2023 financial report

renu:energy

conscious sustainable investments

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: Appendix 4E

PRELIMINARY FINAL REPORT
FINANCIAL YEAR ENDED 30 JUNE 2023
RENU ENERGY LIMITED   ABN 55 095 006 090

Results for announcement to the market

	FY23 $	FY22 $	Change $	Change %
Other income	3,020,393	$142,902	2,877,491	2,014%
Loss from ordinary activities after tax attributable to members	(1,165,960)	(2,824,543)	1,658,583	59%
Net loss for the period attributable to members	(1,165,960)	(2,824,543)	1,658,583	59%

Dividends

The Directors do not propose to recommend the payment of a dividend in respect of the period.

Brief explanation of any of the figures reported above:

The loss for the period was less than the corresponding period primarily due to favourable revaluations of the Company's carrying value of investee companies. Expenses were higher than the prior period due to increased green hydrogen project development expenditure, higher personnel costs and a full year amortisation of intangible assets arising from the Countrywide Hydrogen acquisition. Please refer to the attached Directors Report for a full commentary on the results for the period and refer to the 2023 Financial Report for the detailed financial statements and explanatory notes to the accounts.

NTA backing	FY23	FY22
Net tangible asset backing per ordinary security	$0.039	$0.038

Compliance statement

This report is based on accounts which have been audited.

Greg Watson
Company Secretary
18 September 2023

: Directors' report

Director Profiles

Your Directors submit their report for the year ended 30 June 2023. The names and details of the Directors of ReNu Energy Limited in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name & Qualifications	Experience
Boyd White BBus(Acc) & MBA ***Chairman*** *(until 14 May 2023)* ***Executive Chairman*** *(from 15 May 2023)*	Mr White has an accomplished record in the energy, infrastructure and mining sectors. He has over 30 years of business experience and brings strong strategic, commercial, M&A, financing and entrepreneurial skills to the ReNu Energy Board. Mr White has held executive roles internationally with US multinationals Halliburton Company and KBR Inc, and domestically with Tarong Energy, and Territory Generation. Mr White was a founding partner in ARC Developments International, providing energy advisory services and developing or acquiring renewable energy projects. Mr White is currently the Principal of New Energy Capital and, amongst other things, is developing a €500m bioenergy and geothermal business in Europe and involved in executive management, clean energy and capital raising activities in the small cap resources sector. Mr White holds a Bachelor of Business (Accounting) from Queensland University of Technology and an MBA from the University of Queensland. Mr White has had no other listed company directorships in the past three years. Mr White is a member of the Remuneration and Nominations Committee. On 15 May 2023, following a strategic review of business needs, Mr White assumed the role of Executive Chairman on an interim basis. In this capacity Mr White is working closely with the executive team to help drive strategy and assist with taking ReNu Energy's green hydrogen projects in Tasmania to final investment decision.

Directors' Report (continued)

Name & Qualifications	Experience
Tony Louka MBA & MAICD ***Non-executive Director***	Mr Louka has 24 years of industry experience in Board, executive and management roles in the energy supply chain, clean technology solutions as well as retail & industrial property sectors. Mr Louka is the Managing Director of Maxify Consulting a bespoke ESG & asset management advisory to various ASX corporates & innovative start-ups in the Asia Pacific. He has held previous management and executive roles at Woolworths Group, Ergon Energy and Emerson Network Power. He has also served as a Board Member of the Energy Users Association of Australia and the Transgrid Advisory Council. Mr Louka was appointed to the Board as a Non-executive Director on 27 September 2018. He was then appointed as interim Managing Director and Acting CEO on 20 September 2019 to oversee the company restructure. Mr Louka returned to his previous position of Non-executive Director effective 28 February 2020. Mr Louka has had no other listed company directorships in the past three years. Mr Louka is Chair of the Remuneration and Nominations Committee and a member of the Risk and Audit Committee. ReNu Energy has nominated Mr Louka as a Non-executive Director of investee company Enosi Australia Pty Ltd with the appointment taking effect on 20 June 2023.

Directors' Report (continued)

Name & Qualifications	Experience
Tim Scholefield BAppSc, MBA, GAICD, Cert Gov (Risk) ***Non-executive Director***	Mr Scholefield is a Director and senior executive with global experience in project delivery, operations, financial, commercial, governance and risk management. Mr Scholefield has more than 30 years' experience across the resources and energy value chain including: exploration, production and operations; conventional, unconventional and renewable fuel sources; gas storage and offtake, power generation and the link to customers. Mr Scholefield is a Director and Principal of Pacific Energy Partners, a consultancy providing advice on renewable energy solutions and opportunities in the Pacific and Southeast Asia. He has served as a chair and participant on board committees evaluating and developing energy projects, managing joint venture and other stakeholder relationships and providing strategy, risk, commercial and governance support. He has experience leading small and large cross functional technical, financial, commercial, legal, project and operations teams; making recommendations and participating in acquisitions, divestments and greenfield and brownfield projects ranging in size from $USD 1 million to $USD 5 billion. Mr Scholefield holds a Bachelor of Applied Science from the University of South Australia, a MBA from Deakin University, a Certificate in Governance and Risk Management from the Governance Institute of Australia and is a Graduate of the Australian Institute of Company Directors. Mr Scholefield has had no other listed company directorships in the past three years. Mr Scholefield had executive responsibility to coordinate, implement and oversee the permanent abandonment of the Company's geothermal wells in the Cooper Basin and to assist the CEO in the assessment and recommendation for involvement in renewable and clean energy opportunities. With the Company's geothermal wells permanently abandoned during 2021 and a portfolio of renewable and clean energy investments secured, Mr Scholefield ceased his executive role on 31 December 2021. Mr Scholefield is Chair of the Risk and Audit Committee. ReNu Energy has nominated Mr Scholefield as a Non-executive Director of investee company Vaulta Holdings Pty Ltd with the appointment taking effect on 20 July 2023.

Directors' Report (continued)

Name & Qualifications	Experience
Susan Oliver AM FAICD B Property and Construction Melb University, Cert Fin Mngt ***Non-executive Director***	Ms Oliver is an accomplished leader with more than 25 years' experience at a director and senior executive level. Ms Oliver has extensive Board and governance experience as Chair and Non-executive Director with listed companies including Transurban Group, Centro Group restructure, Programmed Group, Coffey International, Simonds Homes and the Just Group. She serves on the global Investment Committee for IFM Investors and was founding Chair of Scale Investors retiring in June 2021. She is currently Chair of the Alice Anderson Fund Investment Committee for the Victorian government. Previously, Ms Oliver had a career in technology and futures consulting with Accenture, pioneer technology strategy company Invetech and leading the Commission for the Future for the Australian Government. She held senior roles in the public service in Housing and Industry departments in Victoria. Her Order of Australia was awarded for services to business and women. Ms Oliver holds a Bachelor of Property and Construction from Melbourne University and a Certificate in Financial Management. She is a Fellow of the Australian Institute of Company Directors. Ms Oliver has had no other listed company directorships in the past three years. Ms Oliver is a member of the Risk and Audit Committee and the Remuneration and Nominations Committee.
Geoffrey Drucker BEc, CPA ***Executive Director***	Mr Drucker is an experienced senior executive with a background in the renewable energy sector spanning three decades. He has extensive expertise in the renewable sector including renewable project initiation experience. Mr Drucker commenced his career with State Electricity Commission of Victoria and has held roles with PwC and several private consultancies. His previous Board experience includes appointments with Methodist Ladies' College where he was Vice Chairman for five of his nine-year tenure, the Variety Club of Australia and various private companies including business development consultants Corporate Kudos Pty Ltd and DYDX Pty Ltd. Through both companies he represented ASX-listed companies and Governments. Mr Drucker holds a Bachelor of Economics and has been admitted as a Certified Practising Accountant. Mr Drucker has had no other listed company directorships in the past three years. Mr Drucker is ReNu Energy's largest individual shareholder having been a founder of Countrywide Hydrogen Pty Ltd.

