

ASX Announcement

31 July 2024

JUNE 2024 – QUARTERLY REPORT

HIGHLIGHTS

Record Quarterly Revenue Increased to \$4.48m

Strong growth trajectory.



Record Payments from Customers of \$4.94m for Quarter

Solid cash conversion.



Strong Major Project Pipeline Supporting Growth

Approved vendor status.



Progressing Brine Opportunities with Global Energy Co

Based on CSG brine.



Exploring Brine Opportunities with Global Mining Co

Critical minerals project.



Establishment of \$6.25m Growth Funding Package

Support strategic growth.



Operations

- Record quarterly operating performance underpinned by strong sales and project pipeline.
- Execution of several alliance agreements as well as achieving approved vendor status with various major organisations, provides foundations for sustained growth.
- Successful installation of water treatment plant for ADF site, with additional opportunities.

Technology

- Master Plan related opportunities, including with major CSG company continue to advance.
- Ongoing technology development, including through Parkway Centre for Brine Technologies, has achieved several key milestones, including first production of mineral acid from CSG brine.
- Advancing high-value opportunities in hydrogen & critical minerals sectors with tier-1 clients.

Corporate

- Successful integration of Tankweld is supporting various strategic growth priorities.
- Establishment of \$6.25m funding package underpins range of strategic growth opportunities.
- Transformation of Parkway into turnkey provider of integrated water treatment solutions.



Parkway Corporate Limited (“**Parkway**” or the “**Company**”) (ASX: PWN) is pleased to report its activities for the quarter ending 30 June 2024.

Introduction

Parkway is a leading Australian water & wastewater treatment and process technology company. Parkway is focused on the commercialisation of a portfolio of innovative process technologies in key industrial markets, as Parkway believes this is an important and effective strategy for addressing various global water related sustainability challenges.

In recent years, Parkway has made significant investments in groundbreaking research and development (R&D) related activities, including in the acquisition, development, validation and optimisation of a comprehensive portfolio of cutting-edge industrial water treatment related process technologies.

In support of Parkway’s accelerated technology commercialisation strategy, Parkway primarily operates through two strategically integrated capacities:

- **Industrial Operations** business division is focused on the provision of conventional water and wastewater treatment related products & services, including fabrication as well as project delivery related services including installation, for a broad range of predominantly commercial, municipal and industrial clients.
- **Industrial Technology** business division is primarily focused on innovative process technology related R&D, including process screening, evaluation, optimisation and piloting, as well as a range of technology commercialisation related activities.

As the Industrial Operations division continues to grow and build critical mass, it is increasingly important in providing Parkway with a suitable platform to commercialise its portfolio of proprietary process technologies, being developed by the Industrial Technology division.

Integrated Water Treatment Capabilities

Parkway has assembled a fully integrated inhouse project delivery capability, including for the innovative process technologies being developed and commercialised by Parkway.

Figure 1: Platform of Integrated Water Treatment Related Capabilities



Parkway is an established industrial water treatment company with turnkey (engineering, procurement & construction, EPC) project delivery capabilities.

We work closely with our partners and clients to provide a range of industry leading integrated water treatment solutions, based on best-available technologies (BAT), including our own proprietary technologies.

As a result of these integrated water treatment related capabilities, Parkway is increasingly capable of delivering a diverse range of industrial water, wastewater treatment and infrastructure related projects on a turnkey (engineering, procurement & construction – EPC and design & construct – D&C) basis.

Further details about the integrated water treatment solutions, including turnkey water infrastructure related solutions provided by Parkway, is outlined at:

<https://pwnps.com/collections/integrated-water-treatment-solutions>

INDUSTRIAL OPERATIONS DIVISION

Industrial Operations are performed through Parkway Process Solutions (PPS) and predominantly focused on the provision of conventional water and wastewater treatment related products and services, including specialty fabrication services. In addition, PPS is increasingly involved in integrated project delivery related services including installation services for a diverse range of commercial, municipal and industrial clients.

Operating Performance

During the quarter, PPS generated record revenues of \$4.48 million, substantially driven by a strong contribution from recently acquired Tankweld Group. The robust operating performance was reinforced by strong cash conversion, with record cash receipts from customers for the quarter of \$4.94 million.

Strategic Positioning

Whilst PPS achieved strong operating performance including robust operating revenues during the reporting period, Parkway continued to focus on strategically important, particularly technology focused projects, with less emphasis on non-strategic short-term revenue generation.

As a result, projects incorporating more innovative industrial water treatment solutions, including proprietary process technologies being commercialised by Parkway's Industrial Technology (Parkway Process Technologies, PPT) division, remain a key priority. These initiatives involve the design of modular water treatment (and related process) systems, incorporating PPT technologies, with near-term applications, including as part of the upstream brine concentration and beneficiation opportunities related to Master Plan, as outlined in the *Industrial Technology Division* section, below.

