition of its long-term impact on jobs and economic benefits to the Territory.

Progress on the Tiwi H2 project during the half-year included the successful completion of the Conceptual Design Study in August, confirming the feasibility for an integrated 100,000 tonnes per annum compressed hydrogen (H₂) production and export project. Following an EPA referral submission and outcome in the period,



DIRECTORS' REPORT

the project's lead environmental consultant has now commenced the preparation for submission of the Environmental Impact Statement (EIS) in 2023, along with all Territory and Federal government approvals.

CE Partners has been appointed as owner's engineers to develop the detailed design of the renewable generation components of the project, comprising the solar farm, battery energy storage system, substations and transmission line connection to the H2 Production Precinct. An early works program has commenced, including an aerial survey of existing plantation land for the siting of the solar farm; geotechnical site investigations including a shallow drilling program; and hydrology and lightning studies, to advance the Solar Precinct towards a 30% design level package ready in 2023 and then seek construction proposals and select a preferred EPC contractor in early 2024.

In line with Munupi Clan permissions granted, Provaris is progressing with site access and clearing approvals for the procurement and installation of two solar monitoring trailers within the Northern Beaches plantation area for 18 months of solar monitoring. Darwin-based legal advisors have commenced drafting various land agreements required for the Tiwi Land Council and others, with negotiations to commence in early 2023.

Stakeholder engagement remains a priority focus of the Tiwi H2 project and the recent appointment of Darwin-based Lindsay Whiting as the project's Facilitation Manager will continue to increase our consultation with the Tiwi Land Council and Munupi Clan members. Lindsay has a long family relationship with the Munupi Clan and Pirlangimpi community, and held prior management roles at the existing Port Melville facility on the Tiwi Islands.

HyEnergy Export Feasibility Study, Gascoyne, Western Australia

Located in the Gascoyne coastal region of Western Australia (WA), the HyEnergy Project is being developed by Total Eren and Province Resources (ASX:PRL) for export markets into Asia. Supported by funding from the Western Australian government, Provaris completed a feasibility study to demonstrate the technical and commercial advantages of compression for export of the phase one hydrogen production, being up to 200,000 tonnes per annum. The HyEnergy Project is an ideal green hydrogen export project for the Company's compressed hydrogen shipping solution given its strategic location on the WA Gascoyne coastline, within a regional distance to multiple Asian markets with a future requirement for imported hydrogen.

Subsequent to the end of the half-year, the WA Government released the Compressed Hydrogen Export Feasibility Study Public Sharing Report (the Study). The Study scope analysed the compression and export of 200,000 tonnes per annum of green hydrogen from the proposed HyEnergy hydrogen production facility, and includes compression facilities, an outgoing pipeline to an offshore loading terminal, a fleet of Provaris' proprietary H2Neo 26,000 m3 GH2 Carriers, and an import terminal in Singapore.

The Study indicates that a compressed hydrogen export supply chain is a technically and commercially feasible method for the offshore loading and export of green hydrogen, with an average delivery rate of over 98% of the target annual throughput. Provaris will continue to support the HyEnergy Project to incorporate the Study outcomes into the project's overall prefeasibility study which is planned to commence in 2023.

Establishment of Provaris Norway AS

Provaris continues to qualify and advance multiple opportunities where Provaris' GH2 Carriers are being positioned as a low-cost hydrogen carrier in the regional markets of Asia and Europe. To service the large addressable market in Europe, the Company established an office in Oslo, Norway, to progress a growing pipeline of opportunities. Norway is demonstrating an increasing interest in both a coastal trade export to major EU energy markets, with close to 50 per cent of the EU hydropower reservoir capacity being in Norway. Norway's H2 production costs will be very competitive given costs of grid hydro power and high utilization of



DIRECTORS' REPORT

electrolysers, along with a supportive Norwegian government for hydrogen production, local consumption, and export of clean energy.

