

# ASX Announcement

29 April 2024

## MARCH 2024 – QUARTERLY REPORT

### HIGHLIGHTS

#### PARKWAY CORPORATE (PCL, GROUP)

- **Transformational Acquisition**
  - Successfully acquired leading industrial engineering solutions company, Tankweld.
    - Strategic acquisition provides significant industrial project delivery capabilities.
    - Substantially increased scale of operations, provides necessary critical mass.
  - Integration of Tankweld progressing positively and significantly ahead of schedule.
  - As a result, Parkway is now a turnkey provider of integrated water treatment solutions.
- **Strong Operating Performance**
  - Record quarterly revenue of \$2.28 million, with maiden contribution from Tankweld.
  - Parkway business (ex-Tankweld) generated near-record \$1.40 million in revenue.
  - Underlying EBITDA of \$0.44 million, represents pivotal financial milestone.

#### PARKWAY PROCESS TECHNOLOGIES (PPT)

- **Proprietary Process Technology Platform**
  - Evaluation of various proprietary process technologies and flowsheets is ongoing.
  - Establishment of Parkway Centre for Brine Technologies (PCBT) well advanced.
  - Bench scale activities and installation of large-scale piloting equipment is continuing.
- **Queensland CSG Opportunity – Master Plan**
  - Supplementary pre-FEED study for major CSG project, successfully completed.
  - Evaluations regarding near-term solutions based on upstream technology are ongoing.
  - Additional activities including optimisation of innovative salt splitting technology.

#### PARKWAY PROCESS SOLUTIONS (PPS)

- **Strategic Positioning**
  - Robust operating performance, whilst continuing to invest in key strategic capabilities.
  - Awarded contract to design and supply integrated water treatment plant for ADF site.
  - Strong inbound interest from industrial markets seeking innovative process solutions.



Parkway Corporate Limited (“**Parkway**” or the “**Company**”) (ASX: PWN) is pleased to report its activities for the quarter ending 31 March 2024.

In an effort to address several significant global water related sustainability challenges, Parkway is on a mission to build an advanced industrial water treatment technology company. In recent years, Parkway has invested in highly innovative 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 technologies.

In pursuit of this mission, as part of a long-term value creation strategy, Parkway primarily operates through two strategic business units:

- Parkway Process Technologies (PPT), primarily focused on innovative process technology related R&D and commercialisation activities, and;
- Parkway Process Solutions (PPS), an operating business focused on the provision of conventional water and wastewater treatment related products, services and solutions.

As the PPS business continues to grow and build critical mass, this business unit is increasingly important in providing Parkway with a suitable platform to commercialise its portfolio of proprietary process technologies, being developed by PPT.

On 13 March 2024, Parkway announced<sup>1</sup> the transformational acquisition of Tankweld, a leading industrial engineering solutions provider. Following the successful acquisition of Tankweld, Parkway has now assembled a fully integrated inhouse project delivery capability, which provides Parkway with two key advantages:

- Significant expansion in the scale of PPS operations, which provides attractive operating leverage underpinned by range of synergies and near-term pathway to improved profitability, and;
- Strategically important project delivery related capabilities, including for the innovative process technologies (PPT) being commercialised by Parkway.

As a result of these strategic developments during the period, particularly the acquisition of project delivery capabilities, Parkway is now capable of delivering turnkey (engineering, procurement & construction, EPC and design & construct, D&C) industrial water treatment projects. The acquisition of turnkey project delivery capabilities has been a key aspiration for Parkway, with the achievement of this transformational milestone expected to underpin significant sustainable long term value creation.

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>

## PARKWAY PROCESS TECHNOLOGIES

Parkway Process Technologies (PPT) continues to focus on leveraging its proprietary process technology platform to support a range of strategic business development initiatives in a range of sectors, particularly in relation to applications requiring processing of complex and concentrated brines.

### Technology Development

By leveraging the process engineering capabilities of Parkway, PPT continued 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.

<sup>1</sup> Refer to 13 March 2024 ASX announcement, available at the Parkway Investor Hub: <https://investorhub.pwnps.com/announcements/6243586>.

### 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 range of third parties. To further expand Parkway's capabilities and accelerate the commercialisation of PPT technologies, including Master Plan related opportunities and support the requirements of strategic partners, Parkway has recently established the Parkway Centre for Brine Technologies (PCBT, refer *figure 1*).

