



conscious sustainable investments



renu:energy

half year report 31 december 2022

ReNu Energy Limited

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: Appendix 4D

HALF YEAR REPORT

Name of entity

RENU ENERGY LIMITED

ABN

55 095 006 090

Half year ended

31 December 2022

Previous corresponding period: 31 December 2021

Results for announcement to the market

	HY Dec 2022 \$	HY Dec 2021 \$	Change \$	Change %
Revenues from ordinary activities	118,505	17,173	101,332	590%
Net loss for the period attributable to members	(1,890,070)	(1,093,255)	(796,815)	(73%)

Net Tangible Asset Backing	As at 31 December 2022	As at 31 December 2021
Net tangible asset backing per ordinary security	\$0.043	\$0.025

Brief explanation of any of the figures reported above:

The loss for HY Dec 2022 was higher than the previous period due to additional personnel costs following the acquisition of 100% of Countrywide Hydrogen Pty Ltd, green hydrogen project expenditure, amortisation of Countrywide Hydrogen customer contracts and higher corporate costs reflecting the increase in activity during the period.

Please refer to the attached Director's Report for further commentary on the results and activities for the period and refer to the attached Half Year Financial Report for the detailed financial statements.



: Directors' report

Your Directors submit their report for ReNu Energy Limited (**ReNu Energy** or the **Company**) for the half year ended 31 December 2022.

Directors

The names of the Directors of ReNu Energy in office during the half year and until the date of this report are as follows.

- Boyd White (Non-executive Chairman)
- Tony Louka (Non-executive Director)
- Tim Scholefield (Non-executive Director)
- Geoffrey Drucker (Executive Director)
- Susan Oliver (Non-executive Director)

Directors were in office for this entire period unless otherwise stated.

Chief Executive Officer and Company Secretary

Greg Watson

Corporate Structure

ReNu Energy is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Corporate House, Kings Row 1, Level 2, 52 McDougall Street, Milton, QLD, 4064.

Principal Activities

ReNu Energy's purpose is to strategically drive the transition to a low carbon future. It does this by investing in renewable and clean energy technologies and identifying and developing hydrogen projects to create stakeholder value, enabling the transformation to a low carbon future through collaboration and innovation. ReNu Energy's vision is to be a leader in the renewable and clean energy sector in Australia striving for a sustainable future, producing hydrogen for domestic use and with a portfolio of domestic and international projects.

Review of results and operations

Operational review

During the half year and in keeping with its purpose to strategically drive the transition to a low carbon future, ReNu Energy's activities centred around progressing its portfolio of green hydrogen projects and continuing

Directors' Report (continued)

Review of results and operations (continued)

to foster Australian ingenuity through additional investments in existing portfolio companies and assessing opportunities for additional renewable and clean energy investments.

Key activities during the half year included:

- Progressing the Group's portfolio of green hydrogen projects with a focus on the Tasmanian projects where a term sheet was signed with Tas Gas Networks Pty Ltd and Tas Gas Retail Pty Ltd to collaborate on 100% green hydrogen delivery to industrial customers and the blending of green hydrogen into the existing natural gas distribution network.
- The signing of a term sheet with Australian superannuation fund HESTA for the investment of up to \$100 million in the Group's green hydrogen projects and progressing the definitive agreements for the co-investment.
- The signing of a MOU with Australian Pacific Airports (Launceston) Pty Ltd for the development of a multi-purpose green hydrogen project at Launceston Airport.
- The signing of a MOU with Anantara Energy Holdings Pte Ltd (a joint venture between ib vogt Singapore Pte Ltd and Quantum Power Asia Pte Ltd) to study the development of a green hydrogen production facility utilising solar PV renewable power in the Riau Archipelago.
- Progressing project design, financial modelling and commercial discussions with key partners for the Group's two Tasmanian hydrogen projects.
- Completing further investments in Enosi Australia Pty Ltd totalling \$500,000 and satisfying the financing condition for the final tranche of \$500,000 that completed on 31 January 2023, providing the Group a 14% interest in the Australian company that has developed Powertracer, a leading grid-scale renewable energy trading and tracing solution.