Subsequent to the half-year end, Provaris announced a collaboration with Norwegian Hydrogen AS to jointly develop green hydrogen supply chain projects in the Nordic region, including Norway as an origin of supply and focus on supply to key European ports. Norway represents 50 per cent of the hydropower reservoir capacity (50 TWh) of the EU and has identified ample resources for additional renewable power through on- and off-shore wind and is consequently highly strategic in reaching the REPowerEU ambition of 10mtpa hydrogen imports by 2030.

Other Business Development Activity

In September, Provaris announced a Memorandum of Understanding (MOU) with Total Eren for co-operation on green hydrogen projects using compressed hydrogen storage and transport solutions. Opportunities have been identified for assessment by Total Eren and Provaris for the feasibility of importing hydrogen into Europe and Asia using Provaris' proprietary compressed hydrogen supply chain. The focus of the co-operation activities includes the development of solutions that will meet the requirements of offtakers, port authorities, shipyards, and ship operators. The MOU provides Provaris with a key partner to facilitate and accelerate the delivery of the first fleet of GH2 Carrier 'H2Neo', including investigation of future financing schemes.

In Asia, a successful marketing trip to Japan and Singapore during the half-year highlighted compressed H2 supply chains can deliver low-cost hydrogen in the region, creating opportunities for green hydrogen supply from Provaris' Tiwi H2 project. Engagement with government agencies in Singapore and Japan continue to raise the awareness and benefits of Provaris' compressed H2 supply chain, with discussions ongoing with qualified commercial partners to study low-cost delivery models of hydrogen in the Asian region.

II. GH2 CARRIER - SHIP ENGINEERING AND CLASS APPROVALS

During the half-year, Provaris achieved the critical milestone of Design Approval for its proprietary H2Neo hydrogen carrier, with the American Bureau of Shipping (ABS), having reviewed, verified, and approved the design of Provaris' 26,000m³ H2Neo compressed hydrogen (H2) carrier, the first of its kind to receive this level of approval.

This approval follows the completion of an extensive Front End Engineering Design (FEED) program and ABS review. It confirms that Provaris' innovative and safe and cost-effective multi-layered hydrogen tank can be incorporated into its H2Neo carrier and meets the requirements for Ship Classification.

ABS approval for the H2Neo carrier confirms that our design approach to compressed hydrogen ships is sound and will allow us to accelerate the development of our larger 120,000m³ H2Max carrier and hydrogen storage barges, providing additional capability and capacity to capitalise on the strong future demand for hydrogen.

The ABS design approval maintains first-mover status for Provaris' compressed H2 technology to deliver bulk-scale marine storage and transport solutions for the hydrogen industry, with our target being to execute shipbuilding contracts for the H2Neo within 2023 and commence large-scale hydrogen shipping in 2026.

III. COMPRESSED NATURAL GAS

Management continues to hold dialogue with a major operator of oil and gas assets who completed preliminary due diligence on Provaris' CNG Optimum marine transport solution in the form of a Request for Information (RFI), which included ship engineering and economic models. The operator has made a



DIRECTORS' REPORT

subsequent RFI with regard to specific areas of the CNG solution, which has been responded to and the Provaris is awaiting further comment from the operator. While CNG offers a bespoke solution to regional markets, discussions are still preliminary in nature and may not lead to a definitive agreement. There has been no requirement for further technical or engineering work for the CNG Optimum carrier design.

IV. CORPORATE

In August 2022, the Company established Provaris Norway AS and opened an office in Oslo, Norway, where our Chief Technical Officer Per Roed now resides full-time. In addition, Oslo-based Herman Hildan joined the team as a Strategic Advisor to fast-track commercial opportunities for compressed H2 storage and transport in Norway and across Europe.

In November 2022 the Company's annual general meeting was held virtually. All resolutions considered at the meeting were passed.