Directors' Report (continued)

Chief Executive Officer and Company Secretary

Greg Watson

LLB, BCom, GDipLP, CA

Mr Watson joined ReNu Energy as Chief Financial Officer and Company Secretary in September 2019 and was appointed as Chief Executive Officer in February 2020. He has a strong background in finance, tax, legal and company secretarial disciplines.

Mr Watson has 17 years' experience with listed and private companies in the resources and energy sectors. Mr Watson previously worked as CFO and Company Secretary at Capricorn Copper and has also held corporate roles at Anglo American, Barrick Gold, Equinox Minerals and Fortescue Metals. Mr Watson commenced his career at KPMG where he worked for 9 years.

Mr Watson is a Chartered Accountant and holds a Bachelor of Laws and Bachelor of Commerce degrees, as well as a Graduate Diploma in Legal Practise.

Corporate structure

ReNu Energy Limited 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, 52 McDougall Street, Level 2, Milton QLD 4064.

The Directors present this financial report on ReNu Energy Limited (the Company) and its subsidiaries (collectively the Group) for the financial year ended 30 June 2023.

Principal activities

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

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial period were:

- Strong progress towards the Group's final investment decision for its flagship Tasmanian green hydrogen projects, including the completion of project definition, technology and supplier selection and basis of design.
- The signing of a definitive Platform Agreement with Australian superannuation fund HESTA for co-investment in the Group's green hydrogen projects.
- Progressing green hydrogen offtake collaborations and partnerships, commencing the process to apply for ARENA funding and State Government briefings.
- Increase in the carrying value of investee company Allegro Energy by $2.85m following Origin Energy acquiring a 5% equity stake.
- Expanding the Group's portfolio with an investment in battery casing technology company Vaulta.

Directors' Report (continued)

Significant changes in the state of affairs (continued)

- The investment of a further $1 million in Enosi for a cumulative 14% interest.
- Completing an oversubscribed capital raising of $4.5m.

There were no other significant changes in the state of affairs of the Company during the financial period.

Operating and Financial Review

The Company realised a loss before tax for the financial period as set out below:

Non-IFRS Measure	2023 $	2022 $
EBITDA – by business segment		
Hydrogen	(1,500,736)	(345,398)
Renewable & clean energy investments	2,917,975	(41,916)
Corporate	(2,124,913)	(2,190,197)
Total Group EBITDA	**(707,674)**	**(2,577,511)**
Equity Accounted Share of Profit/(Loss)	(78,141)	-
Depreciation	(82,518)	(58,979)
Amortisation & impairment	(453,370)	(183,833)
Interest expense	(3,558)	(4,220)
Income tax (expense)/benefit	159,301	-
Loss after tax	**(1,165,960)**	(2,824,543)

The above non-IFRS information has been audited.

Financial Position

The Group has net operating cash outflows for the year of $3,255,285 and as at 30 June 2023 has cash and cash equivalents of $1,308,085. Subsequent to year end, the Group paid the third tranche of $250,000 to acquire a further 5% interest in an associate, Vaulta Holdings Pty Ltd. At the date of this report, the Group had $335,035 in cash and cash equivalents. The Group completed an oversubscribed private placement to sophisticated and institutional investors on 29 November 2022, raising $4,530,000.

Results

The Group's Underlying EBITDA loss of $707,674 (2022: $2,577,511) was less than the corresponding period primarily due to favourable revaluations of the Company's carrying value of investee companies. Operating expenses were higher than the prior period due to increased green hydrogen project development expenditure and higher personnel costs as the Group's flagship Tasmanian green hydrogen projects progress towards final investment decision.

Directors' Report (continued)

Operating and Financial Review (continued)

Operational review

During the year ended 30 June 2023 and in keeping with its purpose to strategically drive the transition to a low carbon future, ReNu Energy's activities centred around progressing its Tasmanian green hydrogen projects and growing its portfolio of interests in renewable energy technologies and projects.

The results for the year have reinforced the Board and management's view of the strong investment case for green hydrogen where the initial focus is on domestic supply and the upside potential of its portfolio of investments. The Group has maintained first mover status in green hydrogen development through progressing an ecosystem in Tasmania that provides statewide coverage. The Tasmanian model provides a showcase for a national rollout.

Key activities during the year included:

Green hydrogen

- Strong progress towards the Group's final investment decision for its Tasmanian green hydrogen projects, including working with the Group's engineers, Wood, to complete project definition, technology selection and basic design.
- Selection of Plug Power as the preferred contractor to supply 5MW Proton Exchange Membrane electrolysers, Fabrum as the preferred contractor to provide Hydrogen Refuelling Stations and Wasco as the construction contractor.
- The signing of a definitive Platform Agreement with Australian superannuation fund HESTA for co-investment in the Group's green hydrogen projects.
- Working with TasGas to tie in project design to enable 100% green hydrogen delivery to industrial customers and blending of green hydrogen into the natural gas distribution network.
- Partnering with 7R Logistics and Walkinshaw Group to decarbonise trucking in Tasmania through green hydrogen offtakes and to provide hydrogen powered trucks.
- Together with Deloitte, progressing ARENA grant funding applications.
- Briefing the Tasmanian Premier Jeremy Rockliff and Energy Minister Guy Barnett on the projects' progress and alignment with the Tasmanian Renewable Hydrogen Action Plan (the Tasmanian Government has ambitious plans for developing a world class green hydrogen sector and is committed to supporting the development of a domestic green hydrogen industry).
- Progressing the Group's international green hydrogen opportunities through signing a MOU with Anantara (a joint venture between ib vogt & Quantum Power) to study green hydrogen supply initially to Indonesia with potential to supply nearby countries in the Southeast Asian region.
- Progressing the Melbourne Hydrogen Hub and Portland opportunities, including evaluating land options, engaging with potential international project partners and assessing the development of a distributed hydrogen production network at these locations.

Directors' Report (continued)

Operating and Financial Review (continued)

Investee companies

- Origin Energy acquiring a 5% equity stake in battery technology company Allegro Energy for $4 million resulting in a revaluation of the carrying value of the Group's 4.86% interest to $3,398,752 which was achieved at a cost of investment of $545,000.
- Increasing the Company's portfolio of investments in Australian renewable and clean energy ingenuity to five through an agreement with battery casing technology company Vaulta for the investment of up to $1 million and an interest of up to 20% ($750,000 invested for a 15% interest at the date of this report).
- The investment of a further $1 million in Enosi for a cumulative 14% interest. Enosi's Powertracer product provides a grid-scale platform for 24/7 clean energy traceability.

Corporate

- Completing an oversubscribed capital raising of $4.5m through the issue of 75 million new ReNu Energy shares at an issue price of $0.06 per share by way of placement to professional and sophisticated investors.
- The appointment of The Hon Peter Gutwein, former Tasmanian Premier and Treasurer, to the Board of Countrywide Hydrogen.
- The appointment of the Chairman to an interim executive role to apply his project delivery expertise to work with CEO and Executive Director to take the Tasmanian green hydrogen projects to final investment decision.