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

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

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

In addition to certain piloting related costs being eligible for the research and development tax incentive (R&DTI) rebate, a proportion of the funding being invested to establish and operate the PCBT, is expected to be provided from a range of external sources, including grant-based funding.

**Figure 1:** Parkway Centre for Brine Technologies (PCBT) – Photos of Recent Fit-Out Underway



**Figure 1a:** Recently installed external signage.



**Figure 1b:** External research facility signage (office entrance).



**Figure 1c:** Bulk salt and brine storage racking facilities.



**Figure 1d:** Large-scale pilot plant equipment being assembled.

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**Figure 1e:** PCBT Laboratory 4-1 recently installed to support bench scale process evaluations for range of projects.

### PPT Technology Portfolio

The development and commercialisation 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>

### 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 announced<sup>2</sup> 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.

The upstream technology package is in the process of being scaled-up, with key process equipment for a large-scale pilot plant in the process of being installed in the PCBT (refer *figure 1d*).

In addition to providing a pathway to subsequent downstream processing, the adoption of the new 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 option for industry.

### PPT Downstream Salt-Splitting Technology

In the Master Plan outlined above, several downstream optimisation opportunities were also identified 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, 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. With the recent establishment of the PCBT, the pre-treated brine samples are intended to be further processed through a proprietary flowsheet, incorporating pilot scale salt splitting technology, shortly.

Importantly, this downstream brine process technology package has significant potential applications beyond Master Plan, and results in the production of mineral acids, which also have significant applications in the mining industry. Several substantial opportunities have been identified in the treatment of waste brine and salt products associated with the downstream processing of rare earths.

<sup>2</sup> Refer to 22 June 2023 ASX announcement, available at the Parkway Investor Hub: <https://investorhub.pwnps.com/announcements/4372527>.

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## Technology Commercialisation

In parallel with the research and development of innovative process technologies, PPT is focused on the commercialisation of the more advanced proprietary flowsheets, with near-term market opportunities.

### 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.

The rapid growth in critical minerals production, particularly the downstream processing and refining of critical minerals, is increasingly resulting in the production of significant quantities of waste brine and salts. For reference, in an Australian context, the waste salts expected to be generated by these downstream critical minerals projects, is likely to exceed the quantity of waste salts forecast to be produced by the Australian CSG industry. These waste salt disposal related issues are already presenting significant operational and sustainability related challenges in international markets where critical minerals operations are more established. Parkway is collaborating with several parties to explore the feasibility of large-scale adoption of Parkway's proprietary process technologies, to be able to address these significant sustainability related challenges, in key markets.

### 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. 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, this CSG company (a global energy major), engaged Parkway to perform significant additional scope in the form of a pre-FEED study, in order to further advance the brine processing project proposed by Parkway. As outlined in the *Activities Subsequent to Reporting Period* section, this pre-FEED study was successfully completed in late April 2024, with encouraging feedback.

In addition to the previously disclosed portfolio of proprietary process technologies, Parkway has recently disclosed the development of a new upstream brine concentration and beneficiation technology (as referenced above), which is the focus of near-term commercialisation efforts.

### Master Plan – The Opportunity Set

In order to address the significant CSG derived waste brine and salt challenges in Queensland, Parkway has developed Master Plan, an innovative, sustainability driven concept based on providing an industry-wide solution.

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, in collaboration with 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 progress (pre-FEED), as outlined above.
- **Near-Term Upstream Opportunities**
  - As 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 (brine) streams into industrial chemicals, providing 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**
  - Whilst Parkway has outlined indicative pathways to commercialise its key process technologies as part of Master Plan, the Company remains both collaborative and pragmatic in ensuring optimal outcomes for all stakeholders.

#### **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, this advanced project has made substantial investments (>\$1 billion) in brine concentration, 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.

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 high 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**

The recent acquisition of Tankweld (a leading industrial engineering solutions provider) has significantly improved Parkway's inhouse capacity to design, fabricate and install the appropriate process equipment and infrastructure, as part of a turnkey industrial brine processing solution for the CSG industry.

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## PARKWAY PROCESS SOLUTIONS

Parkway Process Solutions (PPS) is the primary operating division of Parkway and is focused on the provision of conventional industrial water and wastewater treatment related products, services and solutions.

### Business & Corporate Development

Parkway continues to strategically expand the operations of PPS, by pursuing a range of commercial opportunities relating to industrial water and wastewater treatment, predominantly in Australia. In addition to generating sales through the provision of conventional industrial water and wastewater treatment solutions, PPS is also supporting the commercialisation of Parkway's next-generation technology portfolio, including the development of highly differentiated integrated water treatment and industrial process solutions.

