



# 2017 Annual General Meeting

9 November 2017

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All references to \$ are references to Australian dollars unless otherwise specifically marked.



# **CEO's Presentation**

Chris Murray

# VISION

generate  
change.

# MISSION

deliver innovative clean energy  
products and services, creating  
sustainable value for our  
customers and shareholders.





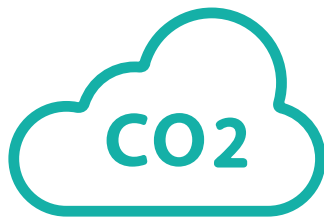
# FY 17– Laying the Foundations

Stated objective	Key achievements
<b>Strengthen the Company's position as a diversified clean energy company</b>	<ul style="list-style-type: none"> <li>✓ Re-launched the Company as ReNu Energy</li> <li>✓ Expanded into solar PV, battery storage and hybrid energy solutions</li> <li>✓ Appointed two new directors with significant renewable energy sector and corporate finance experience</li> </ul>
<b>Secure a transformational opportunity</b>	<ul style="list-style-type: none"> <li>✓ Alliance Agreement with VivoPower Pty Ltd and conditional acquisition of Amaroo Solar PV project</li> <li>✓ Solar PV and embedded network agreement with SCA Property Group Limited</li> </ul>
<b>Secure and strengthen the balance sheet</b>	<ul style="list-style-type: none"> <li>✓ Surface remediation of Cooper Basin geothermal facilities materially complete and final well remediation well progressed</li> <li>✓ Completed \$1.42 million capital raise</li> <li>✓ Identified reduction in overheads and improvement in efficiency to deliver 10% reduction in costs</li> </ul>
<b>Establish ReNu Energy as the brand of choice for Energy generation in the agricultural sector</b>	<ul style="list-style-type: none"> <li>✓ Upgraded the AJ Bush Bioenergy generation project</li> <li>✓ Secured \$2.1 million ARENA Grant Funding for 1.6 MW Goulburn Bioenergy project</li> <li>✓ Developed opportunities for additional projects</li> </ul>

# FY 17 - Health and Safety & Environment

Nothing is so important it can not be done safely

- For the twelve months to June 2017, ReNu Energy recorded zero lost time injuries and zero medical treatment injuries
- ReNu Energy's current projects will generate approximately 10,000 MWh of renewable energy per annum
- And abate 30,000 tonnes of CO<sub>2</sub>e, the equivalent of taking 12,000 cars off the road



30,000 t CO<sub>2</sub>e



12,000



10,000 MWh

# FY17 - Financial Results

## Financial year 2017 laid the foundation for the growth of ReNu Energy

- \$10.89 million cash at 30 June 2017, boosted by:
  - Placement and entitlement offer - \$1.42 million before costs
  - R&D tax incentive \$3.79 million with respect to FY16 Cooper Basin expenditure
- Increase of \$2.79 million in property, plant and equipment due to bioenergy projects construction
- Provision of \$1.13 million for remediation of Cooper Basin site including wells and surface remediation, net of Origin receivables, not net of R&D Tax incentive receipts. A residual risk remains during the remediation activity
- Loss of \$6.7 million, down from \$10.56 million for the prior year
  - Non recurring impairment to Quantum Power goodwill of \$1 million
- Carry forward tax losses of circa \$250 million

# FY17 - Growing an asset portfolio

ReNu Energy has circa 5.4 MW of renewable energy projects in operation or under development



**Griffin Plaza, Griffith NSW 360kW**  
The first of four Solar PV Embedded Network Projects



**Amaroo, ACT 600kW**



**Goulburn Bioenergy Project, NSW 1.6 MW**  
second of two bioenergy projects



**Growing portfolio**



# VivoPower Alliance Agreement



## ReNu Energy has first right of refusal to acquire projects originated by VivoPower in Australia

- Five year Alliance Agreement with VivoPower Pty Ltd to acquire solar PV projects in Australia
- VivoPower has a solid pipeline of solar PV projects in Australia and a strong international track record of developing solar PV projects
- VivoPower will originate behind the meter and utility scale solar projects in Australia and provide ReNu Energy with a first right to acquire the projects up to 5MW DC
- Strong pipeline of opportunities