On this basis, Parkway continues to make strategic investments in people, plant, equipment and inventory, with an emphasis on ongoing strategic capability development. These strategic investments are critical in ensuring Parkway has the capabilities required to deliver, technology based engineered solutions, as the PPT technology portfolio approaches key commercialisation milestones.

Acquisition Integration

Following the acquisition of Tankweld Group on 13 March 2024, in addition to maintaining operational continuity and implementing several process improvement projects, a key priority has been to integrate Tankweld into Parkway's broader Industrial Operations Division. In order to i) improve organisational effectiveness, ii) manage risks, iii) build scalable systems, and iv) provide a platform for integration with Parkway's broader Industrial Operations, the Tankweld Workflow Management System was recently implemented across its operations. The TWMS incorporates an intelligent CRM as well as project management related tools, which natively integrate with the rest of Parkway's Industrial Operations, providing a dynamic collaboration platform. Implementation of the TWMS also provides a rapid pathway for Tankweld to achieve certification under ISO9001 (Quality), ISO14001 (Environment) & ISO 45001 (Occupational Health & Safety), as part of Parkway's existing integrated management systems.

These important changes, including development and implementation of the TWMS is a critical step in transitioning the operations of Tankweld from a conventional "fabricate and install" business model, to a more specialised "integrated project delivery" business model, consistent with the broader strategic objectives of Parkway.

Project Delivery Capabilities

As the Industrial Operations of Parkway continue to grow, Parkway is increasingly involved in the design, fabrication and installation of complex water and wastewater treatment related infrastructure. As outlined above, building these project delivery capabilities, is an important aspect of Parkway's broader priorities in providing integrated industrial water treatment solutions, including solutions incorporating PPT technologies.

As part of ongoing efforts to expand these capabilities, based on Parkway's inhouse expertise and in collaboration with key partners, PPS has recently developed a series of integrated skid-mounted (modular) water treatment related systems (refer *figure 2a & 2b*).

Parkway previously disclosed that PPS was awarded a contract to design, fabricate, deliver and supervise installation and commissioning of an integrated water treatment plant for an Australian Defence Force (ADF) site. This integrated water treatment plant was recently successfully installed and commissioned and has commenced operations. This water treatment plant (incorporating multiple process technologies) highlights the increasingly sophisticated capabilities of PPS, in delivering high quality water treatment solutions, for major clients. These capabilities, particularly in relation to fabrication and installations have been further bolstered, through the recent acquisition of Tankweld.

During the ordinary course of operations, Tankweld collaborates closely with leading industrial companies including major construction contractors as well as municipal water authorities, to provide a range of water infrastructure related fabrication and project installation related activities. In many instances, Tankweld is one of only a small number of suitably credentialed service providers capable of providing the required solutions for the critical water related infrastructure. By way of example, during the reporting period, Tankweld completed the successful installation of a refurbished 1.4m diameter valve weighing more than 10 tonnes, at a depth of approximately 50m underground (refer *figure 2c*), as part of a multi-year upgrade of critical water infrastructure for one of Australia's largest water authorities.

Figure 2: Recent Examples of Parkway Industrial Operations – Project Delivery Related Capabilities



2a: Integrated UF-RO system.

2b: Parkway skid-mounted WTP system at PCBT.

2c: Critical infrastructure installation.