#### Strategic Positioning

Whilst PPS achieved strong operating performance including robust operating revenues during the reporting period (as outlined in the *Corporate - Quarterly Revenue* section below), 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, based on the proprietary process technologies being commercialised by Parkway Process Technologies (PPT), remain the 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 outlined above.

On this basis, Parkway continues to make strategic investments in 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 portfolio approaches key commercialisation milestones.

#### Business Development

PPS continued to improve its market penetration by securing new business from a diverse range of clients, for the provision of industrial water treatment related products, services, and solutions. 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 established Tankweld client base, is anticipated to provide a strong foundation and support future sales growth as these commercial relationships mature.

PPS 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 capabilities, Parkway has experienced a significant increase in inbound enquiries seeking a range of integrated water treatment solutions and water infrastructure related solutions provided by PPS.

#### Award of Integrated Water Treatment Plant Project

Following initial engagement in 2023, during the period, 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. The skid-mounted, integrated water treatment plant is currently in the fabrication phase and is expected to undergo testing and pre-commissioning related activities at the PCBT, before being transported to the project site for installation in late June 2024.

This integrated water treatment project (incorporating multiple process technologies), highlights the increasingly sophisticated capabilities of PPS, in delivering high quality water treatment solutions, for high calibre clients, including industry and government clients. These capabilities, particularly in relation to fabrication and installations have been further bolstered, through the recent acquisition of Tankweld.

## Acquisition of Tankweld

A key milestone for PPS during the period was the acquisition of Tankweld, an established engineering solutions provider based in South-East Melbourne.

### Acquisition Rationale

Following the acquisition of Tankweld by PPS on 13 March 2024, Parkway has now assembled a fully integrated inhouse project delivery capability, which provides Parkway with two key advantages:

- Significant expansion in the operating scale of PPS, supports the ongoing growth of Parkway, provides operating leverage and a near-term pathway to improved profitability, and;
- Critically important project delivery capabilities, including for the technology business (PPT).

As a result of these strategic developments during the period, particularly the acquisition of project delivery capabilities, Parkway is now capable of delivering turnkey (engineering, procurement & construction, EPC and design & construct, D&C) industrial water treatment projects. The acquisition of turnkey project delivery capabilities has been a key aspiration for Parkway, with the achievement of this transformational milestone expected to underpin significant sustainable long term value creation.

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>

Further details about the acquisition rationale for PPS acquiring Tankweld, is outlined in the transaction presentation available at:

<https://investorhub.pwnps.com/announcements/6243586>

### Acquisition Integration

Following the acquisition of Tankweld, a key priority has been to maintain operational continuity during the acquisition integration process (refer *figure 2*), to ensure all ongoing projects continue to advance towards important progress milestones and ultimately successful project completion.

In addition to maintaining operational continuity, several project planning, procurement, accounting and reporting related improvements have already been implemented, with significant ongoing improvement activities currently underway, to further improve operational performance and corporate procedures. Significant synergies between the PPS-Melbourne and Tankweld operations have already been identified, with several PPS-Melbourne based corporate staff leading and assisting the various acquisition integration related activities. Further strategic growth opportunities are also being explored.

**Figure 2:** Tankweld Operations – Team Meeting (13 March 2024) and Finished Goods (11 April 2024)



**Figure 2a:** Tankweld team meeting, on day of PPS acquisition.



**Figure 2b:** Finished goods leaving fabrication workshop.



## Operational Performance & Outlook

Despite Tankweld being under the ownership of Parkway for only the last 18 days (13 - 31 March 2024) of the reporting period, Tankweld contributed approximately \$0.88 million of total group trading revenue of \$2.28 million, during the reporting period.

The outlook remains very encouraging, as Tankweld 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. In the ordinary course of operations, Tankweld is awarded a variety of projects on an ongoing basis and is expected to be awarded a new \$2.2 million contract for a water infrastructure related project shortly, which is expected to be completed before the end of 2024.

Parkway is currently working with Tankweld management to prepare strategic plans, determine near-term priorities, as well as develop suitable financial forecasts for the business, which will enable Parkway to provide more detailed guidance regarding the performance of the business, later this year.

As outlined in the acquisition announcement, Parkway 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.

## PARKWAY VENTURES

Parkway Ventures (PV) holds resource project and royalty related interests owned by Parkway.