# Solar PV Embedded Network Agreement

## Agreement with SCA Property Group (SCA) for ~2MW of solar PV and four embedded networks

- Installation of solar PV system at Griffin Plaza now complete – commercial operation in 2017
- Next 3 projects at Lismore, Mt Gambier and Murray Bridge in the first half of 2018
- First right of refusal on a further seven centres, following completion of due diligence and subject to satisfactory performance
- ReNu Energy will execute cornerstone electricity supply contracts with centre management in each individual centre
- Shopping centre tenants also have the option to use ReNu Energy's energy supply contract





# Bioenergy Projects

**Goulburn Bioenergy project on schedule for operations in early 2018**



## **AJ Bush Bioenergy Project, QLD**

Upgrade of the generators complete, resulting in higher and more reliable generation for the customer and increased revenue for ReNu Energy.



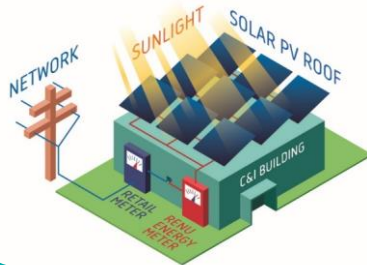
## **Goulburn Bioenergy Project, NSW**

Construction in progress and commercial operation of the project scheduled for early 2018.

First milestone payment of \$0.7m under the \$2.1m ARENA grant received.

# Four business streams

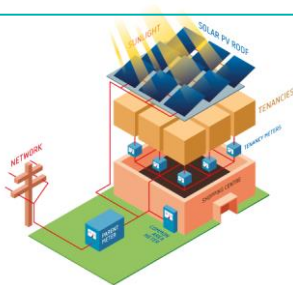
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## Solar PV Power Purchase Agreements

Installation of solar PV on commercial and industrial premises, and sale of renewable electricity to customers behind the meter under long dated Power Purchase Agreements (PPAs).

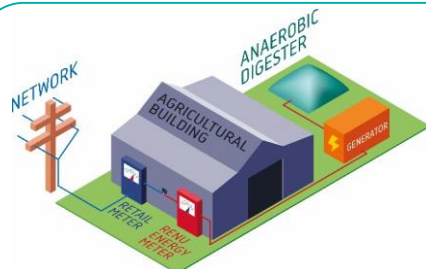
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## Solar PV Embedded Networks

Installation of solar PV and embedded networks in multi tenanted buildings under long term lease agreements. Sale of energy behind the meter to body-corporate and tenants under retail agreements.

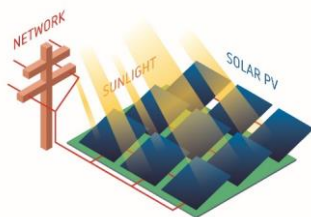
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## Bioenergy Power Purchase Agreements

Installation of bioenergy generation plant and sale of renewable electricity to customers behind the meter, under long dated PPAs.

4



## Solar PV Grid Connected

Installation of rooftop or ground mount solar, and sale of renewable electricity under long term corporate PPAs, feed-in tariffs or to the national electricity market.

Behind the meter

Grid Connected



# FY18 - Current Financial Position

## ReNu Energy is well positioned to grow its business

- Executed a term sheet for circa \$10 million debt facility to fund solar PV assets
  - \$1.4 million to fund the settlement of Amaroo Solar PV project
  - \$3.0 million for the solar PV embedded network projects
- Seeking shareholder approval for a share placement of up to \$15 million
- Growing revenue streams from solar and bioenergy projects forecast to produce project EBITDA returns of approximately \$2 million
  - AJ Bush Bioenergy project – operational
  - Amaroo Solar PV project – operational
  - Goulburn Bioenergy Project – February 2018
  - Solar PV Embedded Network Projects – first project in 2017 and the next 3 in the first half of calendar 2018

# FY18 - Operations and Earnings Update

## Material reduction in corporate overheads with clear path to positive EBITDA in CY2018 on a run-rate basis

- Cost and operational review resulted in material reduction of corporate overheads
- Annual corporate overheads are estimated to be \$2 million on a run-rate basis
- EBITDA contributions from current assets are forecast to exceed corporate overheads on a run-rate basis in first half CY2018
- Clear path to positive EBITDA in CY2018 on run-rate basis with the addition of near-term pipeline assets
- Balance sheet recognition of a component of the circa \$250 million in tax losses available to ReNu Energy is likely to follow as the growing portfolio of profitable assets are brought into operation