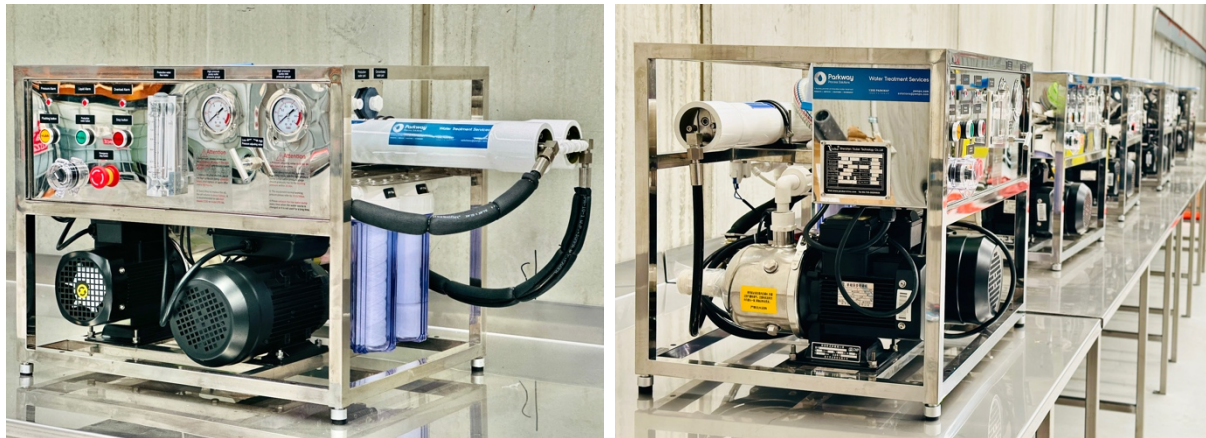
Specialty Product Offering

As outlined in *figure 1*, the supply of specialised industrial water treatment related products is an important component of Parkway's go-to-market strategy. Whilst Parkway already represents a significant number of leading international original equipment manufacturers (OEMs) as part of ordinary operations, from time-to-time, Parkway identifies specific market opportunities for specialised products, which address high-value challenges.

Whilst PPS already stocks a large range of specialty water treatment related equipment including various water treatment systems, PPS has recently expanded its product offering to also include compact portable water treatment systems including, reverse osmosis (RO) based systems. These compact RO systems (refer *figure 3a & 3b*) are suitable for various standalone operations, as well as for potential piloting related applications. Importantly, these compact RO systems together with additional process equipment supplied by PPS, enable Parkway to support a range of inhouse (Parkway

Centre for Brine Technologies – PCBT) and client project site based piloting activities. These piloting activities also provide a pipeline of advanced business development opportunities for Parkway.

Figure 3: Specialty Compact Reverse Osmosis Systems Launched by PPS



3a: New compact RO systems supplied by Parkway.

3b: Range of compact RO systems supplied by Parkway.

In addition to the compact RO systems, PPS has also recently launched several new specialty filtration products, including a range of high-specification (absolute pore sizes down to 0.1 micron) cartridge filters suitable for high-value food & beverage, industrial and water treatment related applications (refer figure 4a & 4b). Initial sales commenced shortly after the product was launched on the PPS website:

<https://pwnps.com/pages/products>

In another example of real-time market intelligence, through Parkway’s extensive client and supplier network, Parkway recently became aware of a major global OEM experiencing long term quality and supply chain related issues for a common ultrafiltration (UF) module. This industrial-grade UF module is at the core of many large-scale water treatment plants (WTPs), in a range of industries. In order to assist the operators of these WTPs source suitable UF modules which meet both functional performance and quality requirements, as well as requisite approvals (including NSF certification) – PPS recently launched a PPS-certified product range (refer figures 4c & 4d) which replace existing UF modules with a high-quality alternative. Initial sales of multiple units occurred during the quarter, with significant international interest, given the specific UF module shortage in Australia is part of a broader global supply issue.

Figure 4: Specialty Filtration Products Recently Launched by PPS



4a: 0.1 micron, 10” cartridge.

4b: 0.1 micron, 20” cartridge.

4c: Ultrafiltration (UF) module.

4d: PPS UF modules

Business Development

Parkway continues to improve its market penetration through PPS, by securing new business from a diverse range of clients, for the provision of industrial water and wastewater treatment related products, services, and solutions. During the ordinary course of operations, PPS continues to grow its client base, which includes large mining and energy companies, a diverse range of industrial companies, as well as engineering services, government, and municipal clients, amongst others. The growing PPS client base, together with the established Tankweld client base, is anticipated to provide a strong foundation and support future sales growth as these commercial relationships continue to grow and mature.

PPS also continues to collaborate with various industrial companies for the provision of a range of industrial water treatment related engineered solutions. Following the recent acquisition of Tankweld, and as a result of increased project delivery related capabilities, Parkway has experienced a significant increase in inbound enquiries from prospective clients seeking a range of integrated water treatment solutions and water infrastructure related solutions provided by PPS.

As part of these inbound enquiries, PPS has recently been approved as a medium-large scale vendor for one of the largest global water treatment companies, highlighting how PPS is continuing to systematically make progress in becoming embedded in the industrial water treatment sector.

PPS is also actively involved in developing solutions for several tier-1 engineering contractors, as well as other industrial companies, including a major industrial chemical company and a major energy company, focused on the production of hydrogen. In both these instances (both ASX100 companies), as well as the global water treatment company outlined above (amongst many others), all these enquiries were received as unsolicited inbound enquiries during the quarter, highlighting the market traction Parkway is building. Given the water industry is notoriously conservative, the market traction PPS is generating is encouraging, particularly for the medium to longer term growth ambitions of Parkway.

Growth Outlook

The growth outlook for the Industrial Operations division of Parkway remains very encouraging, as Parkway has a significant project backlog as well as a substantial pipeline of project opportunities which are expected to continue to support strong operational performance and ongoing growth of the business.