Material business risks

The Group has various risk management policies and procedures in place to enable the identification, assessment and mitigation of business risks that may arise. This section of the Directors' report describes the Group's material business risks. Whilst the Group can mitigate some of the risks described below, many are beyond the control of the Group. For further information on the Group's risk management framework refer to the corporate governance section of the website (https://renuenergy.com.au/why-invest-in-us/governance/).

Offtake and commercialisation

The Group's ability to successfully develop and commercialise its green hydrogen projects may be affected by numerous factors including but not limited to macro-economic conditions, obtaining required approvals, securing renewable power supply and customer offtakes, the rate of transition to fuel cell electric vehicles, delays in commissioning or ramp up, the hydrogen production facility not performing in accordance with expectations and cost overruns.

If the Group is unable to mitigate these factors this could result in delays in the development of the projects or the Group not realising the development plans for the projects, which would have a material adverse effect on the Group's business, financial performance and prospects.

Future capital requirements

The development of the Group's green hydrogen projects will require substantial expenditure. No decision has been made in relation to the Group's contribution to funding the development of the hydrogen projects. Subject to making a final investment decision with respect to the development of the hydrogen projects, the Group will require additional funding to procure equipment and undertake construction activities.

Directors' Report (continued)

Review and results of operations (continued)

Although the Group believes that additional funding can be obtained, no assurances can be given that the Group will be able to raise this additional funding, which may be a combination of co-investment, Government grants, debt and equity financing. To meet such funding requirements, the Group may be required to undertake additional equity financing, which would be potentially dilutive to shareholders depending on their participation in any previous equity raising. Debt financing, if available, may involve certain restrictions on operating activities.

The Group's ability to achieve co-investment, Government grants or debt funding, and raise further equity, and the terms of such transactions will vary according to a number of factors, including the results achieved by the Group, Government policies, stock market conditions, the overall risk appetite of investors along with access to credit markets and other funding sources.

An inability to obtain the required additional finance as and when required would delay progress on the development of the projects, which would have a material adverse effect on the Group's business, financial performance and prospects.

Loss of key personnel

The Group relies heavily on the abilities of key employees and management. The Group's performance is reliant on its ability to both retain and attract skilled individuals and to appropriately incentivise them. Although the Group expects to be able to attract and retain skilled and experienced personnel, there can be no assurance that it will be able to do so. The Group intends to mitigate these risks by entering into service contracts with any new employees and, where appropriate, utilise existing and established incentive plans to maintain employees' loyalty to the Group.

Reliance on third party providers

There is a risk that goods and services that are required for the Group's hydrogen projects development are difficult to procure or will not be delivered on time or to the necessary quality or expected cost which may affect the operation of the projects. The Group does not have in place formal written contracts with all of its key suppliers. The deterioration of any such key relationships or a change in the circumstances or requirements of the key suppliers, or market conditions generally, could therefore have significant operational and financial implications for the Group. Moreover, a failure by any one of those suppliers to perform their services, or a disruption to the supply chain, may have an adverse effect on the operations of the Group and its financial performance.

Changes in energy policy

The Australian renewable hydrogen energy market is currently in its infancy stage of development. Due to the current low cost of producing electricity via traditional means, the commercialisation of green hydrogen projects currently relies, and is dependent upon, obtaining Government subsidies and grants sufficient to achieve a competitive cost per kilogram of renewable energy produced. Whilst the current environment is positive, the Government policies for Australia's renewable energy industry are uncertain and subject to change. This may reduce new investment in the green hydrogen industry in Australia which could reduce the number of available new business prospects for the Group.

Business performance may be impacted by changes in the design and rules of the existing energy market and the uncertainty that arises from debate in relation to the energy market's future design and rules. These changes may result from orderly rules change processes or in response to political imperatives of the government or agencies of government from time to time.

Directors’ Report (continued)

Review and results of operations (continued)

Construction

There is a risk that the hydrogen projects may not proceed as planned. This could be the result of matters within or outside the Group’s control. Examples may include weather events, natural disasters, contractor risk, regulatory intervention or failure to obtain or retain suitably qualified expertise. The occurrence of any such event could result in the projects costing more or not proceeding as planned, including delays in completion and/or commissioning or failure to perform to technical specifications.

Any delays in or failure of construction or increases in costs may adversely affect the yield of the investment and consequently impact the Group's operating and financial performance.

Emerging nature of the green hydrogen industry

The prospects of the Group must be considered in the light of the emerging nature of its business and the risks, expenses and difficulties frequently encountered by companies in the early stages of project development. If the Group’s business model does not prove to be profitable, investors may lose their investment.

Investee companies

There is a risk that one or more of the Group’s investee companies will not succeed in scaling their renewable energy technologies and projects to a stage that will generate positive returns for the Group, and that may lead to a write-down in the carrying value of one or more investments.

Climate change risk

Climate-related factors that may affect the operations and proposed activities of the Group include:

- The emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Group may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage.
- Climate change may cause certain physical and environmental risks that cannot be predicted by the Group, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns.

Likely developments and expected results

The Board and management believe that the Group is well positioned to:

- Advance the Tasmanian green hydrogen projects to a final investment decision in 2023 and progress the Group’s other green hydrogen projects.
- Support and progress the Group’s other renewable and clean energy investments and to assess opportunities for additional renewable & clean energy investment opportunities where the Group’s investment criteria is met.

The Board and management believe the Group's outlook is strong through:

- First mover access to a green hydrogen ecosystem with the Tasmanian locations providing statewide coverage and targeting first production mid-2025.
- The Tasmanian model providing a showcase for a national rollout.
- The Group’s domestic supply focus and ability to scale size providing a strong economic model with a target hydrogen price for road transport that competes favourably with diesel and yields zero emissions.

Directors' Report (continued)

- Investment returns through incubating and accelerating the Group's portfolio of investments in renewable and clean energy technologies and projects.

Dividend

No dividends were declared or paid during the year ended 30 June 2023.

The Directors do not propose to recommend the payment of a dividend in respect of the period ended 30 June 2023.

Directors' interests in the Shares and Options of the Company

As at the date of this report, the interests of the Directors in the shares of ReNu Energy Limited were:

Director	Fully paid Ordinary Shares	Loan Plan Shares	Listed Options over ordinary shares
Boyd White	1,433,333	9,000,000	333,333
Tony Louka	318,421	6,000,000	-
Tim Scholefield	901,931	6,000,000	-
Geoffrey Drucker	34,627,291	8,000,000	83,333
Susan Oliver	-	6,000,000	-

Significant events after the reporting date

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Environmental regulations and performance

As a renewable and clean energy developer and investor, environmental sustainability is at the heart of every activity ReNu Energy undertakes.

The Group is required to carry out its activities in accordance with relevant laws and regulations. The Group is committed to minimising the impact of its activities on the natural landscape, waterways, flora and fauna in a manner consistent with environmental best practice standards.

Indemnification and insurance of Directors and officers

During the financial year, the Company paid premiums in respect of contracts insuring Directors, Secretaries, and executive officers of the Group and related entities against liabilities incurred as Director, Secretary or executive officer to the extent permitted by the Corporations Act 2001, subject to the terms, conditions, limitations and exclusions of the policy. Under the terms of the policy, the Group is precluded from disclosing details of premiums paid.