Share Capital Movements

Date	Details
6 July 2022	Issued 500,000 ordinary shares pursuant to the Company's Employee Share Plan

EVENTS SUBSEQUENT TO BALANCE DATE

In January 2023, the Company announced it had executed a Memorandum of Understanding (MOU) with Norwegian Hydrogen AS, a Norwegian-based developer of hydrogen production hubs and value chains across the Nordic region, to collaborate on the development of green hydrogen value chain projects in the Nordics.

The collaboration brings together the skills, experience and ambitions of both companies to accelerate the development of a hydrogen value chain covering large scale production and export of hydrogen to the key ports of Europe. The MOU provides a framework to jointly undertake a Concept Design Study to review identified sites and select a preferred location suitable for domestic and export volumes of hydrogen. The parties will also co-develop a technical and economic review for the production and supply of compressed gaseous green hydrogen from a nominated export site to key European ports.

The scope of the study will include the renewable power supply, production of hydrogen, compression facilities, storage, infrastructure for jetty loading, Provaris' H2Neo carrier, and port infrastructure required at identified import locations for unloading. Application for suitable funding schemes available through national schemes and the European Union will also be made.

On 10 February 2023, the Company announced that it had issued 1,000,000 ordinary shares under the Employee Share Plan.

No other matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods.



DIRECTORS' REPORT

AUDITORS INDEPENDENCE DECLARATION

In accordance with the Corporations Act 2001 section 307C the auditors of the Company have provided a signed auditors independence declaration to the directors in relation to the review for the half-year ended 31 December 2022. This declaration is set out on page 18.

Signed in accordance with a resolution of the directors.

Martin Carolan
Managing Director and CEO

24 February 2023
Perth, Western Australia



DIRECTORS' DECLARATION

The directors of Provaris Energy Ltd ("Company") declare that:

- a) in their opinion the accompanying financial statements and notes of the Consolidated Entity;
 - i) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - ii) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and
- b) in their opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Martin Carolan
Managing Director and CEO

24 February 2023
Perth, Western Australia



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	Half-Year to 31 December 2022 \$	Half-Year to 31 December 2021 \$
Income from non-operating activities	2	94,473	50,903
Corporate and administrative expenses		(2,169,568)	(1,455,282)
Project development		(1,522,219)	(408,930)
Amortisation of intangible asset	4	(207,161)	(207,161)
Share based payments	2	(41,931)	(684,597)
LOSS BEFORE INCOME TAX		(3,846,406)	(2,705,067)
Income tax		-	-
LOSS AFTER INCOME TAX		(3,846,406)	(2,705,067)
NET LOSS FOR THE PERIOD		(3,846,406)	(2,705,067)
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
<i>Items that may be reclassified to profit and loss</i>			
Exchange differences on translating foreign operations		(3,402)	870
OTHER COMPREHENSIVE INCOME/(EXPENSE) AFTER INCOME TAX		(3,402)	870
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(3,849,808)	(2,704,197)
BASIC EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)			
		(0.70)	(0.56)
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)			
		(0.70)	(0.56)

The accompanying notes form part of this financial report



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		31 December 2022	30 June 2022
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	8,101,310	11,616,888
Other current assets		203,756	342,615
TOTAL CURRENT ASSETS		8,305,066	11,959,503
NON-CURRENT ASSETS			
Property, plant and equipment		335	1,110
Intangible asset - Intellectual property	4	5,179,025	5,386,186
TOTAL NON-CURRENT ASSETS		5,179,360	5,387,296
TOTAL ASSETS		13,484,426	17,346,799
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	669,335	771,453
Provisions		109,144	61,522
TOTAL CURRENT LIABILITIES		778,479	832,975
TOTAL LIABILITIES		778,479	832,975
NET ASSETS		12,705,947	16,513,824
EQUITY			
Issued capital	6	85,840,430	85,811,930
Reserves	7	3,730,739	3,720,710
Accumulated losses		(76,865,222)	(73,018,816)
TOTAL EQUITY		12,705,947	16,513,824