Corporate

On 23 November 2022, ReNu Energy completed a capital raising of \$4.53 million (before costs) through the issue of 75.5 million new ReNu Energy shares at an issue price of \$0.060 per share by way of placement to professional and sophisticated investors. Subscribers also received one free attaching option (ASX:RNEO) for every share subscribed for with a strike price of \$0.07 per share and an expiry date of 31 December 2023. Demand for the placement exceeded the amount raised with the Company welcoming several new funds, family offices and new shareholders to the register.

ReNu Energy retained \$4,277,209 in cash and cash equivalents at 31 December 2022.

Results

The underlying Group EBITDA loss of \$1,618,347 (2021: \$1,061,208) for the half year was higher than the previous period due to additional personnel costs following the acquisition of 100% of Countrywide Hydrogen Pty Ltd, green hydrogen project expenditure, amortisation of Countrywide Hydrogen customer contracts and higher corporate costs reflecting the increase in activity during the period.

Directors' Report (continued)

Review of results and operations (continued)

Significant events after the reporting date

On 12 January 2023 the Company signed a subscription agreement with Australian battery casing technology company, Vaulta Holdings Pty Ltd, for an investment of up to \$1 million in stages to acquire a 20% interest (assuming all subscriptions are completed and no additional shares issued). The first tranche investment of \$250,000 completed on 13 January 2023.

On 31 January 2023, the Company completed the final \$500,000 tranche of its additional \$1 million investment in Enosi Australia Pty Ltd, providing the Group a 14% interest in the Australian company that has developed Powertracer, a leading grid-scale renewable energy trading and tracing solution.

2023 Outlook

The Board and management believe that the Group remains well positioned to advance its portfolio of green hydrogen projects and to support and progress the Company's other renewable and clean energy investments. Funds raised from the November 2022 capital raise will be used to progress the Group's green hydrogen projects to the next stage of development including any co-investment alongside HESTA.

The Group's hydrogen focus for 2023 is to reach final investment decision on two green hydrogen projects and to be producing green hydrogen for domestic use within the next 2 years, heralding a new era in green energy production and emissions reduction. The projects near Launceston and Hobart will present firsts for Australia in terms of scale and offtakes with the opportunity to inject greater volumes of hydrogen into the natural gas networks as well as supplying customers whose goal is to operate their manufacturing on 100% green hydrogen.

The Company will continue to assess opportunities for additional renewable and clean energy investment opportunities, including increasing the interest held in existing investments where the Company's investment criteria is met.

	6 months ended 31 December 2022 \$	6 months ended 31 December 2021* \$
EBITDA – by business segment		
Hydrogen	(531,186)	-
Renewable & clean energy investments	69,998	(255,545)
Corporate	(1,157,159)	(805,663)
Total Group EBITDA	(1,618,347)	(1,061,208)
Depreciation	(41,932)	(29,225)
Amortisation & impairment	(228,548)	-
Interest expense	(1,243)	(2,822)
Loss after tax	(1,890,070)	(1,093,255)

Auditor's Independence Declaration

The Directors have obtained an independence declaration from the Company's auditor, BDO Audit Pty Ltd, which can be found on page 19 of the Half Year Financial Report.

Signed in accordance with a resolution of the Directors.



Boyd White
Chairman
Brisbane
28 February 2023

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: Consolidated statement of profit or loss and other comprehensive income

FOR THE HALF YEAR ENDED 31 DECEMBER 2022		6 months ended 31 December 2022	6 months ended 31 December 2021
	Note	\$	\$
Interest income		12,271	3,074
Other income	3A	106,234	14,099
Total income		118,505	17,173
Personnel expenses	3B	(1,086,419)	(557,675)
Other operating expenses	3C	(415,602)	(643)
General & administrative expenses	3D	(505,311)	(549,288)
Finance costs		(1,243)	(2,822)
Total expenses		(2,008,575)	(1,110,428)
Loss before income tax		(1,890,070)	(1,093,255)
Income tax benefit / (expense)		-	-
Loss after income tax expense		(1,890,070)	(1,093,255)
Net loss for the year after income tax attributable to the owners of the parent		(1,890,070)	(1,093,255)
Total comprehensive loss for the period attributable to the owners of the parent		(1,890,070)	(1,093,255)
Earnings Per Share attributable to the owners of the parent			
Basic and diluted loss per share (cents per share)	10	(0.52)	(0.80)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