### Karinga Lakes Potash Project (KLPP, 40% working interest)

Parkway currently holds a minority equity interest in the Karinga Lakes Potash Project (KLPP), through Parkway Ventures. The exploration tenure for the KLPP project area is held in three granted exploration licences, details of which are outlined in the *Tenement Interests* section of this report. As foreshadowed for some time, the KLPP-JV intends to surrender the KLPP Tenement Interests in the near term, therefore, no substantive mining exploration activities occurred in relation to the KLPP, during the reporting period.

## CORPORATE

### Quarterly Revenue

Parkway generated group operating revenues of approximately \$2.28 million, despite a limited contribution from Tankweld during the period, given the effective acquisition date of Tankweld was 13 March 2024. During this period, the underlying Parkway business operations performed strongly, generating \$1.40 million in revenue from ordinary operating activities.

The strong operating performance and revenue generation resulted in underlying EBITDA of \$0.44 million for the period, after allowing for non-recurring Tankweld transaction related costs of \$0.08 million. This record performance represents the second consecutive quarterly profit for Parkway.

### Outlook

Whilst monthly revenues particularly from project-based activities can be volatile, group revenues for the quarter-to-date (FY24-Q4-QTD) are tracking ahead of budget, providing encouragement that revenue growth momentum will continue.

Following the completion of the acquisition of Tankweld on 13 March 2024, Tankweld will be contributing its first full quarter of revenue in the current quarter (FY24-Q4), which is expected to result in substantially higher revenue than the current reporting period (\$2.28 million in FY24-Q3).

## Funding

### Cash on Hand

As of 31 March 2024, the company held \$1.24 million in cash reserves. As outlined above, it should be noted that the reported cash balance excludes, i) undrawn grant funds, ii) the anticipated R&D rebate for FY24, and iii) other receivables.

Parkway experienced net cash outflows 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 of Tankweld, funding of work in progress, and general corporate costs.

The ongoing operations of Parkway are also supported by substantial product inventory (stock on hand) across the PPS operations, with the estimated value of inventory across the group at the end of the period of approximately \$2 million.

### R&D Rebate

As a technology focused company, Parkway continues to invest in a range of commercially oriented, industrial research and development related initiatives. As a result of these ongoing activities, Parkway is eligible for certain, Australian Government research and development tax incentive (R&DTI) related reimbursements. In March 2024, Parkway received a \$0.53 million R&DTI related refund for FY23.

Due to ongoing improvements in internal finance related processes, moving forward, Parkway expects to finalise its R&DTI related submissions much closer to the end of the corresponding financial year. As a result, Parkway expects to receive an additional R&DTI related refund for FY24, during the first quarter of FY25, further improving the working capital available to the Company to support operations and various ongoing growth initiatives.

### Working Capital Facility

Following the acquisition of Tankweld, the scale and nature of revenues generated by Parkway as a group, has changed significantly. Although Parkway now generates significantly higher revenues (following the acquisition of Tankweld), which are expected to continue to grow significantly, the nature of typical industrial projects means the working capital cycle has extended to 60 - 90 days, with certain milestone payments and potential retentions, extending the working capital cycle further. Historically, these extended working capital cycles which are typical in the construction industry, have been funded by Tankweld, through several working capital facilities including loans and overdraft facilities. As part of the acquisition of Tankweld, in order to reduce certain transaction security related risks, all existing working capital facilities available to Tankweld (drawn balance of \$1.83 million at time of acquisition) were settled by Parkway, as part of the acquisition consideration.

In addition to the backlog of projects being completed in the ordinary course of operations, Tankweld has a substantial pipeline of prospective projects, with several relatively large (>\$10 million) projects expected to be awarded in the near to medium term.

In order to provide Parkway with increased funding flexibility to support ongoing growth as well as meet the near-term working capital requirements, Parkway is evaluating several potential funding options. Parkway has received several indicative non-binding offers from a number of parties, to provide Parkway with a suitable working capital facility in the order of \$3 - 5 million. Whilst discussions are ongoing, due to the increased scale of the business and improved operating performance including recent transition to profitability, Parkway expects to finalise a suitable funding package, at the appropriate time.

## Investor Relations

### Investor Presentation

At the time of the acquisition of Tankweld by PPS, on 13 March 2024 Parkway released a project acquisition presentation, providing details about Tankweld, as well as the acquisition rationale.

On 25 March 2024, Parkway Group Managing Director & CEO, Bahay Ozcakmak and CFO, Mike Hodgkinson, participated in an investor webinar. The investor webinar was focused on the acquisition of Tankweld and related investor questions.