The Company has entered into deeds of indemnity, insurance and access with each person who is, or has been, a Director of the Company. To the extent permitted by law and subject to the restrictions in s199A of the Corporations Act 2001, the Company must continually indemnify each Director against liability (including liability for costs and expenses) for an act or omission in the capacity as Director, subject to certain exclusions. No payment has been made to indemnify a Director during or since the end of the financial year.

Directors' Report (continued)

Indemnification of auditors

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an auditor of the Company or of any related body corporate against a liability incurred as such an auditor.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1 (unless otherwise stated).

Share Options

Under the terms of the 23 November 2022 capital raising of $4.55 million by way of a placement to professional and sophisticated investors at $0.060 per share, subscribers were entitled to receive 1 attaching option for every share subscribed for, with a strike price of $0.07 and an expiry date of 31 December 2023. 12,583,348 options (Options) were issued on 29 November 2022 and granted quotation on the ASX on 30 November 2022. Shareholder approval was obtained at an extraordinary general meeting held on 31 January 2023 for the grant of options that exceeded the Company's placement capacity and to Directors and associates that participated in the placement. These remaining 63,333,318 options were issued on 1 February 2023 and granted quotation on the ASX on 3 February 2023 respectively.

Shareholder approval was obtained at an extraordinary general meeting held on 31 January 2023 for the grant of 12,500,000 options with an exercise price of $0.07 per share expiring on 31 December 2023 to the lead manager and broker of the capital raising (**Broker Options**). The Broker Options were issued on 1 February 2023 and granted quotation on the ASX on 3 February 2023.

No share options holder has any right under the options to participate in any other share issue of the company or any other entity. 19,455 shares were issued on 2 December 2022 upon the exercise of 19,455 listed options ($0.07 each) raising $1,361.

Directors' meetings

During the period, there were 12 Directors' meetings held. The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company during the financial period are as follows:

	Directors' meetings		Risk & Audit Committee meetings		Remuneration & Nominations Committee meetings	
	A	**H**	**A**	**H**	**A**	**H**
Boyd White	5	5	-	-	2	2
Tony Louka	5	5	5	5	2	2
Tim Scholefield	5	5	5	5	-	-
Geoffrey Drucker	5	5	-	-	2	2
Susan Oliver	4	5	5	5	-	-

A – Number of meetings attended

H – Number of meetings held whilst in office / a Committee member

Directors' Report (continued)

Committee memberships as at 30 June 2023 was:

Risk & Audit Committee – Membership comprises three Non-executive Directors: Tim Scholefield (Chair), Tony Louka and Susan Oliver.

Remuneration & Nominations Committee – Membership comprises one Non-executive Director: Tony Louka (Chair); and two Executive Directors: Geoffrey Drucker and Boyd White.

On 29 August 2023, Susan Oliver joined the Remuneration & Nominations Committee and Geoffrey Drucker stepped down. This occurred to ensure a majority of the members of the Committee are independent directors following Boyd White's appointment to an interim executive role on 15 May 2023.

Auditor independence

In accordance with section 307C of the Corporations Act 2001, the Directors received a declaration of independence from the auditor of ReNu Energy Limited which is listed immediately after this report and forms part of this Directors' Report and can be found on page 29.

Non-audit services

The Company may decide to employ the auditor on assignments in addition to their statutory audit duties, where the auditor's expertise and experience with the Company and/or the Group are important.

Details of amounts paid or payable to the auditor (BDO Audit Pty Ltd) for audit and non-audit services provided during the year are set out in note 14 to the Financial Statements. During the year there were nil (2022: $90,000) fees paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Board of Directors, in accordance with advice provided by the Risk and Audit Management Committee, are satisfied that the provision of non-audit services by the auditor, as set out in note 14 to the Financial Statements, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Risk and Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*.

Proceedings on behalf of the Company

As far as the Directors are aware, no proceedings have been brought or intervened in on behalf of the Company with the leave of the Court, nor has any application for leave been made in respect of the Company, under section 237 of the Corporations Act 2001.

Corporate governance

The Directors recognise the need for the highest standards of corporate behaviour and accountability and therefore support and have adhered to the principles of Corporate Governance. The Company's Corporate Governance Statement is available on the Company's website: http://renuenergy.com.au/about-us/governance/

Directors' Report (continued)

Remuneration Report (Audited)

This Remuneration Report for the year ended 30 June 2023 outlines the remuneration arrangements in place for Directors and Executives of ReNu Energy Limited in accordance with the requirements of the *Corporations Act 2001* and its Regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
   A. Remuneration principles and strategy
   B. Approach to setting remuneration
   C. Details of Incentive Plans
4. Executive remuneration outcomes for FY23 (including link to performance)
5. Summary of executive contractual arrangements
6. Non-executive Director remuneration
7. Share based compensation
8. Other statutory disclosures

Directors' Report (continued)

Remuneration Report (Audited)

1. Introduction

The Remuneration Report details the remuneration arrangements for Key Management Personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company directly or indirectly including any Director.

For the purposes of this report, the term 'executive' encompasses the Chief Executive Officer and the executive management team of the Company. The KMP covered in this report are set out in the table below.

Non-executive Directors (NEDs)	
Boyd White (ceased 15 May 2023)	Chairman
Tony Louka	Director
Tim Scholefield	Director
Susan Oliver	Director
Executive Directors	
Boyd White (commenced 15 May 2023)	Executive Chairman
Geoffrey Drucker	Executive Director
Other KMP	
Greg Watson	Chief Executive Officer & Company Secretary
KMP who ceased in prior year	
Nil	

2. Remuneration governance

Remuneration and Nominations Committee

The Remuneration and Nominations Committee has the primary objective of assisting the Board in developing and assessing the remuneration policy and practices of the Directors, Chief Executive Officer (CEO) and senior executives.

Specifically, the Board approves the remuneration arrangements of the CEO, the aggregate annual fixed remuneration salary review, short-term incentives and the methodology for awards made under long-term incentive plans following recommendations from the Remuneration & Nominations Committee. The Board also sets the aggregate remuneration of Non-executive Directors, which is then subject to shareholder approval, and individual Directors' fees.

Committee assessments incorporate the development of remuneration policies and practices which will enable the Group to attract and retain executives who will create value for shareholders. Executives will be fairly and responsibly rewarded having regard to the performance of the Group, the performance of the executive and the general market environment.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

The Remuneration & Nominations Committee meets as required throughout the year. The CEO attends Remuneration & Nominations Committee meetings by invitation, where management input is required. The CEO is not present during any discussions related to his own remuneration arrangements.

Further information on the Remuneration & Nomination Committee's role, responsibilities and membership can be found on the Company's web site at www.renuenergy.com.au

Use of remuneration consultants

During the year Talesca Pty Ltd was engaged to provide Non-executive Director and Executive remuneration benchmarking data. The remuneration data provided was used as an input to the remuneration decisions by the Board only. The Board considered the data provided, together with other factors, in setting Executive's remuneration. No remuneration recommendations, as defined by the *Corporations Act 2001*, were provided by remuneration consultants.

