

## Target Market Determination

**Provaris Energy Ltd (ASX:PV1; Provaris or Company)** refers to its announcement released to the ASX on 3 May 2024 regarding its Share Purchase Plan (**SPP**).

As the Company is offering free attaching options under the SPP, it is required to release a Target Market Determination.

### **What is a Target Market Determination?**

A Target Market Determination is a document which describes who a product is appropriate for (i.e., its target market), and any conditions around how the product can be distributed to customers. It also describes the events or circumstances where the Company may need to review the Target Market Determination for a financial product.

### **Why does Provaris need to have a Target Market Determination?**

Under the SPP, the Company is offering eligible shareholders 1 free attaching option for every 3 shares subscribed for and issued under the SPP.

Because Provaris is offering options to investors, it is required to have a Target Market Determination in place due to the Design and Distribution Obligations under Pt 7.8A of the *Corporations Act 2001* (Cth). This is to ensure that the investors fit within the relevant 'target market' for the offer.

A copy of the Company's Target Market Determination is included below.



## Target Market Determination

- Made by:** Provaris Energy Ltd (ACN 109 213 470) of Unit 19, 40 St Quentin Avenue Claremont, WA 6010, Australia (**Company**)
- Product:** Options to be issued in connection with a prospectus, lodged by the Company on 13 May 2024, to acquire fully paid ordinary shares in the capital of the Company with an exercise price of \$0.075 and an expiry date of 2 years from the date of their issue (**SPP Options**).
- Effective Date:** 13 May 2024

### 1. Background

On 3 May 2024, the Company announced a partially underwritten Share Purchase Plan (**SPP**) for eligible shareholders to subscribe for fully paid ordinary shares in Provaris (**Shares**) to raise up to \$2 million (before costs).

This target market determination (**TMD**) has been prepared by the Company in relation to an offer to issue to the eligible shareholders who subscribe for Shares under the SPP one (1) free-attaching New Option for every three (3) Shares subscribed for under the SPP (**SPP Offer**), which is being made by the Company under a transaction specific prospectus lodged with the Australian Securities and Investments Commission (**ASIC**) and dated 13 May 2024 (**Prospectus**). A copy of the Prospectus is available on the Company's website (<https://www.provaris.energy/>) and has been released to the Australian Securities Exchange (**ASX**). The Company will not seek quotation of the SPP Options on ASX.

The SPP Offer will be made under the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional adviser if they have any questions regarding the contents of the Prospectus. Any recipient of this TMD who wants to acquire SPP Options under the SPP Offer will need to complete the Application Form that will accompany the Prospectus. There is no cooling off period in respect of the issue of the SPP Options. This TMD is not a disclosure document for the purposes of the *Corporations Act 2001* (Cth), and therefore has not been lodged, and does not require lodgement, with the ASIC nor does it contain a full summary of the terms and conditions of the SPP Options.

This TMD does not take into account what you currently have, or what you want and need, for your financial future. It is important for you to consider these matters and read the Prospectus before you make an investment decision. The Company is not licensed to provide financial product advice in relation to the SPP Options. To the extent permitted by law, the Company accepts no liability for any loss or damage as a result of any reliance on this TMD.

Unless otherwise defined in this TMD, capitalised terms have the meaning given to them in the Prospectus.



## 2. Target Market

The objectives, financial situation and needs of investors which are suitable for investment in the SPP Options and an explanation of why those particular financial circumstances are suitable are provided below:

Factor	Target Market
<b>Target Market and Investment Objective</b>	<p>The Company expects that an investment in SPP Options will be suitable to investors who:</p> <ul style="list-style-type: none"> <li>wish to gain exposure to equities in a company listed on the ASX that is involved in the development of (i) integrated compressed hydrogen projects for export to regional markets and (ii) technology for the storage and marine transportation of hydrogen in compressed form; and</li> <li>are in a position to pay any exercise amounts in relation to the SPP Options in due course.</li> </ul> <p>Particularly, it will be eligible shareholders of Provaris that subscribe for Shares under the SPP that are allocated SPP Options pursuant to the SPP Offer made by the Company under the Prospectus.</p>
<b>Investment Timeframe</b>	<p>The target market of investors will generally take a short to medium term outlook in relation to their investment in the Company.</p> <p>Option holders will have an ability to exercise SPP Options and trade the underlying Shares issued on exercise, however investors should be aware that such dealing is only likely to be commercially viable in the event that the trading price of the Shares exceeds the exercise price of the SPP Options both at the date of exercise and at the date of any sale of the Shares.</p> <p>Investors with a medium-term outlook will benefit from an ability to exercise SPP Options within the 2-year term of the SPP Options and increase their shareholding and exposure to the potential upside in the Company's Shares in the future (although no upside can be guaranteed).</p>
<b>Investor Suitability Metrics</b>	<p>While the Company does not have an established eligibility framework for investors based on metrics such as age, expected return or volatility, it is expected that the target market of investors will be accustomed to participating in speculative investments in the renewable energy sector and who will be able to withstand potential fluctuations in the value of their investment.</p> <p>An exercise price is required to be paid to acquire Shares on exercise of the SPP Options. As such, the capacity to realise the underlying value of the SPP Options would require that they be exercised on or before their expiry date. Investors in the target market will need to be in a financial position to have sufficient available funds so as to facilitate an exercise of the SPP Options prior to their expiry date.</p> <p>The SPP Options offer no guaranteed income or capital protection.</p>