: Consolidated statement of financial position

AS AT 31 DECEMBER 2022		31 December 2022	30 June 2022
	Note	\$	\$
Current assets			
Cash and cash equivalents	4	4,277,209	2,016,762
Trade and other receivables	5	194,657	270,454
Prepayments		63,253	157,554
Total current assets		4,535,119	2,444,770
Non-current assets			
Property, plant and equipment		79,777	30,700
Investments at fair value through profit or loss	7	1,890,000	1,300,000
Intangibles	6	10,598,984	10,827,532
Total non-current assets		12,568,761	12,158,232
Total assets		17,103,880	14,603,002
Current Liabilities			
Trade and other payables		201,539	260,545
Borrowings		73,422	19,290
Employee provisions		67,026	62,517
Total current liabilities		341,987	342,352
Non-current liabilities			
Deferred tax		566,714	566,714
Employee provisions		15,360	7,306
Total non-current liabilities		582,074	574,020
Total liabilities		924,061	916,372
Net assets		16,179,819	13,686,630
Equity			
Issued capital	8	375,321,179	371,529,007
Other reserves	9	1,311,257	720,170
Accumulated losses		(360,452,617)	(358,562,547)
Total equity		16,179,819	13,686,630

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



: Consolidated statement of cash flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2022		6 months ended 31 December 2022	6 months ended 31 December 2021
	Note	\$	\$
Cash flows from operating activities			
Receipts from customers			-
Payments to suppliers and employees		(1,461,867)	(843,664)
Proceeds from R&D tax incentive		-	634,061
Payments for research and development		-	(428,401)
Net Goods and Services Tax received (paid)		52,258	(69,805)
Interest received		11,715	3,074
Interest paid		-	(2,265)
Costs associated with investments made		(20,002)	(37,547)
Net cash outflows from operating activities		(1,417,896)	(744,547)
Cash flows from investing activities			
Investment in other entities	7	(500,000)	(1,250,000)
Net cash inflows / (outflows) from investing activities		(500,000)	(1,250,000)
Cash flows from financing activities			
Proceeds from issue of shares	8	4,531,361	2,376,000
Payments of lease liabilities		(29,580)	(28,980)
Transaction costs of share issues	8	(323,438)	(175,098)
Net cash outflows from financing activities		4,178,343	2,171,922
Net increase / (decrease) in cash and cash equivalents		2,260,447	177,375
Add: Opening cash and cash equivalents carried forward		2,016,762	2,468,210
Cash and cash equivalents at end of the period	4	4,277,209	2,645,585

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



: Consolidated statement of changes in equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2022	Issued Capital	Share Based Payment Reserve (Note 9)	Accumulated Losses	Total Equity
	\$	\$	\$	\$
At 1 July 2022	371,529,007	720,170	(358,562,547)	13,686,630
Loss for the period			(1,890,070)	(1,890,070)
Total comprehensive income for the period			(1,890,070)	(1,890,070)
Transactions with owners in their capacity as owners:				
Shares issued	4,530,000	-	-	4,530,000
Exercise of options - listed	1,361	-	-	1,361
Share based payment (note 13)	(415,751)	591,087	-	175,336
Share issue costs	(323,438)	-	-	(323,438)
At 31 December 2022	375,321,179	1,311,257	(360,452,617)	16,179,819

FOR THE HALF YEAR ENDED 31 DECEMBER 2021	Issued Capital	Share Based Payments Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
At 1 July 2021	358,435,465	-	(355,738,004)	2,697,461
Loss for the period			(1,093,255)	(1,093,255)
Total comprehensive income for the period			(1,093,255)	(1,093,255)
Transactions with owners in their capacity as owners:				
Shares issued	2,376,000	-	-	2,376,000
Share-based payments	(335,933)	497,933	-	162,000
Share issue costs	(175,098)	-	-	(175,098)
At 31 December 2021	360,300,434	497,933	(356,831,259)	3,967,108

The above Consolidated Statement of Changes in equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Note 1 – Corporate information

The condensed consolidated financial statements of ReNu Energy Limited and its subsidiaries (collectively the Group or Consolidated Entity) for the half year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 27 February 2023.

ReNu Energy Limited is a Company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. Its registered office and principal place of business is Corporate House, Kings Row 1, Level 2, 52 McDougall Street, Milton, QLD, 4064.

Note 2 – Summary of significant accounting policies

A. Basis of Preparation

This general purpose condensed financial report for the half year ended 31 December 2022 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The half year financial report has been prepared on a historical cost basis and going concern basis and is presented in Australian dollars. For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial report.