The accompanying notes form part of this financial report



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Note	Half-Year to 31 December 2022 \$	Half-Year to 31 December 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers & employees		(2,096,114)	(1,361,026)
Interest received		47,901	6,014
Project development		(1,590,437)	(423,503)
Government grants and tax incentives received		115,500	-
NET CASH USED IN OPERATING ACTIVITIES		(3,523,150)	(1,778,515)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash invested in term deposits and reclassified to Other Financial Assets ¹		-	(11,300,504)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		-	(11,300,504)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares under Share Placement		-	10,000,000
Proceeds from issue of shares under Share Purchase Plan		-	538,750
Proceeds from issue of loyalty options		-	72
Capital raising costs		-	(716,416)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES		-	9,822,406
NET (DECREASE) IN CASH AND CASH EQUIVALENTS¹		(3,523,150)	(3,256,613)
Net foreign exchange differences		7,572	14,889
Cash and cash equivalents at beginning of period		11,616,888	6,563,716
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3	8,101,310	3,321,992

¹ In the prior year, term deposits of \$11,300,504 were classified as Other Financial Assets due to their maturity dates.

The accompanying notes form part of this financial report



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

ATTRIBUTABLE TO MEMBERS OF PROVARIS ENERGY LTD	Issued Capital \$	Share-Based Payments Reserve \$	Currency Translation Reserve \$	Fair Value Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2022	85,811,930	3,726,806	(6,096)	-	(73,018,816)	16,513,824
Currency translation	-	-	(3,402)	-	-	(3,402)
Loss for period	-	-	-	-	(3,846,406)	(3,846,406)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	-	-	(3,402)	-	(3,846,406)	(3,849,808)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Issue of shares under ESP	28,500	-	-	-	-	28,500
Expense of Performance Rights under PRP	-	13,431	-	-	-	13,431
At 31 DECEMBER 2022	85,840,430	3,740,237	(9,498)	-	(76,865,222)	12,705,947
At 1 July 2021	75,727,744	2,791,992	(5,671)	(2,639,591)	(63,621,614)	12,252,860
Currency translation	-	-	870	-	-	870
Loss for period	-	-	-	-	(2,705,067)	(2,705,067)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	-	-	870	-	(2,705,067)	(2,704,197)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Securities issued under Placement	10,000,000	-	-	-	-	10,000,000
Securities issued under SPP	538,750	-	-	-	-	538,750
Capital raising costs - cash	(716,416)	-	-	-	-	(716,416)
Capital raising costs – non-cash	(661,800)	661,800	-	-	-	-
Issue of shares under ESP	560,500	-	-	-	-	560,500
Issue of shares - consultant	83,080	-	-	-	-	83,080
Issue of Performance Rights under PRP	-	124,097	-	-	-	124,097
Loyalty options exercised	72	-	-	-	-	72
Transfer to accumulated losses	-	-	-	2,639,591	(2,639,591)	-
At 31 DECEMBER 2021	85,531,930	3,577,889	(4,801)	-	(68,966,272)	20,138,746

The accompanying notes form part of this financial report



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This interim condensed financial report for the interim half-year reporting period ended 31 December 2022 has been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting ("AASB 134") and was authorised for issue in accordance with a resolution of the directors on 24 February 2023.

This consolidated condensed financial report is intended to provide users with an update on the latest annual financial statements of Provaris Energy Ltd ("Company") and its controlled entities ("Group"). It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2022, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements and in the corresponding interim reporting period, except those accounting policies which have changed as a result of the adoption of new and revised accounting standards and interpretations as described below.

Certain comparative information in the consolidated statement of profit or loss and other comprehensive income has been reclassified to ensure consistency with current year presentation. These reclassifications have no effect on the reported results of operations.

New or amended Accounting Standards or Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period and were relevant to the Group. The adoption of the new and amended accounting standards and interpretations had no material impact on the Group. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been adopted early.