Factor	Target Market
<b>Risks</b>	<p>The Company considers that an investment in the SPP Options will have a different risk profile to a direct upfront investment in Shares, including due to the fact that there is no obligation to exercise the SPP Options prior to their expiry date.</p> <p>Investors should consider the risk that there is no guarantee that the Company's Share price will exceed the exercise price of the SPP Options. Investors should take this into consideration in subscribing for Shares and taking up their right to the free attaching SPP Options under the SPP. The Company considers that an investment in the SPP Options is highly speculative, such that an investment in the Company is not appropriate for an investor who would not be able to bear a loss of some or all of the investment.</p> <p>Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to understand and appreciate the risks of investing in SPP Options as an asset class generally and the more specific risks of investing in the Company.</p> <p>Specific risks relating to the Company and an investment in the Shares are set out in the Prospectus and investors should review those risks carefully before deciding whether to invest.</p>

### 3. Distribution Conditions

The offer of SPP Options under the Prospectus is being made to those shareholders who are eligible to participate in the SPP Offer.

The Prospectus will include jurisdictional conditions on eligibility as set out in the Prospectus.

The SPP Options will also be subject to the distribution condition that retail investors will be provided with a copy of the Prospectus and access to this TMD before they apply for the SPP Options.

The Company considers that these distribution conditions will ensure that persons who invest in SPP Options fall within the target market.

### 4. Review Triggers

The SPP Options are being offered for a limited offer period set out in the Prospectus, after the conclusion of which the SPP Options will no longer be available for investment by way of issue. It follows that the TMD will only apply in the period between the commencement of the offer of the SPP Options and the issue of the SPP Options shortly after the close of the SPP Offer (**Offer Period**), after which the TMD will be withdrawn.

To allow the Company to determine whether circumstances exist that indicate this TMD is no longer appropriate to the SPP Options and should be reviewed, the following review triggers apply for the Offer Period:

- (a) there is a material change to the key attributes of the SPP Options that make it no longer consistent with the likely objectives, financial situation and needs of clients in the target market;
- (b) the Company lodges with ASIC a supplementary or replacement prospectus in relation to the Prospectus;
- (c) the Company identifies a substantial divergence in how the SPP Options are being distributed from this TMD;



- (d) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the SPP Options or this TMD; and
- (e) material changes occur to the regulatory environment that applies to an investment in the SPP Options.

The Company may also amend this TMD at any time.

## 5. Review Period

If a review trigger occurs during the Offer Period, the Company will undertake a review of the TMD in light of the review trigger.

The Company will otherwise complete a review of the TMD immediately prior to the issue of SPP Options under the SPP Offer.

Periodic reviews of the TMD will not occur during the Offer Period, noting that the Offer Period is (subject to any decision to extend) less than one month. If the Offer Period is extended for more than one month, the TMD will be reviewed on a monthly basis.

## 6. Information Reporting

The reporting requirements of all distributors is detailed in the table below:

Reporting requirement	Period for reporting to the Company by the distributor	Information to be provided
Whether the distributor received complaints about the SPP Options.	<ul style="list-style-type: none"> <li>• For such time as the Offer Period remains open, within 10 business days after the end of each quarter.</li> <li>• Within 10 business days after the end of the Offer Period.</li> </ul>	<ul style="list-style-type: none"> <li>• The number of complaints received.</li> <li>• A summary of the nature of each complaint or a copy of each complaint.</li> </ul>
A significant dealing of the SPP Options that is not consistent with this TMD	As soon as reasonably practicable after the significant dealing occurs, but in any event no later than 10 business days after the significant dealing occurs.	<ul style="list-style-type: none"> <li>• Details of the significant dealing.</li> <li>• Reasons why the distributor considers that the significant dealing is not consistent with this TMD.</li> </ul>
A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.	Within 10 business days after the close of the Offer Period in accordance with the Prospectus.	A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.

## 7. Contact Details

Contact details in respect of this TMD for the Company are Norman Marshall, Company Secretary.

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## About Provaris Energy

Provaris Energy Ltd (ASX: PV1) | [www.provaris.energy](http://www.provaris.energy)

Provaris Energy (ASX: PV1) is an Australian public company developing a portfolio of integrated green hydrogen projects for the regional trade of Asia and Europe, leveraging our innovative compressed hydrogen bulk storage and carrier. Our focus on value creation through innovative development that aligns with our business model of simple and efficiency hydrogen production and transport can establish an early-mover advantage for regional maritime trade of hydrogen and unlock a world of potential. In August 2022 Provaris Norway AS was established to advance the development of hydrogen export projects from Norway and other European locations.

### Not for release to US wire services or distribution in the United States

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

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