It is recommended that the half year report be read in conjunction with the Annual Report for the year ended 30 June 2022 and considered together with any public announcements made by ReNu Energy Limited during the half year ended 31 December 2022 in accordance with the continuous disclosure obligations of the ASX listing rules.

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2022.

B. Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group:

- had net operating cash outflows for the half year of \$1,417,896;
- generated a loss after tax for the half year of \$1,890,070; and
- had cash and cash equivalents of \$4,277,209 at 31 December 2022.

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following conditions:

- securing appropriate projects and related funding for project investment;
- effective cash flow management; and
- raising additional capital or securing other forms of financing to meet the levels of expenditure required for future project opportunities and to meet the Group's working capital requirements.

Notes to the Financial Statements (continued)

Note 2 – Summary of significant accounting policies (continued)

These conditions give rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The Directors are satisfied that the Group has access to sufficient funds to extinguish creditors and liabilities in the ordinary course of business for at least the next 12 months from the date of signing this report and accordingly have applied the going concern basis of accounting in preparing the financial statements.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

C. New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Several amendments apply for the first time on 1 July 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group.

D. Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on judgement, estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and directors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments will have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 13 for further information.

Impairment assessment of goodwill

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of a number of key assumptions given the early stage of development of the underlying projects. In assessing the impairment of goodwill arising from the acquisition of Countrywide Hydrogen Pty Ltd during the period, the Group assessed Countrywide Hydrogen Pty Ltd to include three cash-generating units being hydrogen development projects in Melbourne, Portland and Tasmania. It is not possible to allocate the goodwill to the planned hydrogen projects on a non-arbitrary basis given the synergies between the projects at this early stage of development. Because of this the recoverable amount of goodwill was determined at the hydrogen operating segment level. Refer to note 6 for further information.

Notes to the Financial Statements (continued)

Note 2 – Summary of significant accounting policies (continued)

Impairment of non-financial assets other than goodwill

The Group assesses impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. No indication of impairment has been identified for the Group's non-financial assets during the period.

Valuation of investments at fair value through profit or loss

Investments at fair value through profit or loss are investments in companies that are not publicly traded. Determination of the fair value of these investments involves considerable judgement. Reference is made to the price at which these companies most recently raised funds, along with consideration whether events or circumstances have occurred subsequent to raising funds that is likely to result in a material change in the fair value of the investment. Refer to Note 7 for further information.

Notes to the Financial Statements (continued)

Note 3A – Income	6 months ended 31 December 2022 \$	6 months ended 31 December 2021 \$
Other income		-
Recoupment of remediation costs	16,234	-
R&D tax incentive received	-	14,099
Gain/(loss) on financial assets (Notes 7 and 15)	90,000	-
	106,234	14,099

Note 3B – Personnel expenses	6 months ended 31 December 2022 \$	6 months ended 31 December 2021 \$
Personnel expenses	787,059	395,675
Termination payments	124,024	-
Share-based payments expense ¹	175,336	162,000
	1,086,419	557,675

1. Refer to note 13

Note 3C – Other operating expenses	6 months ended 31 December 2022 \$	6 months ended 31 December 2021 \$
Depreciation of operational plant & equipment	10,659	643
Project operational expenses	156,393	-
Amortisation expense	228,548	-
Investment & acquisition costs	20,002	-
	415,602	643

Note 3D – General & administrative expenses	6 months ended 31 December 2022 \$	6 months ended 31 December 2021 \$
Governance	114,102	72,306
External advisory	88,511	286,670
Facility, IT and communications	32,234	20,085
Travel	47,633	3,285
Insurance	77,760	74,231
Depreciation on right of use asset	31,273	28,582
Investor and public relations	104,767	-
Other	9,031	64,129
	505,311	549,288

Notes to the Financial Statements (continued)

Note 4 – Cash and cash equivalents	31 December 2022 \$	30 June 2022 \$
Cash at bank	4,277,209	2,016,762
	4,277,209	2,016,762

Note 5 – Trade and other receivables	31 December 2022 \$	30 June 2022 \$
Current		
Cash held as security	150,211	150,052
Trade receivables	25,491	52,369
GST Receivable	13,141	65,400
Interest receivable	414	19
Other receivables and deposits	5,400	2,614
Total current trade and other receivables	194,657	270,454

Current trade receivables, GST receivable, interest receivable and other receivables are non-interest bearing. The fair values of trade and other receivables approximate their carrying values due to their short-term nature.