Parkway is currently focused on delivering projects expected to generate >\$15 million in revenue (includes already completed components) and has a pipeline of project opportunities being actively pursued with an indicative budget significantly in excess of \$50 million.

Further details regarding the general outlook for Parkway are outlined in the Corporate section of this report.

INDUSTRIAL TECHNOLOGY DIVISION

Industrial Technology related activities are performed through Parkway Process Technologies (PPT) and predominantly focused on innovative process technology related R&D, including process screening, evaluation and piloting, as well as a range of commercialisation related activities.

Technology Development

By leveraging the process engineering capabilities of Parkway, PPT continues to build a portfolio of proprietary technologies, capable of providing highly integrated process solutions, for a range of complex wastewater and process streams traditionally considered difficult to treat. PPT has developed innovative applications for these technologies, including applications resulting in improvements in the processing and treatment of challenging industrial wastewater streams, particularly for large scale industrial, oil & gas, mining and mineral processing operations.

Parkway Centre for Brine Technologies (PCBT)

As a leading developer of innovative industrial brine processing technologies, Parkway has provided a range of process technology development related services (process simulation, experimentation, piloting and related studies) to a diverse range of third parties.

In order to assist in the industrialisation of Parkway's R&D related activities and accelerate the commercialisation of PPT technologies, including Master Plan related opportunities, Parkway has established the Parkway Centre for Brine Technologies (PCBT).

The Parkway Centre for Brine Technologies provides Parkway with the following key capabilities:

- Experimental and bench scale testing and evaluations including analytical capabilities.
- Pilot scale testing and demonstration to support commercialisation activities.
- Development, integration and testing of modularised systems incorporating PPT technologies.

Parkway continues to receive significant interest from industry, including existing strategic partners as well as potential clients and collaborators in relation to opportunities involving the PCBT.

PPT Technology Portfolio

The development and commercialisation of a portfolio of proprietary process technologies remains an important priority for Parkway, with a range of ongoing activities focused on realising the substantial advantages of the PPT technology portfolio.

Further details regarding PPT, including a recently released capability statement are available at:

<https://pwnps.com/collections/parkway-process-technologies>

During the reporting period, the core emphasis in terms of technology development, was focused on two separate but interrelated Master Plan related PPT technology packages:

- Upstream brine concentration & beneficiation, and
- Downstream electrochemical salt-splitting technology.

Although these respective technology packages are being advanced in the context of Master Plan, as disclosed previously, these technologies have a much broader market opportunity, which Parkway is pursuing in parallel, particularly given Parkway's rapidly developing project delivery capabilities.

PPT Upstream Brine Concentration & Beneficiation

In order to address the significant coal seam gas (CSG) derived waste brine and salt challenges in Queensland, on 22 June 2023, Parkway announced¹ the development of a Master Plan, an innovative, sustainability driven concept based on providing an industry-wide solution.

Parkway subsequently disclosed the successful development of a new upstream brine concentration and beneficiation technology package which incorporates several new innovations that have undergone extensive process development, bench-scale piloting and various engineering studies to confirm key techno-economic parameters.

In addition to providing a pathway to subsequent downstream processing, the adoption of the upstream technology package, is expected to reduce costs associated with building and maintaining brine storage ponds, as well as provide a cost-effective brine dewatering/concentration option for industry.

PPT Downstream Electrochemical Salt-Splitting Technology

In the Master Plan, several downstream optimisation opportunities were also disclosed to further improve the salt balance for each project, by eliminating the production of solid salt products. Subsequently, Parkway has been evaluating various novel integration pathways for an innovative downstream process for sequestering the intermediate salt streams into industrial chemicals, thereby providing an opportunity for significant additional value creation.

Extensive bench scale brine pre-treatment activities have been performed in recent months, in collaboration with Victoria University, to produce brine samples suitable for downstream processing. Subsequent to the reporting period, the pre-treated brine samples have been further processed through a proprietary flowsheet, incorporating pilot scale electrochemical salt splitting technology. These highly innovative piloting activities successfully converted salt products into caustic soda, as well as a mineral acid, widely used by industry. Parkway believes these results represent the first production of a mineral acid from an Australian waste brine resource, marking another significant milestone for PPT.

Importantly, this downstream salt-splitting brine process technology package has significant potential applications beyond Master Plan, with the production of mineral acids, (and caustic soda) presenting significant opportunities in the mining, downstream mineral processing and refining industries.

Technology Commercialisation

In parallel with the research and development of a portfolio of innovative process technologies, Parkway is also focused on the commercialisation of PPT's more advanced proprietary flowsheets, incorporating the respective process technologies.