3. Executive remuneration arrangements

3A. Remuneration principles and strategy

ReNu Energy's executive remuneration strategy is designed to attract, motivate and retain highly skilled executives and align the interests of executives and shareholders.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive salaries to attract high calibre executives.
- Link executive performance rewards to medium and longer-term shareholder value creation through Key Performance Indicator (KPI) linked short term incentives.
- Establish appropriate share price performance hurdles under long-term incentive plans to align executive reward with shareholder value creation, the achievement of which will depend on the Group achieving key corporate milestones that are integral to the Group's successful completion of its business plan.

The Group aims to reward its executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group to:

- Reward executives for Group, business division and individual performance against targets set by reference to appropriate benchmarks.
- Link reward with the strategic goals and performance of the Group.
- Ensure total remuneration is competitive by market standards.

3B. Approach to setting remuneration

The key executives' emoluments are structured to retain and motivate executives by offering a competitive base salary, a short-term annual cash or share based performance related component together with longer term performance incentives through the ReNu Energy Limited Loan Share Plan which aligns executives' interests with those of shareholders.

For the year ended 30 June 2023, remuneration consisted of the following key elements:

- Fixed remuneration – base salary and superannuation; and

Remuneration Report (Audited) (continued)

- Variable remuneration under the Company's Loan Share Plan, payable in Shares subject to the Company's share price achieving specified hurdles.

The level of fixed remuneration is set to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration of the Chief Executive Officer is reviewed annually by the Remuneration and Nominations Committee and approved by the Board. Factors considered include the Group and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice. The Remuneration and Nominations Committee has access to external advice independent of management.

Senior executives receive their fixed (primary) remuneration in cash. The fixed remuneration component of senior executives who are key management personnel is detailed in Table 1 of this report.

3C. Details of Incentive Plans

Short term incentives

The Company uses short term incentives to:

- Reward employees for their contribution in ensuring that ReNu Energy achieves corporate key deliverables.
- Encourage teamwork.
- Enhance ReNu Energy attracting and retaining high calibre and high performing employees.
- Link remuneration directly to the achievement of key organisational objectives.

During the 2023 financial year no share-based payments were awarded to staff or executives. No Key Management Personnel were awarded any cash incentives for the financial year.

Specific personal and corporate KPIs are set annually, and the award of short-term incentives will be determined in relation to achievement of the relevant KPI.

Loan Share Plan

At the 2017 AGM, shareholders approved a Loan Share Plan (LSP) to retain, motivate and attract executives and Directors and to better align the interests of employees and Directors with those of the Group and its shareholders by providing an opportunity for employees and Directors to acquire shares subject to the terms and conditions of the LSP (Plan Shares).

The Plan Shares are issued or transferred to the participants in the LSP at market value, subject to shareholder approval in the case of Plan Shares issued to Directors and determined by the Board in its absolute discretion for executives who are not Directors. The Group may provide a limited recourse loan to participants to assist them to purchase Plan Shares (Loan).

The Plan Shares will vest on the satisfaction of any applicable performance condition, service requirement or other conditions specified at the time of issue.

During the 2023 financial year, no Plan Shares were issued or vested under the Loan Share Plan.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

Hedging of shares and options risk

Currently no Director or officer uses hedging instruments to limit their exposure to risk on either shares or options in the Company. The Company's policy is that the use of such hedging instruments is prohibited

4. Executive remuneration outcomes for FY23

Company performance and its link to the Company's remuneration principles and strategy

The 2023 financial year saw the Group progress its flagship Tasmanian green hydrogen projects towards final investment decision and grow its portfolio of investments in renewable and clean energy technologies. The Board set specific measurable short-term targets for KMP for the 2023 financial year. Whilst a number of the targets were met, no share based or cash incentives were awarded to KMP for the 2023 financial year.

It is intended that corporate and individual KPIs will again be set for the 2024 financial year, such that executives are rewarded for the achievement of milestones that are both measurable and outcomes based. These milestones will be set by the Board as they represent key drivers for creating short term shareholder value.

The Company's Loan Share Plan has vesting conditions that are designed to align the interests of the executives and shareholders through the delivery of substantial increased shareholder value, through the Company's share price.

The remuneration of senior executives who were KMP during the year ended 30 June 2023 is set out below:

Table 1 – Remuneration of senior executives of the Group for the year ended 30 June 2023

	Short-term*		Post employment*	Share-based payments**			
Name	Salary $	Consulting Fees $	Superannuation $	Loan Share Plan Shares $	Bonus Shares $	Total $	Performance related %
G.Watson	350,000	-	36,750	77,292	-	464,042	-
G. Drucker	260,000	-	27,300	61,834	-	349,134	-
B. White[1]	8,125	39,000	-	-	-	47,125	-
Totals	**618,125**	**39,000**	**64,050**	**139,126**	**-**	**860,301**	**-**

* Fixed remuneration ** Variable remuneration

1 Mr White became Executive Chairman on 15 May 2023. Effective from this date he is engaged through an associated company, White Lotus Solutions Pty Ltd (trading as New Energy Capital). The above table contains his remuneration for the period 15 May 2023 to 30 June 2023.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

Table 2 – Remuneration of senior executives of the Group for the year ended 30 June 2022

	Short-term*	Post employment*	Share-based payments**			
Name	Salary $	Superannuation $	Loan Share Plan Shares $	Bonus Shares $	Total $	Performance related %
G Watson	328,538	32,854	31,552	54,675	**447,619**	12%
T Scholefield[1]	125,223	-	18,931	54,675	**198,829**	20%
G Drucker[2]	100,000	10,000	25,242	-	**135,242**	-
Totals	**553,761**	**42,854**	**75,725**	**109,350**	**781,690**	**-**

* Fixed remuneration ** Variable remuneration

1. T Scholefield is engaged through an associated company Pacific Energy Partners Pty Ltd. Mr Scholefield became a non-Executive director on 1 January 2022. The above table contains his remuneration (including consulting fees) for the period 1 July 2021 to 31 December 2021. A portion of Mr Scholefield remuneration is recoverable by the Group under agreements with third parties.

2 Geoffrey Drucker was appointed as Executive Director on 8 February 2022.

5. Summary of executive contractual arrangements

Remuneration arrangements for KMP are formalised in employment agreements. Details of these contractual agreements are provided below.

Chief Executive Officer and Company Secretary – Greg Watson

Mr Watson was appointed as Chief Financial Officer and Company Secretary on 9 September 2019 under an Employment Agreement dated 9 September 2019. Mr Watson was appointed Chief Executive Officer on 26 February 2020.