The recording of the investor webinar is available at the Parkway Investor Hub:

<https://investorhub.pwnps.com/activity-updates/parkway-asx-pwn-investor-webinar-and-q-a-recording-monday-25th-march-2024>

## Other Items

During the quarter, no substantive mining exploration related activities occurred in relation to the KLPP, given the KLPP-JV intends to surrender the KLPP Tenement Interests.

During the same period, \$0.45 million was incurred in relation to staff costs, \$0.12 million in administration and corporate costs, and \$0.82 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 \$0.35 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.

## Tenement Interests

As of 31 March 2024, Parkway held an interest in the following Mineral Exploration Licences (ELs) held through the KLPP-JV:

### Australian Projects – Karinga Lakes Potash Project

Tenement ID	Location	State	Interest <sup>3</sup>
EL32249	Karinga Lakes	NT	40%
EL32250	Karinga Lakes	NT	40%
EL32251	Karinga Lakes	NT	40%

## Activities Subsequent to Reporting Period

### Parkway Centre for Brine Technologies

As outlined in *figure 1*, the establishment of the Parkway Centre for Brine Technologies (PCBT) is well underway, with the preliminary installation of large-scale piloting equipment in progress.

Following extensive bench scale brine pre-treatment activities performed in recent months, with the recent establishment of the PCBT, these pre-treated brines are intended to be further processed through a proprietary Parkway flowsheet, incorporating pilot scale salt splitting technology, in coming weeks.

### Pre-FEED Study for Major CSG Company

Subsequent to the reporting period, Parkway successfully completed a pre-FEED (front-end engineering design) study for a CSG company (a global energy major), in order to further advance the brine processing project proposed by Parkway. Discussions with the client remain encouraging and ongoing, following a further contract extension executed during the reporting period. Parkway considers this ongoing engagement, following the completion of detailed engineering and technoeconomic evaluations, over several years, to be highly encouraging and a testament to the calibre of Parkway's process technologies and capabilities.

<sup>3</sup> As part of the previously disclosed KLPP-JV tenure relinquishment process, the Company expects the Tenement Interests to be surrendered in mid-2024.

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### **Tankweld Alliance Framework**

Tankweld is at the advanced stages of finalising a revised collaboration framework with a major alliance partner, which is expected to result in a further strengthening of the industrial water infrastructure project pipeline as well as improved commercial outcomes for Tankweld.

### **Working Capital Facility**

As outlined above, in order to provide Parkway with increased funding flexibility to support ongoing growth as well as meet near term working capital requirements, Parkway has been exploring several funding options. Subsequent to the reporting period, Parkway has received several indicative non-binding offers from a number of parties, to provide Parkway with a suitable working capital facility. Whilst discussions are ongoing, due to the increased scale of the business and improved operating performance including recent transition to profitability, Parkway expects to finalise a suitable funding package, at the appropriate time.

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:

**Bahay Ozcakmak**

Group Managing Director & CEO

[solutions@pwnps.com](mailto:solutions@pwnps.com)

**General Enquiries**

1300 7275929

[1300 PARKWAY](#)

## 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<sup>®</sup> and iBC<sup>®</sup> 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](http://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")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers (inclusive of GST)	1,332	3,748
1.2 Payments (inclusive of GST) for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(448)	(1,239)
(e) administration and corporate costs	(120)	(1,081)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	30	78
1.5 Interest and other costs of finance paid	(11)	(12)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	534	534
1.8 Other (provide details if material)		
- Cost of goods sold & inventory purchases	(819)	(2,605)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>498</b>	<b>(576)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(12)	(168)
(d) exploration & evaluation	-	-
(e) investments	(650)	(650)
(f) other non-current assets	(509)	(1,031)

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## 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 (9months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	17	63
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,153)</b>	<b>(1,785)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,000
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	-	(187)
3.5	Proceeds / (repayments) from borrowings	(1,825)	(1,825)
3.6	Repayment of principal elements of Leases	(182)	(391)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(2,007)</b>	<b>1,597</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,902	2,004
4.2	Net cash from / (used in) operating activities (item 1.9 above)	498	(576)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,153)	(1,785)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,007)	1,597

## 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 (9months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,239</b>	<b>1,239</b>

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	1,239	3,902
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,239</b>	<b>3,902</b>

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	351
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. <b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	498
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)	498
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,239
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,239
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	N/A
<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: 29 April 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.