Applications in the Mining & Minerals Industry

Potential applications for the proprietary process technologies developed by PPT include, but are not limited to, the treatment of a range of complex industrial wastewater streams including brines, as well as acid and metalliferous drainage (AMD). Parkway is collaborating with various parties, in relation to several mining and downstream processing related opportunities, involving the production of critical minerals, as well as the potential treatment of complex wastewater streams, through proprietary process technologies developed by PPT.

During the reporting period, Parkway explored opportunities to assist a major global mining company evaluate the feasibility of adopting a predominantly aMES[®] based flowsheet, to increase water and potentially mineral recovery from a high-profile critical minerals project, which is constrained by the availability of water. Subsequent to the reporting period, Parkway and the client negotiated a suitable project scope involving a range of evaluations including piloting related activities, involving brine sourced from a prominent international mining project.

¹ Refer to 22 June 2023 ASX announcement, available at the Parkway Investor Hub: <https://investorhub.pwnps.com/announcements/4372527>.

Master Plan – Queensland CSG Opportunity

Over the life of currently operating CSG projects in Queensland, an estimated 6 million tonnes of waste salts are expected to be produced. A significant proportion of these salts have already been produced, in the form of waste brine and are currently being stored in waste brine storage ponds, awaiting a viable long-term disposal solution. The disposal of waste brine and salts, as contemplated by the CSG industry, present extensive environmental risks and challenges, and remains deeply unpopular, with significant opposition from a diverse range of stakeholders.

Recognising these significant challenges, in recent years, Parkway has systematically developed a portfolio of proprietary process technologies, to specifically address the waste brine and salt challenges facing the CSG industry. These technologies have undergone extensive process optimisation, piloting and techno-economic evaluations, providing a high level of confidence in the value proposition presented by these technologies, particularly in comparison to the industry's planned approach of salt disposal (salt encapsulation). Importantly, the encapsulation of waste salts from the CSG industry remains unproven, is inconsistent with the regulatory (waste management hierarchy) and policy framework and no disposal plans and/or facilities have been permitted, highlighting the challenges facing the industry.

Master Plan – The Opportunity Set

The primary objective of Master Plan is to utilise the proprietary process technology packages developed by Parkway, to convert CSG derived waste brine and salts produced in Queensland, into valuable industrial chemical products. This approach is intended to put the CSG industry on a more sustainable footing, by addressing community concerns and by providing a sustainable waste “disposal” (convert waste-to-products) option, as well as generating substantial revenues from the sale of industrial chemical products.

As part of Master Plan and in collaboration with several strategic partners, Parkway is pursuing a range of significant opportunities to provide high-value solutions for the CSG industry in Queensland.

Master Plan Related Strategic Opportunities

- **Advanced Large-Scale Downstream Opportunity**
 - This option has recently been evaluated as part of a detailed feasibility study with a major CSG company, with significant ongoing activities, as outlined below.
- **Near-Term Upstream Opportunities**
 - As also outlined below, the upstream concentration and beneficiation of waste brine is a potentially significant near-term opportunity, for providing the first stage of a larger longer-term solution.
 - Advancing the novel integration of an innovative downstream process technology based on salt splitting to sequester intermediate salt (in brine) streams into industrial chemicals, provides an opportunity for significant additional value creation.
- **Integrated Waste Brine Processing Hubs**
 - An opportunity to establish a series of integrated waste brine processing hubs, to provide an industry-wide solution to addressing the waste brine and salt challenges facing the Queensland CSG industry, based on best available technology (BAT) owned by Parkway.
- **Additional Opportunities**
 - Given both the advanced large-scale downstream opportunity and the proposed integrated waste brine processing hubs are expected to produce substantial quantities of high-purity water as a byproduct, in collaboration with a strategic partner, Parkway is exploring the suitability of potentially supplying this water for hydrogen production.
 - Whilst Parkway has outlined various indicative pathways to commercialise its key process technologies as part of Master Plan, Parkway remains both collaborative and pragmatic in ensuring optimal outcomes for all stakeholders.

Master Plan – Advanced Large-Scale Downstream Opportunity

Parkway has performed a range of studies based on PPT technologies, including a comprehensive feasibility study for a major CSG company with whom Parkway has been collaborating for several years. During the reporting period, Parkway finalised a pre-FEED and other technical studies for this CSG company (a global energy company), in order to further advance the brine processing project/s proposed by Parkway.

As part of ongoing collaboration with the global energy company, subsequent to the reporting period, several senior members of the Parkway process engineering team including Parkway's managing director, participated in a comprehensive technology review workshop with the client. Whilst specific details of the workshop remain commercial in confidence, a key topic covered during the workshop was the broader Master Plan related opportunity, and the prospect of building a beneficial brine processing facility or potentially multiple facilities. Further details regarding the next steps for this opportunity are anticipated in the near-term.