Mr Watson entered into a variation to Employment Agreement commencing 1 January 2022. The key terms of Mr Watson's employment are as follows:

- Base remuneration of $350,000 per annum plus superannuation.
- Discretionary short-term incentive up to a maximum of 30% of the base remuneration, to be awarded based on achievement of KPIs to be specified by the Board.
- Long-term incentive (Loan Share Plan Shares) – Mr Watson was granted three equal tranches of shares, totalling 10,000,000 shares, pursuant to the Loan Share Plan (Plan Shares), following approval by shareholders at the extraordinary general meeting held on 1 February 2022. Each tranche vests if, within 10 years of issue, the Company's share price achieves a 15-trading day volume weighted average price in excess of $0.15, $0.25 and $0.35 for each of the three tranches respectively. Unvested shares vest upon a change of control of the Company. The shares were issued at an Issue Price of $0.09 and Mr Watson was provided with an interest-free, non-recourse loan for the value of the shares.
- Termination provisions as set out below:

Directors' Report (continued)

Remuneration Report (Audited) (continued)

	Notice period	Payment in lieu of notice	Treatment of STI on termination	Treatment of LTI on termination
Resignation	3 months	3 months	Unvested awards forfeited	Unvested awards forfeited
Failure by Company to pay remuneration or benefits	None	None	Unvested awards forfeited	Unvested awards forfeited
Change of strategic direction, material diminution of the officer's duties or substantial change in location	1 month	6 months	Unvested awards forfeited	Where a change in control occurs, the Board may determine that Loan Share Plan Shares vest on terms and conditions determined by the Board
Termination for cause	14 days	None	Unvested awards forfeited	Unvested awards forfeited
Termination without cause	6 months	6 months	Unvested awards forfeited	Unvested awards forfeited

Executive Director – Geoffrey Drucker

Mr Drucker was appointed Executive Director – Hydrogen, on completion of the Company's acquisition of Countrywide Hydrogen Pty Ltd on 8 February 2022. Mr Drucker entered into a variation to Employment Agreement effective 1 March 2023. The key terms of Mr Drucker's employment are as follows:

- Base remuneration of $300,000 per annum plus superannuation.
- Conditional remuneration of $60,000 plus superannuation in the event of meeting defined hydrogen project development milestones.
- Discretionary short-term incentive up to a maximum of 30% of the aggregate of the base and conditional remuneration, to be awarded based on achievement of KPIs to be specified by the Board;
- Long term incentive (Loan Share Plan Shares) – Mr Drucker was granted three equal tranches of shares, totalling 8,000,000 shares, pursuant to the Loan Share Plan (Plan Shares), following approval by shareholders at the extraordinary general meeting held on 1 February 2022. Each tranche vests if, within 10 years of issue, the Company's share price achieves a 15-trading day volume weighted average price in excess of $0.15, $0.25 and $0.35 for each of the three tranches respectively. Unvested shares vest upon a change of control of the Company. The shares were issued at an Issue Price of $0.09 and Mr Drucker was provided with an interest-free, non-recourse loan for the value of the shares;
- Termination provisions as set out below:

Directors' Report (continued)

Remuneration Report (Audited) (continued)

	Notice period	Payment in lieu of notice	Treatment of STI on termination	Treatment of LTI on termination
Resignation	3 months	3 months	Unvested awards forfeited	Unvested awards forfeited
Failure by Company to pay remuneration or benefits	None	None	Unvested awards forfeited	Unvested awards forfeited
Change of control	1 month	1 month	Unvested awards forfeited	The Board may determine that Loan Share Plan Shares vest on terms and conditions determined by the Board
Termination for cause	14 days	None	Unvested awards forfeited	Unvested awards forfeited
Termination without cause	6 months	6 months	Unvested awards forfeited	Unvested awards forfeited

Executive Chairman – Boyd White

On 15 May 2023 following a strategic review of the Group's business needs, Mr White assumed the role of Executive Chairman on an interim basis. In this capacity Mr White is working closely with the executive team, including CEO Greg Watson and Executive Director, Geoffrey Drucker, to help drive strategy and assist with taking ReNu Energy's green hydrogen projects in Tasmania to final investment decision.

Mr White is engaged through an associated company, White Lotus Solutions Pty Ltd (trading as New Energy Capital). Mr White's executive contract provides for an hourly rate of $250 (plus GST) to be capped at $2,000 (plus GST) for a full day worked for his consulting services. Mr White's executive contract has no fixed period. Each party may terminate by giving 4 weeks' notice. The engagement can be terminated immediately if Mr White engages in misconduct, ceases to be a director in accordance with ReNu Energy's constitution, or is removed as a director in accordance with Part 2D.3 of the *Corporations Act 2001* (Cth). The executive contract also contains provisions relating to the protection of intellectual property and confidential information, that are customarily found in executive agreements of similar nature. In addition, Mr White is paid $65,000 per annum for his Chairman services.

6. Non-executive Director remuneration arrangements

Remuneration Policy

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned among Directors is reviewed annually. The Board may consider advice from external consultants as well as the fees paid to Non-executive Directors of comparable companies when undertaking the annual review process. The amounts are set at a level that compensates the Directors for their significant time commitment in overseeing the progression of the Company's business plan.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

The Constitution of ReNu Energy and the ASX Listing Rules specify that the aggregate remuneration of Non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 28 November 2007 when shareholders approved a maximum aggregate remuneration of $700,000 per year.

Structure

Each Non-executive Director receives a fee for being a Director of the Company. The current fee structure is to pay Non-executive Directors a gross annual remuneration of $50,000 per annum with the Chairman paid $65,000 per annum. There are no additional fees paid for committee memberships. There are no retirement benefits offered to Non-executive Directors.

The remuneration of Non-executive Directors for the year ended 30 June 2023 is detailed in Table 3 of this report and the remuneration for the comparative year ended 30 June 2022 is detailed in Table 4.

Table 3 – Non-executive Directors' Remuneration for the year ended 30 June 2023

	Short-term*		Post employment*	Share-based payments**		
	Directors' fees	Consulting Fees	Superannuation	Loan Share Plan Shares	Bonus Shares	Total
Director	$	$	$	$	$	$
B. White[1]	51,471	-	5,404	69,563	-	**126,438**
T. Louka[2]	50,004	-	-	46,375	-	**96,379**
T. Scholefield[3]	49,416	107,923	4,751	46,375	-	**156,715**
S. Oliver	45,249	-	4,751	46,375	-	**96,375**
Totals	**196,140**	**107,923**	**14,906**	**208,688**	**-**	**527,657**

1. Mr B. White was a Non-executive Director (Chairman) until 14 May 2023 The above table includes fees paid for the period 1 July 2022 to 14 May 2023.
2. Mr .T Louka is engaged through an associated company, Maxify Pty Ltd, to provide director services to the Company.
3. The Group engages Pacific Energy Partners Pty Ltd to provide consulting services. Mr T. Scholefield is one of two Directors and Principals of Pacific Energy Partners. The consultancy fees in the table comprise fees paid by the Group to Pacific Energy Partners Pty Ltd.

Table 4 – Non-executive Directors' Remuneration for the year ended 30 June 2022

	Short-term*		Post employment*	Share-based payments**		
	Directors' fees	Consulting Fees	Superannuation	Loan Share Plan Shares	Bonus Shares	Total
Director	$	$	$	$	$	$
B. White[1]	59,091	-	5,909	28,397	20,250	**113,647**
T. Louka[2]	50,004	-	-	18,931	16,200	**85,135**
T. Scholefield[3]	25,000	41,158	-	-	-	**66,158**
S. Oliver[4]	18,940	-	1,894	18,931	-	**39,765**
Totals	**153,035**	**41,158**	**7,803**	**66,259**	**36,450**	**304,705**

1. Mr B. White was Chairman for the whole period.
2. Mr T Louka is engaged through an associated company, Maxify Pty Ltd, to provide director services to the Company.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

3. Mr T. Scholefield is engaged through an associated company, Pacific Energy Partners Pty Ltd, to provide director services to the Company. Mr Scholefield was an Executive Director until 31 December 2021. The above table reflects the non-executive director fees and consulting fees (for services that are in addition to Non-executive Director responsibilities) for the period 1 January 2022 to 30 June 2022. Mr Scholefield's share-based payments are captured in Table 2. A portion of the consulting fees was recoverable by the Group under agreements with third parties.