Half-Year to 31 December 2022 \$	Half-Year to 31 December 2021 \$
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NOTE 2. INCOME AND EXPENSES

The loss before income tax includes the following income and expenses where disclosure is relevant in explaining the performance of the Group:

NON-OPERATING ACTIVITIES

Interest received	47,901	6,014
Unrealised exchange gains	7,572	14,889
Grant income	39,000	30,000
TOTAL INCOME FROM NON-OPERATING ACTIVITIES	94,473	50,903

EXPENSES INCLUDE:

Employee benefits and consultants' expenses	1,543,019	960,095
Share based payments expense	41,931	684,597
Depreciation expense	775	775



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

31 December 2022 \$	30 June 2022 \$
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NOTE 3. CASH AND CASH EQUIVALENTS

Cash at bank	8,101,310	11,616,888
	<u>8,101,310</u>	<u>11,616,888</u>

Non-cash financing activities

During the period, 500,000 shares were issued to staff and directors under the ESOP.

NOTE 4. INTANGIBLE ASSET - INTELLECTUAL PROPERTY

Development cost	6,214,830	6,214,830
Less: amortisation	(1,035,805)	(828,644)
	<u>5,179,025</u>	<u>5,386,186</u>

Intellectual property comprises compressed natural gas (CNG) marine transport design technology and associated patents derived from the acquisition of 100% of Sea NG Corporation (SeaNG), renamed GEV Canada Corporation, in 2017.

At 1 July 2020, a decision was made to begin to amortise the Intellectual Property as it satisfied the criteria as being available for use. The Intellectual Property will be amortised on a straight-line basis over a period of 15 years, as it matches the expected usage of the asset. The amortisation expense for the period was \$207,161 (2021: \$207,161).

The Company considered whether any impairment indicators existed at 31 December 2022 which would require an impairment test to be undertaken. No impairment indicators were identified and hence no impairment test was required to be undertaken. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2022 the market capitalisation of the Company was well in excess of the book value of the Group's net assets.

NOTE 5. TRADE AND OTHER PAYABLES

Trade creditors	208,303	554,802
Sundry creditors and accrued expenses	461,032	216,651
	<u>669,335</u>	<u>771,453</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

		31 December 2022 \$	30 June 2022 \$
NOTE 6. ISSUED CAPITAL			
ORDINARY SHARES			
548,280,465 (30 June 2022: 547,780,465) fully paid ordinary shares		85,430,794	85,402,294
LOYALTY OPTIONS			
96,681,458 (30 June 2022: 96,681,458) loyalty options		409,636	409,636
		<u>85,840,430</u>	<u>85,811,930</u>
MOVEMENTS IN ORDINARY SHARES			
	Date	Number of Shares	\$
Opening balance	01-Jul-21	452,118,223	75,318,109
Shares issued pursuant to Employee Share Plan	29-Jul-21	4,000,000	248,000
Shares issued to consultant	11-Aug-21	1,051,644	83,080
Share Placement at \$0.125 per share	11-Aug-21	80,000,000	10,000,000
Shares issued pursuant to Employee Share Plan	18-Nov-21	500,000	62,500
Shares issued pursuant to Employee Share Plan	30-Nov-21	2,000,000	250,000
Shares issued on exercise of loyalty options	15-Dec-21	598	72
Share Purchase Plan at \$0.125 per share	21-Dec-21	4,310,000	538,750
Costs of capital raising		-	(1,378,217)
Balance at 31 December 2021	31-Dec-21	543,980,465	85,122,294
Shares issued pursuant to Employee Share Plan	7-Feb-22	500,000	50,000
Shares issued pursuant to Employee Share Plan	9-May-22	2,000,000	178,000
Shares issued pursuant to Employee Share Plan	20-Jun-22	1,300,000	52,000
Balance at 30 June 2022	30-Jun-22	547,780,465	85,402,294
Shares issued pursuant to Employee Share Plan	6-Jul-22	500,000	28,500
AT THE END OF THE FINANCIAL PERIOD	31-Dec-22	<u>548,280,465</u>	<u>85,430,794</u>

PERFORMANCE SHARES

All Class B, C, D and E Performance Shares expired on 6 December 2022 (Expiry Date). None of the Performance Shares had their vesting conditions met during the period.