Note 6 – Intangible assets	31 December 2022 \$	30 June 2022 \$
Intangibles (including goodwill) at cost	11,011,365	11,011,365
Less: accumulated amortisation and impairment	(412,381)	(183,833)
Total Intangibles	10,598,984	10,827,532

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Half Year Ended 31 December 2022	Goodwill \$	Customer contracts \$	Total \$
Balance at 30 June 2022	8,744,510	2,083,022	10,827,532
Additions through business combinations	-	-	-
Impairment of Assets	-	-	-
Amortisation Expense	-	(228,548)	(228,548)
Balance at 31 December 2022	8,744,510	1,854,474	10,598,984

Notes to the Financial Statements (continued)

Note 6 – Intangible assets

Goodwill

Goodwill acquired through the business combination is monitored at the hydrogen operating segment level. This is the lowest level at which the goodwill is monitored as it is not possible to allocate the goodwill to the planned hydrogen projects on a non-arbitrary basis given the synergies between the projects at this early stage of development.

The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 20-year project life. During the half-year ended 31 December 2022, the Group updated the following key assumption that management has based its determination of the cash generating units (CGU) recoverable amount: first hydrogen sales to commence 1 January 2025 for the Tasmanian CGU and 1 January 2026 for the Victorian CGUs (30 June 2022: during calendar year 2025 for all CGUs).

The updated key assumption has not resulted in an impairment charge being recognised.

Note 7 – Investments at fair value through profit or loss

	31 December 2022 \$	30 June 2022 \$
Investment in Uniflow Power Limited ⁽¹⁾	350,000	350,000
Investment in Enosi Australia Pty Ltd ⁽²⁾	1,090,000	500,000
Investment in Allegro Energy Pty Ltd ⁽³⁾	450,000	450,000
	1,890,000	1,300,000

(1) Shares held in Uniflow Power Limited (**Uniflow**) with a face value of \$350,000, an Australian unlisted public company, commercialising a unique, micro renewable energy generator – The Cobber. The shares held equate to 5.0% of Uniflow equity (on a post money basis).

(2) Shares held in Enosi Australia Pty Ltd (**Enosi**) with a fair value of \$1,090,000. During the half-year ended 31 December 2022 the Company invested a further \$500,000 at an issue price of \$0.3511 per share. The Company assessed the fair value of the cumulative investment at this share price generating a \$90,000 gain on financial assets (Note 3A). Enosi is an Australian company that has developed Powertracer, a leading grid-scale renewable energy trading and tracing solution. The shares held equate to 10% of Enosi equity (on a post money basis).

(3) Shares held in Allegro Energy Pty Ltd (**Allegro**) with a face value of \$450,000. Allegro is an Australian energy storage solution and battery technology company that has developed a unique water-based electrolyte, which can be used in the development of high performance, safe, non-toxic, non-flammable supercapacitors and redox flow batteries. The shares held equate to 5.0% of Allegro equity (on a post money basis).

Notes to the Financial Statements (continued)

Note 8 – Issued capital	31 December 2022 \$	30 June 2022 \$
Authorised Shares		
440,085,457 (June 2022 – 364,566,012) fully paid ordinary shares	375,321,179	371,529,007

MOVEMENT IN ORDINARY SHARE CAPITAL:		NUMBER OF SHARES	\$
01/07/22	Balance	364,566,012	371,529,007
	Share issue	75,500,000	4,530,000
	Exercise of Listed Options	19,445	1,361
	Share issue costs – options issued to corporate advisor and lead manager (note 13)	-	(415,751)
	Share issue costs	-	(323,438)
31/12/22	Balance	440,085,457	375,321,179

Shares

A total of 75,500,000, shares were issued on 30 November 2022 in respect of a private placement to sophisticated and institutional investors raising \$4,530,000 before costs.

As part of the November 2022 private placement, subscribers received one (1) free attaching option for every one (1) share subscribed for. 12,583,348 listed options were issued on 30 November 2022 with the balance of options issued on 1 February 2023 following shareholder approval at an Extraordinary General Meeting held on 31 January 2023.