4. Ms S. Oliver was appointed on 8 February 2022.

7. Share based compensation

Loan Share Plan Shares

On 8 February 2022, the Company issued 45,000,000 ordinary shares (Plan Shares) to Directors and executives of the Company pursuant to the Loan Share Plan approved by shareholders at an extraordinary general meeting held on 1 February 2022.

The Plan Shares are subject to the achievement of certain share price targets for ReNu Energy's shares (Target Price) as follows:

Vesting Condition	**Boyd White**	**Tony Louka**	**Tim Scholefield**	**Susan Oliver**	**Geoffrey Drucker**	**Greg Watson**	
Share Target Price*	**Number of Plan Shares**	**Number of Plan Shares**	**Number of Plan Shares**	**Number of Plan Shares**	**Number of Plan Shares**	**Number of Plan Shares**	**Total Plan Shares**
$0.15	3,000,000	2,000,000	2,000,000	2,000,000	2,666,667	3,333,333	15,000,000
$0.25	3,000,000	2,000,000	2,000,000	2,000,000	2,666,667	3,333,333	15,000,000
$0.35	3,000,000	2,000,000	2,000,000	2,000,000	2,666,666	3,333,334	15,000,000
Total Plan Shares	9,000,000	6,000,000	6,000,000	6,000,000	8,000,000	10,000,000	45,000,000

* The Target Price vesting condition will be satisfied where the Volume Weighted Average Price of the Company's shares over any 15 day trading period is at least the Target Price.

The Board may determine that Plan Shares vest if there is a change of control event.

Each recipient has been provided with a 10-year, limited recourse, interest-free loan to fund the acquisition of the Plan Shares. The loan amount is calculated as $0.09 per Plan Share multiplied by the number of Plan Shares and is repayable in certain circumstances, including when employment with the Company ceases. The Company's recourse against the employee is limited to the loan amount if the Plan Shares have vested, or otherwise the transfer back to the Company of the Plan Shares to which the loan relates.

As the Company has no right to receive cash settlement for the loan (the directors and executive can elect to forfeit the shares), no loan receivable has been recognised by the Company. The effect of the contractual arrangements is equivalent to an option exercisable at the time of loan repayment at an exercise price of $0.09 per share. As a result, the grant of Plan Shares has been valued using an option pricing model and the fair value recognised in profit or loss over the expected vesting period.

No shares were issued under the Loan Share Plan during the financial year ended 30 June 2023.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

The movements of Plan Shares, held directly, indirectly, or beneficially by each key management personnel member, including their related parties during the financial year ended 30 June 2023 is set out in Table 5 below. No Plan Shares have vested at the end of the reporting period.

Table 5 – Loan shares affecting remuneration of directors and other KMP this financial year or future financial years

Executive	Balance at beginning of period (shares)	Shares granted during the reporting period (shares)	Fair value of shares granted at grant date ($)	Grant date	Expiry date	Shares lapsed during the reporting period (shares)	Balance as at the end of the reporting period (shares)
B. White	3,000,000	-	0.061	1/02/2022	1/02/2032	-	3,000,000
	3,000,000	-	0.056	1/02/2022	1/02/2032	-	3,000,000
	3,000,000	-	0.050	1/02/2022	1/02/2032	-	3,000,000
	9,000,000						**9,000,000**
T. Louka	2,000,000	-	0.061	1/02/2022	1/02/2032	-	2,000,000
	2,000,000	-	0.056	1/02/2022	1/02/2032	-	2,000,000
	2,000,000	-	0.050	1/02/2022	1/02/2032	-	2,000,000
	6,000,000						**6,000,000**
T Scholefield	2,000,000	-	0.061	1/02/2022	1/02/2032	-	2,000,000
	2,000,000	-	0.056	1/02/2022	1/02/2032	-	2,000,000
	2,000,000	-	0.050	1/02/2022	1/02/2032	-	2,000,000
	6,000,000						**6,000,000**
S. Oliver	2,000,000	-	0.061	1/02/2022	1/02/2032	-	2,000,000
	2,000,000	-	0.056	1/02/2022	1/02/2032	-	2,000,000
	2,000,000	-	0.050	1/02/2022	1/02/2032	-	2,000,000
	6,000,000						**6,000,000**
G Drucker	2,666,667	-	0.061	1/02/2022	1/02/2032	-	2,666,667
	2,666,667	-	0.056	1/02/2022	1/02/2032	-	2,666,667
	2,666,666	-	0.050	1/02/2022	1/02/2032	-	2,666,666
	8,000,000						**8,000,000**
G. Watson	3,333,333	-	0.061	1/02/2022	1/02/2032	-	3,333,333
	3,333,333	-	0.056	1/02/2022	1/02/2032	-	3,333,333
	3,333,334	-	0.050	1/02/2022	1/02/2032	-	3,333,334
	10,000,000						**10,000,000**
Total	**45,000,000**	**-**					**45,000,000**

Directors' Report (continued)

Remuneration Report (Audited) (continued)

8. Other statutory disclosures

Related party transactions with Directors

The Group engaged Pacific Energy Partners Pty Ltd and White Lotus Solutions Pty Ltd (trading as New Energy Capital) to provide consulting services.

Tim Scholefield is a Director and Principal of Pacific Energy Partners Pty Ltd. Consulting and Non-Executive Director fees of $112,089 were paid to Pacific Energy Partners during the year (2022: 166,381). The material terms of the engagement of Pacific Energy Partners are disclosed in section 4 of the Remuneration Report.

The key resource from White Lotus Solutions Pty Ltd is Boyd White. Consulting and Executive Director fees of $47,125 were paid during the year (2022: $0). The material terms of the engagement of White Lotus Solutions are disclosed in section 4 of the Remuneration Report.

At 30 June 2023 $22,345 was owing to Pacific Energy Partners Pty Ltd and $21,500 to White Lotus Solutions Pty Ltd in relation to June 2023 consulting fees.

Geoffrey Drucker's spouse, Ms Ingeborg Drucker, is employed as Group Communications Director of ReNu Energy Limited. Gross wages and salaries (including superannuation) of $215,475 were paid to Ms Drucker during the year (2022: $87,083).

Shareholdings of Key Management Personnel

The movements of the Company's ordinary shares, held directly, indirectly or beneficially by each Key Management Personnel member, including their related parties during the financial year ended 30 June 2023 are set out in Table 6 below.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

Table 6 - Shareholdings of Key Management Personnel

	Balance at Beginning of Period 1/07/2022	Acquired Under private placement[1]	On-market purchase/ (disposal) of shares	Shares released from escrow[2]	Balance at End of Period 30/06/2023
Directors					
B. White					
- Unrestricted	1,083,333	250,000	100,000	-	**1,433,333**
- Unvested[3]	9,000,000	-	-	-	**9,000,000**
T. Louka					
- Unrestricted	318,500	-	-	-	**318,500**
- Unvested[3]	6,000,000	-	-	-	**6,000,000**
T. Scholefield					
- Unrestricted	901,931	-	-	-	**901,931**
- Unvested[3]	6,000,000	-	-	-	**6,000,000**
G. Drucker					
- Unrestricted	-	166,666	-	17,271,978	**17,438,644**
- Unvested[2,3]	77,087,916	-	-	(17,271,978)	**59,815,938**
S. Oliver					
- Unrestricted	-	-	-	-	**-**
- Unvested[3]	6,000,000	-	-	-	**6,000,000**
Executives					
G. Watson					
- Unrestricted	1,043,333	500,000	(928,785)	-	**614,548**
- Unvested[3]	10,000,000	-	-	-	**10,000,000**
Total	**117,435,013**	**916,666**	**(828,785)**	**-**	**117,522,894**

1. Shares taken up under the Private Placement announced on 23 November 2022.
2. Shares issued to Mr Drucker and his spouse on the acquisition of Countrywide Hydrogen Pty Ltd subject to escrow commencing 8 February 2022: 100% for 12 months, 75% for 18 months and 50% for 24 months. 25% of the shares were released from Escrow on 1 February 2023 and a further 25% on 1 August 2023.
3. Ordinary Shares issued under the Loan Share Plan are subject to vesting conditions – refer to section 6 of the Remuneration Report for further details.