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	31 December 2022 \$	30 June 2022 \$
NOTE 7. RESERVES		
Share based payments reserve	3,740,237	3,726,806
Currency translation reserve	(9,498)	(6,096)
	<u>3,730,739</u>	<u>3,720,710</u>
MOVEMENTS IN SHARE BASED PAYMENTS RESERVE		
At the beginning of the financial period	3,726,806	2,791,992
Issue of share-based payments to employees	13,431	-
Issue of unlisted options as part-payment of capital raising costs	-	661,800
Issue of PV1AM Performance Rights to employees	-	273,014
AT THE END OF THE PERIOD	<u>3,740,237</u>	<u>3,726,806</u>
MOVEMENTS IN CURRENCY TRANSLATION RESERVE		
At the beginning of the financial period	(6,096)	(5,671)
Consolidation of foreign currency subsidiaries	(3,402)	(425)
AT THE END OF THE PERIOD	<u>(9,498)</u>	<u>(6,096)</u>

NOTE 8. FINANCIAL INSTRUMENTS

(a) Overview of Financial Instruments

Set out below is an overview of the financial instruments by the Group as at 31 December 2022:

	31 December 2022 \$	30 June 2022 \$
LOANS AND RECEIVABLES – AT AMORTISED COST		
Cash and cash equivalents	8,101,310	11,616,888
Other current assets	203,756	342,615
TOTAL CURRENT ASSETS	<u>8,305,066</u>	<u>11,959,503</u>
FINANCIAL LIABILITIES		
<i>At amortised cost</i>		
Trade and other payables	669,335	771,453
TOTAL CURRENT LIABILITIES	<u>669,335</u>	<u>771,453</u>

(b) Fair values

Due to the short-term nature of the financial assets and liabilities, the carrying amounts approximate fair value.



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 9. SEGMENT INFORMATION

The Group has only one operating segment, being the development of compressed shipping solutions.

NOTE 10. CONTINGENT LIABILITIES-

There have been no significant changes in contingent liabilities since the last annual reporting date (30 June 2022: None).

NOTE 11. EVENTS SUBSEQUENT TO BALANCE DATE

In January 2023, the Company announced it had executed a Memorandum of Understanding (MOU) with Norwegian Hydrogen AS, a Norwegian-based developer of hydrogen production hubs and value chains across the Nordic region, to collaborate on the development of green hydrogen value chain projects in the Nordics.

The collaboration brings together the skills, experience and ambitions of both companies to accelerate the development of a hydrogen value chain covering large scale production and export of hydrogen to the key ports of Europe. The MOU provides a framework to jointly undertake a Concept Design Study to review identified sites and select a preferred location suitable for domestic and export volumes of hydrogen. The parties will also co-develop a technical and economic review for the production and supply of compressed gaseous green hydrogen from a nominated export site to key European ports.

The scope of the study will include the renewable power supply, production of hydrogen, compression facilities, storage, infrastructure for jetty loading, Provaris' H2Neo carrier, and port infrastructure required at identified import locations for unloading. Application for suitable funding schemes available through national schemes and the European Union will also be made.

On 10 February 2023, the Company announced that it had issued 1,000,000 ordinary shares under the Employee Share Plan.

No other matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods.

Auditor's independence declaration to the directors of Provaris Energy Ltd

As lead auditor for the review of the half-year financial report of Provaris Energy Ltd for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Provaris Energy Ltd and the entities it controlled during the financial period.



Ernst & Young



Pierre Dreyer
Partner
24 February 2023

Independent auditor's review report to the members of Provaris Energy Ltd

Conclusion

We have reviewed the accompanying half-year financial report of Provaris Energy Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Ernst & Young



Pierre Dreyer
Partner
Perth
24 February 2023