Exercise of Options

19,455 shares were issued on 2 December 2022 upon the exercise of 19,455 listed options (\$0.07 each) raising \$1,361.

Terms and conditions of contributed equity

Ordinary Shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Note 9 – Reserves	31 December 2022 \$	30 June 2022 \$
Share based payment reserve	1,311,257	720,170
	1,311,257	720,170
Reconciliation of Reserves		
Carrying amount at beginning	720,170	-
Net share-based payments expense recognised	591,087	720,170
	1,311,257	720,170

Notes to the Financial Statements (continued)

Note 9 – Reserves (continued)

Nature and purpose of reserves

Share based payment reserve

The employee share-based payment reserve is used to record the value of share loan plan shares granted to employees and directors, including Key Management Personnel, as part of their remuneration. The share based payment reserve also records the value of share options issued to Peak Asset Management, as corporate advisor. Refer to note 13 for further details.

Note 10 - Earnings per share	31 December 2022 \$	31 December 2021 \$
Basic and diluted earnings/(loss) per share attributable to the equity holders (cents per share):		
From continuing operations	(0.52)	(0.80)
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net loss attributable to equity shareholders		
From continuing operations	(1,890,070)	(1,093,255)
Weighted average number of ordinary shares used in calculation of basic earnings per share (number of shares)	365,848,055	136,369,479

Note 11 - Segment Information

The Company operates in two segments: (i) hydrogen and (ii) renewable and clean energy investments. All operations are located in Australia.

Operating segments are identified on the basis of internal reports that are regularly reviewed and used by the CEO and Board of Directors (chief operating decision makers) in order to allocate resources to the segment and assess its performance. The financial information presented to the chief operating decision makers uses EBITDA as a measure to assess performance.

Unless otherwise stated, all amounts reported to the CEO and Board of Directors as the chief operating decision makers are in accordance with the Group's accounting policies.

The following table represents financial information for the Group's operating segments for the six months ended 31 December 2022.

Notes to the Financial Statements (continued)

Note 11 - Segment Information (continued)

Half Year Ended 31 December 2022	Hydrogen \$	Renewable & Clean Energy Investments \$	Corporate* \$	Total \$
Revenue and income				
- Other income	3	90,000	16,234	106,237
- Interest income	-	-	12,268	12,268
Expenses	(451,661)	(20,002)	(1,265,189)	(1,736,852)
EBITDA	(451,658)	69,998	(1,236,687)	(1,618,347)
Depreciation	(3,111)	-	(38,821)	(41,932)
Amortisation	-	-	(228,548)	(228,548)
Interest expense	(530)	-	(713)	(1,243)
Profit /(Loss) after tax	(455,299)	69,998	(1,504,769)	(1,890,070)
31 December 2022	Hydrogen	Renewable & Clean Energy Investments	Corporate*	Total
Assets				
Segment assets	10,598,984	1,890,000	-	12,488,984
Unallocated assets	-	-	4,614,896	4,614,896
Total Assets	10,598,984	1,890,000	4,614,896	17,103,880

* Related to corporate overheads which cannot be attributable to each individual segment.

Half Year Ended 31 December 2021	Hydrogen \$	Renewable & Clean Energy Investments \$	Corporate* \$	Total \$
Revenue and income				
- Other income	-	-	14,099	14,099
- Interest income	-	-	3,074	3,074
Expenses	-	(255,545)	(822,836)	(1,078,381)
EBITDA	-	(255,545)	(805,663)	(1,061,208)
Depreciation	-	-	(29,225)	(29,225)
Amortisation	-	-	-	-
Interest expense	-	-	(2,822)	(2,822)
Profit /(Loss) after tax	-	(255,545)	(837,710)	(1,093,255)
30 June 2022	Hydrogen	Renewable & Clean Energy Investments	Corporate*	Total
Assets				
Segment assets	10,827,532	1,300,000	-	12,127,532
Unallocated assets	-	-	2,475,470	2,475,470
Total Assets	10,827,532	1,300,000	2,475,470	14,603,002

* Related to corporate overheads which cannot be attributable to each individual segment.

Notes to the Financial Statements (continued)

Note 12 – Contingent assets and liabilities

Since the last annual reporting date there has been no material change in contingent liabilities or contingent assets.

Note 13 – Share based payments

Loan share plan shares

For the six months ended 31 December 2022, an amount of \$175,336 has been recognised as a share-based payment expense in the profit or loss (31 December 2021: \$162,000).