Master Plan – Upstream Brine Concentration & Beneficiation Opportunities

The advanced large-scale downstream opportunity referred to above, provides a potential pathway to deliver a complete brine treatment solution for one of the largest and most advanced CSG projects in Queensland. During the last decade, the operator of this advanced project has made substantial investments (>\$1 billion) in brine concentration (an incomplete brine disposal solution), however, the remaining 3 major Queensland CSG projects, continue to face a range of upstream brine concentration related challenges.

As a result, Parkway is advancing the potential adoption of an upstream brine concentration and beneficiation process, that would provide the remaining three projects with significant near-term benefits – including smaller and more cost-effective brine storage options. The upstream concentration and beneficiation of the waste brine would also enable further processing of the brine, with PPT's downstream process technologies, including potentially with the downstream electrochemical salt-splitting technology, described above.

In order to provide a viable near-term solution for the CSG industry in Queensland, Parkway is developing standardised designs incorporating modular equipment, based on Parkway's proprietary upstream brine concentration and beneficiation process technologies. Preliminary internal evaluations suggest Parkway is likely to be able to provide a highly attractive brine concentration service (lower cost, better outcome) to CSG companies on a toll-treatment basis. Given the calibre of potential counterparties, the anticipated rates of return, and the scale of the upstream plants, Parkway expects to be able to build, own and operate (BOO) these projects, potentially with partner/s, depending on project specific parameters.

The development of the standard designs and modular equipment referenced above, will also provide Parkway with opportunities to deliver the PPT technologies in applications beyond the Queensland CSG industry.

Master Plan – Improved Upstream Technology Roll-Out Capability

As part of Parkway's rapidly developing project delivery capabilities, Parkway is increasingly capable of designing, fabricating and installing the appropriate process equipment and infrastructure, as part of a turnkey industrial brine processing solution for the CSG industry.

Parkway's improved project delivery related capabilities are also supporting ongoing discussions with a range of stakeholders regarding progress towards various other Master Plan related objectives.

CORPORATE

Operating Revenue

Parkway generated record group operating revenues of approximately \$4.48 million for the June quarter (FY24-Q4), compared to \$1.09 million for the prior corresponding period (FY23-Q4), representing a 310% increase. Preliminary estimates for full year operating revenues for FY24 are \$8.72 million, more than double FY23 revenues, highlighting the ongoing growth of Parkway, particularly since the acquisition of Tankweld.

Outlook

Given the significant growth in revenues generated during the reporting period and the encouraging activities outlined in the Business Development and Growth Outlook sections, the Parkway expects to continue to achieve improved operating results into the future. Notwithstanding the confidence in ongoing growth, given the invariable volatility impacting various project specific activities, particularly in terms of timing impacts, at this stage the Company does not provide any form of guidance or financial forecasts. As the Company transitions towards sustained profitability, guidance will be provided at the appropriate time.

Funding

Operating Cash Flow

As of 30 June 2024, the company held \$3.49 million in cash reserves. It should be noted that the reported cash balance excludes, i) undrawn balance of the term loan facility, ii) undrawn grant funds, iii) the anticipated R&D rebate for FY24, and iii) other receivables.

Parkway experienced net operating cash flow of -\$0.36 million during the quarter, as a result of ongoing investment in the technology portfolio including the Centre for Brine Technologies, expansion of PPS operations including the acquisition and integration of Tankweld, funding of work in progress, and general corporate costs.

Whilst Parkway is yet to finalise its full year accounts for FY24, preliminary estimates indicate the Company achieved an annual loss of -\$1.04 million, on operating revenues of \$8.72 million. Although these results are unaudited, and therefore subject to change, this performance represents a significant improvement as a result of continued growth towards achieving sustained group profitability in the near-term. Given Parkway generated just over half the full year operating revenues for FY24 in the June quarter (first full quarterly contribution from Tankweld), the FY25 results for Parkway are expected to be materially improved.

R&D Rebate

As a technology focused company, Parkway continues to invest in a range of commercially oriented, industrial research and development related initiatives through the Industrial Technology business division. As a result of these ongoing activities, Parkway is eligible for certain, Australian Government research and development tax incentive (R&DTI) related reimbursements.

Parkway is at the advanced stages of finalising its R&DTI submission for FY24. Whilst the timing of the submission and the anticipated assessment period is subject to review and change, Parkway expects to receive a reimbursement relating to the FY24 period, in coming months. Given the increasing scale of ongoing R&D related activities, the FY24 related reimbursement is anticipated to be higher than the reimbursement received in prior years.

Capital Raising

On 15 May 2024, Parkway raised \$2.25 million through a share placement to local and overseas institutions, professional and sophisticated investors, with the vast majority of new shares in the placement taken-up by existing major shareholders of the Company.