**ReNu Energy will structure cost and operational activities in three categories**



**Corporate**



**Operations**

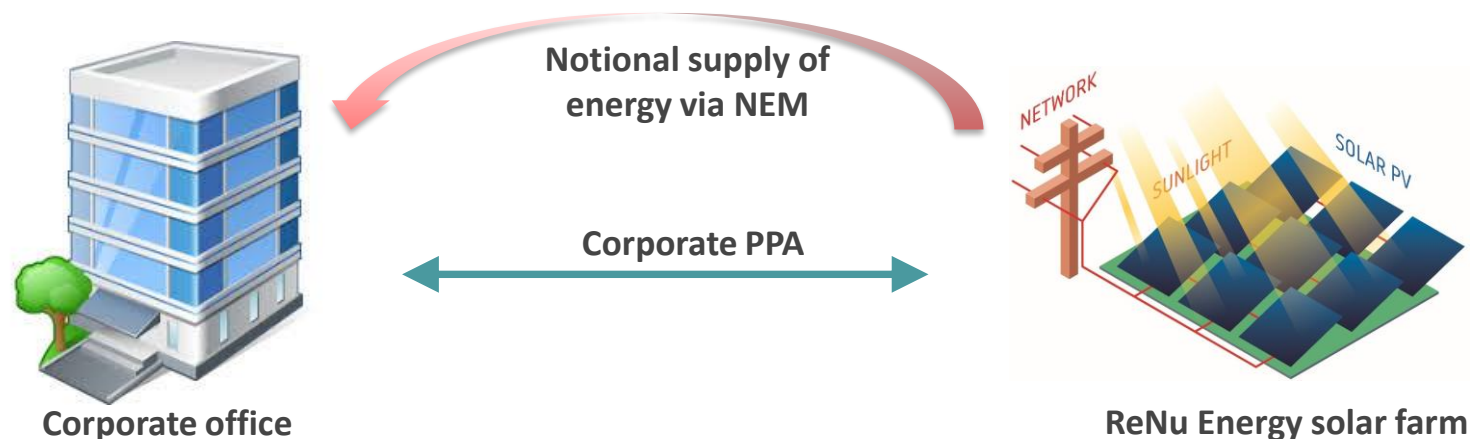


**Business  
Development**

# FY18 - Opportunities

## Corporate PPAs with energy consumers - rapidly emerging sector providing exciting opportunities and scale

- Allows an energy generator to contract with a consumer at a pre-agreed price for a pre-agreed period of time
- The supply of energy can be notional – the generator does not need to be co-located with the consumer
- Notional energy supply opens up many opportunities – for example a corporate head office receives notional energy supply from a NEM connected solar PV farm



# FY18 - Opportunities

## Solar PV embedded networks in the retail property sector – a large opportunity

*According to the Urbis Australian Shopping Centre Industry report (August 2015) there were 1,753 shopping centres in Australia which exceeded 1,000 square metres of gross lettable area*

- Many of these centres are candidates for solar PV embedded networks – a large opportunity which includes corporates with multiple centres
- ReNu Energy is well equipped to address this market

## Energy storage and dispatchability

- Will be required, and potentially mandated, as more renewables are installed
- Existing projects are battery ready - opportunity to add value
- Supports the corporate PPA model



# FY18 - Strategic Objectives

**ReNu Energy is on track to create sustainable value for customers and shareholders by delivering the following strategic objectives**

## **Establish the brand**

- Establish ReNu Energy as a “first choice” independent power producer in our target markets
- Demonstrate the customer value proposition by securing and delivering additional projects
- Successful completion of the first four solar PV embedded network projects and the Goulburn Bioenergy project

## **Develop the pipeline**

- Acquire new projects from VivoPower and build on the Alliance Agreement
- Develop additional solar PV embedded network projects
- Leverage strong market conditions and develop new paths to market

## **Build the organisation**

- Develop a team that embraces a culture of innovation, stretch performance, accountability and zero harm
- Embed efficient corporate and organisational structures to support business growth
- Identify further opportunities and partners to build scale

## **Create shareholder value**

- Secure assets and funding to support business growth
- Maximise value to shareholders of circa \$250 million of carry forward tax losses
- Achieve positive EBITDA on a run rate basis in calendar year 2018



**Thank you**

**Questions**