Listed Options

12,500,000 listed options were granted in November 2022, and issued on 1 February 2023 to Peak Asset Management for acting as corporate adviser and lead manager to the November 2022 placement.

The 12,500,000 listed options granted to Peak Asset Management are accounted for as a share-based payment in respect of the services provided. The fair value at grant date is estimated using a Black Scholes model, taking into account the terms and conditions upon which the options were granted. The contractual life of each option granted is 1.1 years. There is no cash settlement of the options. The fair value of options granted during the six months ended 31 December 2022 of \$0.0333 per option was estimated on the date of grant, using the following assumptions:

Exercise Price (\$)	0.07
Dividend yield (%)	nil
Expected volatility (%)	128
Risk-free interest rate (%)	3.19
Expected life of share options (years)	1.1
Share price (\$)	0.067

The weighted average fair value of the options granted during the six months ended 31 December 2022 was \$1.35 (year ended 30 June 2022: \$1.32). An amount of \$415,751 has been included in the statement of changes in equity for the six months ended 31 December 2022 under 'Share Capital' (being a cost of raising capital) relating to the fair value of the options granted to Peak Asset Management.

Note 14 – Related party disclosures

Transactions with Key Management Personnel

The Group engaged Pacific Energy Partners Pty Ltd to provide consulting services. The key resource from Pacific Energy Partners Pty Ltd is T. Scholefield (Non-Executive Director). Consulting fees of \$28,500 (2021: 125,223) were paid during the period.

Note 15 – Fair Value Measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Notes to the Financial Statements (continued)

Note 15– Fair Value Measurement (continued)

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated – 31 December 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Investments at fair value through profit or loss	-	-	1,890,000	1,890,000
Total assets	-	-	1,890,000	1,890,000

There were no transfers between levels during the half-year. The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Unquoted investments in ordinary shares have been valued using the price at which the respective entities most recently raised funds.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

Consolidated – 31 December 2022	Investments at fair value through profit or loss \$	Total \$
Balance at 1 July 2022	1,300,000	1,300,000
Additions	500,000	500,000
Fair value adjustment recognised in profit or loss	90,000	90,000
Balance at 31 December 2022	1,890,000	1,890,000

Note 16 – Events after reporting period

On 12 January 2023 the Company signed a subscription agreement with Australian battery casing technology company, Vaulta Holdings Pty Ltd, for an investment of up to \$1 million in stages to acquire a 20% interest (assuming all subscriptions are completed and no additional shares issued). The first tranche investment of \$250,000 completed on 13 January 2023.

On 31 January 2023, the Company completed the final \$500,000 tranche of its addition \$1 million investment in Enosi Australia Pty Ltd, providing the Group a 14% interest in the Australian company that has developed Powertracer, a leading grid-scale renewable energy trading and tracing solution.

Notes to the Financial Statements (continued)

Note 16 – Events after reporting period (continued)

ReNu Energy held an Extraordinary General Meeting on 31 January 2023 where shareholder approval was obtained for the following matters arising from the November 2022 capital raise:

- To ratify the issue of ReNu Energy Shares and ReNu Energy Options;
- To approve the grant of additional ReNu Energy Options;
- To approve the grant of ReNu Energy Shares and Options to Mr Boyd White, Mr Geoffrey Drucker and Mrs Inge Drucker; and
- To approve the grant of ReNu Energy Options to Peak Asset Management in consideration for acting as Corporate Adviser and Lead Manager to the Placement.



: Director's declaration

In accordance with a resolution of the Directors of ReNu Energy Limited, I state that:

1. In the opinion of the Directors:
 - (a) the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the financial position as at 31 December 2022 and the performance for the half year ended on that date of the Consolidated Entity;
 - ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.

Boyd White
Chairman
Brisbane
28 February 2023



: Auditor's independence declaration



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DECLARATION OF INDEPENDENCE BY A J WHYTE TO DIRECTORS OF RENU ENERGY LIMITED

As lead auditor of ReNu Energy Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of ReNu Energy Limited and the entities it controlled during the period.

A J Whyte
Director

BDO Audit Pty Ltd

Brisbane, 28 February 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ReNu Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of ReNu Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2(B) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO


A J Whyte
Director

Brisbane, 28 February 2023

r:enu:energy

**half year report
31 december 2022**

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