Term Loan Facility

On 17 June 2024, Parkway secured a term loan facility for up to \$4 million from a specialist private credit fund. Following the successful share placement announced on 15 May 2024 and together with the establishment of the term loan facility, Parkway secured a total funding package of up to \$6.25 million, before costs. Further details regarding the funding package are outlined in the respective announcements.

Inventory

As outlined in *figure 1*, the supply of specialised industrial water and wastewater treatment related products is an important component of Parkway's go-to-market strategy. Therefore, PPS carries significant product inventory (stock on hand) across its various operations in Melbourne, Darwin and Perth, with the estimated value of inventory across the group at the end of the period estimated to be in the order of \$1.79 million.

Tankweld Acquisition Accounting

As outlined in the Tankweld acquisition announcement (refer 13 March 2024 ASX announcement), Parkway disclosed it expects significant movements in work-in-progress (WIP) and other assets and liabilities based on fair value assessments (in accordance with *AASB3 Business Combinations*) for Tankweld, amongst other material items to be determined in coming months, which will be reflected in Parkway's full year results for FY24.

As part of these ongoing acquisition accounting related assessments and corresponding adjustments, Parkway no longer expects to make any further payments related to the Acquisition Consideration (including the Deferred Component), however will still be required to make payment of certain Performance Based Consideration to the vendor, as outlined in the acquisition announcement.

Investor Relations

In support of the capital raising related activities outlined above, during the reporting period, Parkway engaged its major shareholders and a limited number of new shareholders. These discussions were predominantly supported by the presentation released to the ASX relating to the Tankweld acquisition announcement.

For the remainder of the period, the Parkway management team have been focused on the core business including both the Industrial Technology and Industrial Operations divisions, as well as the ongoing integration of Tankweld – therefore no other major investor relations related activities, other than the capital raising related engagement outlined above, were conducted during the reporting period.

Following the release of this quarterly report and leading-up to the full year results which will incorporate the finalisation of the accounting related to the acquisition of Tankweld, Parkway Group Managing Director & CEO, Bahay Ozcakmak and CFO, Mike Hodgkinson, plan to present an investor webinar.

Other Items

During the quarter, no substantive mining exploration related activities occurred in relation to the KLPP, given the KLPP-JV is in the advanced stages of surrendering the KLPP Tenement Interests.

During the same period, \$1.68 million was incurred in relation to staff costs, \$0.78 million in administration and corporate costs, and \$2.75 million for cost of goods sold and accumulated inventory.

Additional details are provided in the attached *Appendix 5B*.

Payments to Related Parties

As outlined in the attached Appendix 5B (*section 6.1*), during the quarter approximately \$0.19 million in payments were made to related parties and their associates for director and key management personnel salaries, consultancy fees, superannuation, and other related costs.

Activities Subsequent to Reporting Period

Downstream Electrochemical Salt-Splitting Technology

Subsequent to the reporting, several CSG derived brine samples have been processed through a proprietary flowsheet, incorporating pilot scale electrochemical salt splitting technology. These highly innovative piloting activities successfully converted salt products into caustic soda, as well as a mineral acid. Parkway believes these results represent the first production of a mineral acid from an Australian waste brine resource, representing an important milestone for beneficial brine processing, with potentially significant global applications.

Technology Review Workshop – Global Energy Company

As part of ongoing collaboration with a global energy company (refer to the *Industrial Technology Division* section, outlined above), senior members of the Parkway process engineering team participated in a detailed technology review workshop. Whilst specific details of the workshop remain commercial in confidence, a key topic covered during the workshop was the broader Master Plan related opportunity. Further details regarding the next steps for this opportunity are anticipated in the near-term.

Technology Evaluation - Global Mining Company

Parkway continued to explore opportunities to assist a major global mining company evaluate the feasibility of adopting a predominantly aMES[®] based flowsheet, to increase water and potentially mineral recovery from a high-profile critical minerals project, which is constrained by the availability of water. Subsequent to the reporting period, Parkway and the client negotiated a suitable project scope involving a range of evaluations including piloting related activities, involving brine sourced from a prominent international mining project.

Vehicle Fleet Consolidation

In order to improve the capital efficiency of the Parkway vehicle fleet, Parkway is consolidating its existing vehicle fleet to ensure it is fit-for-purpose. As part of this process, Parkway has recently made full and final payment towards hire purchase agreements for all outstanding vehicles, except a single utility vehicle, which will be finalised later this year, following completion of a relevant infrastructure project.

On behalf of Parkway Corporate Limited.



Bahay Ozcakmak

Group Managing Director & CEO

The attached Appendix 5B has been authorised for release by Bahay Ozcakmak (Group MD & CEO) and Mike Hodgkinson (Group CFO).

