Shareholder Letter

Dear Provaris Shareholder,

As evident from the media, the first quarter of 2025 has brought heightened global uncertainty across energy and capital markets, impacting the timing and valuation of many growth-stage companies, including Provaris. Geopolitical tensions have disrupted supply chains, increased uncertainty in permitting and regulation, and reduced short-term risk appetite for long-duration clean energy investments.

Despite these headwinds, Provaris continues to make meaningful commercial and technical progress in both its hydrogen and CO_2 markets, validating the strength of our strategy, partnerships, and proprietary technology.

Importantly, these geopolitical issues have reinforced the need for domestic and regional solutions that are flexible, economic, and independent of the shifting tariff policies. Provaris' focus on compressed hydrogen and CO_2 shipping, regional supply of hydrogen to Europe, and participation in the established CO_2 sector aligns directly with this evolving landscape.

Strategic Progress on Hydrogen and CO_2 Supply Chains

In 2025, Provaris has continued to execute on its strategy to deliver innovative, scalable, and capital-efficient solutions for the marine storage and transport of hydrogen and CO_2. This dual-market positioning in hydrogen and CO_2 strengthens Provaris' relevance, diversifies risk, and accelerates opportunities for cash flow and IP monetisation through technology licensing fees. Key achievements include:

1. Hydrogen: Advancing European Supply Chains

- **Term Sheet signed** with Uniper Global Commodities and a Nordic supplier for the supply and transport of **42,500 tpa of compressed hydrogen** to Germany using Provaris' H_2Leo™ barge and H_2Neo™ carriers.
- **Pre-feasibility study launched** for a second Norway-to-Germany supply chain with an advanced export project targeting **30,000 tpa of hydrogen**. This is supported by collaboration with a leading hydrogen developer and German utility, including Term Sheet discussion for offtake.
- **Our continued engagement with German utilities** has reaffirmed several key themes:
  - **A clear preference for gaseous hydrogen** delivered in compressed form, which avoids the energy and cost burden of cracking ammonia or converting liquid hydrogen back to gas;
  - **Seamless integration** into Germany's core hydrogen grid, currently under construction, enabling flexibility in delivery points and lower infrastructure costs; and
  - **Regulatory alignment**, with Norwegian hydrogen qualifying as green hydrogen under EU definitions and targeting hydrogen delivery at a materially lower cost (€ 6-7/kg) compared to contracted German domestic production (€ +9-10/kg).
- Importantly, in March 2025 the German government reaffirmed its commitment to net-zero targets by 2040, confirmed hydrogen's role as strategic in the future energy mix, and reiterated support for infrastructure funding, even while adopting a more pragmatic stance on transition speed and regulation. These signals bolster confidence in our model and near-term hydrogen offtake and associated shipping opportunities.

2. CO_2: Unlocking Near-Term Revenue

- **Phase 2 development underway** for a new bulk-scale liquid CO_2 tank, under the Joint Development Agreement with **Yinson Production AS** (USD 3.5B energy infrastructure operator).
- Commercial milestone achieved in Q1 2025; development program with Yinson is continuing with potential for up to **USD 500,000 in revenue to Provaris in FY2025**.
- Long-term CO_2 shipping demand is significant, with the EU targeting 170 million tonnes per annum of CO_2 transported by 2050, potentially requiring up to 200 LCO_2 carriers and USD 30 billion in investment.

Navigating Trade Policy and Tariff Impacts

We recognise shareholder concern regarding global trade tensions, particularly recent tariff proposals in the US that may impact clean energy technology and infrastructure investment. Provaris' model, focused on European regional supply chains, provides a natural buffer against these developments. **Our hydrogen and CO_2 projects do not rely on US supply or export routes.**

While some partners in the shipping and equipment sectors may experience knock-on effects from US-linked tariff exposure, these are manageable and not material to our ability to progress toward binding agreements and Provaris' proprietary technology deployment in 2025.

Restarting the Hydrogen Prototype Program

As previously announced, Provaris has secured a lease over the Fiska fabrication facility in Norway and negotiated terms to acquire the installed equipment required to complete fabrication of our compressed hydrogen prototype tank. Timing for completion in 2025 aligns with key milestones set by supply and offtake collaboration partners.

This prototype is a critical milestone in the commercialisation of our proprietary tank design, underpinning:

- Future licensing and revenue opportunities,
- Third-party validation, and
- Acceleration of carrier design approvals and project deployment for both hydrogen and CO_2.

Capital Management

The Board and executive team remain fully aligned with shareholders. All directors are significant investors in the Company and have participated in prior funding rounds, including in 2024. The collective shareholding of directors and executives is 46 million shares or ~7%.

As part of our comprehensive capital and operational budget for 2025, the Company has continued to focus on all areas of costs, and together with fee income from the CO2 program, results in a reduction in quarterly cash outflows. We are diligently exploring various alternatives for ongoing funding requirements. Management has continued to evaluate non-dilutive financing options and maintains discussions with potential industrial investors. Additionally, we are reviewing typical financing alternatives available to ASX-listed companies and continuously assessing current equity market conditions.

To further align Provaris' directors and executive interests with those of its shareholders, **the directors, the CEO, and certain employees have from April to June 2025 voluntarily agreed to take part or all of their salary in Provaris shares, resulting in an estimated positive cash flow impact of $150,000**.

The shares are being issued at the market closing price. Further details of the share issue will be set out in the associated Appendix 2A and Appendix 3B, with the issue of the shares to directors subject to shareholder approval.

Looking Ahead: Clear Path to Value Creation

As announced in March 2025, we believe the focus on a technology license model, targeting early and sustainable cash flow, and removing the burden of large capex, will reduce future dilutionary events on existing shareholders and create a simple approach to valuing the Company.

Our 2030 goal remains to support up to 1.5 GW of hydrogen supply chains, transporting 250,000 tonnes per annum and requiring a fleet of 10–15 H_2Neo™ carriers.

The addition of the CO_2 development program with Yinson, a financially strong and global operator of energy infrastructure, is highly accretive to our current valuation given the cash income is offsetting some of our cost base, whilst the solutions under development have the potential to realise significant technical milestones and commercialisation events in 2025, further de-risks the business and provide potential for early revenue - offsetting costs and bringing forward value inflection points.

The pillars of our business case are unchanged:

- Critical need for bulk-scale hydrogen and CO_2 transport and storage.
- Early-mover IP and licensing model with limited capital exposure.
- Strong alignment with EU regulatory and commercial hydrogen frameworks.
- Cost competitiveness and grid integration of gaseous hydrogen.
- A scalable and cash-generative CO_2 opportunity through our Yinson partnership.

Finally, we thank all shareholders for their continued support in the Company and will continue to update shareholders through our Investor Centre and social media channels. Also, you can send any enquiries directly to the Company at our contact details below.

Yours sincerely

Greg Martin (Chairman)

Martin Carolan (Managing Director & CEO)

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

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About Provaris Energy

For more information: www.provaris.energy

Provaris Energy Ltd (ASX: PV1) is an Australian public company developing a portfolio of integrated green hydrogen projects strategically focused on the European market where policy for energy security and decarbonisation depends on new bulk storage and maritime imports. Collaborating with European producers for hydrogen supply and German utilities for offtake of compressed hydrogen offers the lowest regional delivered cost in Europe. Our proprietary tank IP and innovative ship design prioritises simplicity and efficiency to reduce storage and transport costs. More recently, a strategic partnership to innovate CO_2 tank design for storage and marine transport, enabling higher volumes over long distances, is increasing our leadership in the energy transition.