ADDITIONAL INFORMATION

For further information or investor enquiries, please contact:

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Group Managing Director & CEO

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General Enquiries

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PARKWAY INVESTOR HUB

To stay up to date with the latest news, access additional investor related resources including research reports and interact with Parkway by posting questions and feedback through a Q&A function, we encourage investors to sign-up to the Parkway Investor Hub.



How to sign-up to the Parkway Investor Hub

1. navigate to <https://investorhub.pwnps.com/welcome>
2. follow the prompts to sign up for an Investor Hub account.
3. complete your account profile.

or Scan QR Code to visit the Parkway Investor Hub.

ABOUT PARKWAY CORPORATE LIMITED

Parkway Corporate Limited is an Australian cleantech company focused on developing and implementing, industrial-scale innovative water treatment solutions. Parkway is listed on the Australian Securities Exchange (ASX: PWN) and is emerging as an innovative player in water related sustainability solutions. With significant inhouse technical expertise and established partnerships, Parkway is well-placed to deliver the next generation of wastewater treatment plants, incorporating the company's portfolio of world-class technologies.

Parkway operates through four (4) core business units, comprising:

- Parkway Process Solutions (PPS) – Parkway's primary operating division and a provider of industrial water treatment products, services, solutions and associated technology to customers throughout Australia. PPS has established commercial relationships with key water industry participants, including globally recognised OEMs;
 - Tankweld Group – is an established engineering solutions provider acquired by Parkway in March 2024. Tankweld operates through two subsidiaries, Tankweld Engineering and Tankweld Installations.
- Parkway Process Technologies (PPT) – Parkway's technology development, acquisition, and commercialisation division. PPT owns a portfolio of industrial wastewater treatment technologies, including the patented aMES® and iBC® process technologies. PPT has global aspirations and is supported by a network of strategic partners, including global engineering company Worley;
- Queensland Brine Solutions (QBS) – is a recently established commercialisation entity, focused on advancing the objectives of Master Plan, a plan developed by Parkway to address the significant coal seam gas derived waste brine and salt challenges in Queensland, through the adoption of proprietary process technologies, developed by Parkway; and
- Parkway Ventures (PV) – holds a portfolio of project equity interests, including interests relating to Parkway's Karinga Lakes Potash Project in the Northern Territory of Australia.

Additional information regarding Parkway, including an overview of the corporate structure of Parkway and the companies in its corporate group, can be found at: www.pwnps.com

FORWARD-LOOKING STATEMENTS

This announcement may contain certain "forward-looking statements". The words "continue", "expect", "forecast", "potential" and other similar expressions are intended to identify "forward-looking statements". Indications of (and any guidance on) future earnings, financial position, capex requirements and performance are also "forward-looking statements", as are statements regarding internal management estimates and assessments of market outlook.

Where Parkway expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, "forward-looking statements" are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Parkway, its officers, employees, agents and advisors, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. There are usually differences between forecast and actual results, because events and actual circumstances frequently do not occur as forecast and their differences may be material.

Parkway does not undertake any obligation to publicly release any revisions to any "forward-looking statements" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under the applicable securities laws.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Parkway Corporate Limited

ABN

62 147 346 334

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers (inclusive of GST)	4,937	8,685
1.2 Payments (inclusive of GST) for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(1,684)	(2,861)
(e) administration and corporate costs	(784)	(1,914)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	91
1.5 Interest and other costs of finance paid	(96)	(107)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	534
1.8 Other (provide details if material)		
- Cost of goods sold & inventory purchases	(2,746)	(5,416)
1.9 Net cash from / (used in) operating activities	(361)	(989)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(6)	(174)
(d) exploration & evaluation	-	-
(e) investments	-	(527)
(f) other non-current assets	(291)	(1,275)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	46
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(296)	(1,929)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,250	6,250
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(106)	(294)
3.5	Proceeds / (repayments) from borrowings	1,003	(902)
3.6	Repayment of principal elements of Leases	(251)	(651)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,895	4,404

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,250	2,004
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(361)	(989)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(296)	(1,929)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,895	4,404

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,489	3,489

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,489	1,250
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,489	1,250

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	185
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	4,000	1,000
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	4,000	1,000
7.5	Unused financing facilities available at quarter end		3,000
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>\$3M facility provided by Causeway, interest rate is higher of BBSW + 8% or 11%, Maturity date 17 June 2026 (with Parkway option to extend by 1 year), General Security Deed.</p> <p>Further option for \$1M acquisition facility on similar terms subject to lender due diligence.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(361)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(361)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,489
8.5	Unused finance facilities available at quarter end (item 7.5)	3,000
8.6	Total available funding (item 8.4 + item 8.5)	6,489
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	18.0
	<i>Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
	8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2024

Authorised by: By the board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.