End of Remuneration Report (Audited)

Directors' Report (continued)

Signed in accordance with a resolution of the Directors.

Boyd White
Chairman
Brisbane
18 September 2023

BDO

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

As lead auditor of ReNu Energy Limited for the year ended 30 June 2023, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

A J Whyte
Director

BDO Audit Pty Ltd

Brisbane, 18 September 2023

: Consolidated statement of profit or loss and other comprehensive income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023	Note	2023 $	2022 $
Interest income		47,158	55,362
Other income	3A	2,973,235	87,540
Total income		**3,020,393**	**142,902**
Personnel expenses	3B	(2,040,170)	(1,479,584)
Other operating expenses	3C	(1,213,828)	(652,177)
General & administrative expenses	3D	(1,009,957)	(831,464)
Finance costs		(3,558)	(4,220)
Total expenses		**(4,267,513)**	**(2,967,445)**
Equity Accounted Share of Profit/(Loss)	8	(78,141)	
Loss before income tax expense		**(1,325,261)**	**(2,824,543)**
Income tax (expense) / benefit	4	159,301	-
Loss after income tax expense		**(1,165,960)**	**(2,824,543)**
Other comprehensive income for the period		-	-
Total comprehensive loss for the period attributable to the owners of the parent		**(1,165,960)**	**(2,824,543)**
Earnings Per Share attributable to the owners of the parent			
Basic and Diluted Loss per share from continuing operations (cents per share)	13	(0.29)	(1.03)
Basic and Diluted Loss per share (cents per share)	13	(0.29)	(1.03)

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 30 JUNE 2023	Note	2023 $	2022 $
Current assets			
Cash and cash equivalents	18(A)	1,308,085	2,016,762
Trade and other receivables	5	242,669	270,454
Prepayments		146,200	157,554
Total current assets		**1,696,954**	**2,444,770**
Non-current assets			
Property, plant and equipment		68,470	30,700
Investments at fair value through profit or loss	7	5,338,752	1,300,000
Equity accounted investments	8	421,859	-
Intangibles	6	10,374,162	10,827,532
Total non-current assets		**16,203,243**	**12,158,232**
Total assets		**17,900,197**	**14,603,002**
Current Liabilities			
Trade and other payables	9	296,122	260,545
Borrowings	10	64,622	19,290
Employee provisions		25,555	62,517
Total current liabilities		**386,299**	**342,352**
Non-current liabilities			
Deferred tax	4	407,413	566,714
Employee provisions		20,100	7,306
Total non-current liabilities		**427,513**	**574,020**
Total liabilities		**813,812**	**916,372**
Net assets		**17,086,385**	**13,686,630**
Equity			
Issued capital	11	375,331,156	371,529,007
Other reserves	12	1,483,736	720,170
Accumulated losses		(359,728,507)	(358,562,547)
Total equity		**17,086,385**	**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 FINANCIAL YEAR ENDED 30 JUNE 2023	Note	2023 $	2022 $
Operating Activities			
Payments to suppliers and employees		(3,319,901)	(1,979,967)
Proceeds from R&D tax incentive		-	634,061
Payments for rehabilitation expenditure		-	(349,594)
Net Goods and Services Tax received (paid)		41,295	(123,858)
Interest received		46,973	55,317
Interest paid		-	(3,020)
Costs associated with investments made		(23,652)	(241,853)
Net cash flows used in operating activities	**18(B)**	**(3,255,285)**	**(2,008,914)**
Investing Activities			
Investment in other entities	7	(1,095,000)	(1,275,000)
Investment in associate	8	(500,000)	-
Cash acquired on acquisition of subsidiary		-	384,343
Derecognition of joint venture funds		-	(141,732)
Net cash from / (used in) investing activities		**(1,595,000)**	**(1,032,389)**
Financing Activities			
Proceeds from issue of shares	11	4,556,361	3,622,800
Repayment of borrowings	10	-	(106,162)
Repayment of lease liabilities	10	(76,168)	(57,148)
Payment of additional lease bond		(125)	-
Transaction costs of share issues	11	(338,460)	(442,508)
Buy-back of unmarketable parcels of shares	11	-	(427,126)
Net cash flow provided by financing activities		**4,141,608**	**2,589,855**
Net decrease in cash and cash equivalents		**(708,677)**	**(451,448)**
Add: Opening cash and cash equivalents at 1 July		**2,016,762**	**2,468,210**
Cash and cash equivalents at 30 June	18(A)	**1,308,085**	**2,016,762**

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

: Consolidated statement of changes in equity

FINANCIAL YEAR ENDED 30 JUNE 2023	Issued Capital	Share Based Payment Reserve (Note 12)	Accumulated Losses	Total Equity
	$	$	$	$
At 1 July 2022	**371,529,007**	**720,170**	**(358,562,547)**	**13,686,630**
Loss for the period	-	-	(1,165,960)	(1,165,960)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**(1,165,960)**	**(1,165,960)**
Transactions with owners in their capacity as owners:				
Shares issued	4,555,000	-	-	4,555,000
Exercise of options - listed	1,361	-	-	1,361
Share issue costs	(338,460)	-	-	(338,460)
Share based payment (note 15)	(415,752)	763,566	-	347,814
At 30 June 2023	**375,331,156**	**1,483,736**	**(359,728,507)**	**17,086,385**

FINANCIAL YEAR ENDED 30 JUNE 2022	Issued Capital	Share Based Payment Reserve (Note 12)	Accumulated Losses	Total Equity
	$	$	$	$
At 1 July 2021	**358,435,465**	**-**	**(355,738,004)**	**2,697,461**
Loss for the period	-	-	(2,824,543)	(2,824,543)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**(2,824,543)**	**(2,824,543)**
Transactions with owners in their capacity as owners:				
Shares issued	3,622,800	-	-	3,622,800
Shares issued relating to business combination	10,772,762	-	-	10,772,762
Buy-back of unmarketable parcels	(427,126)	-	-	(427,126)
Share issue costs	(442,508)	-	-	(442,508)
Share based payment (note 15)	(432,386)	720,170	-	287,784
At 30 June 2022	**371,529,007**	**720,170**	**(358,562,547)**	**13,686,630**

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 financial report of ReNu Energy Limited (the Company) and its subsidiaries (collectively the Group) for the year ended 30 June 2023 was authorised in accordance with a resolution of the Directors on 18 September 2023.

ReNu Energy Limited is a for profit Company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors' Report.

Note 2 – Summary of significant accounting policies

A. Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

B. Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

C. New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new and revised 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.

There were no standards that had any significant impact on the Group's accounting policies.

D. 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 has net operating cash outflows for the year of $3,255,285 and as at 30 June 2023 has cash and cash equivalents of $1,308,085. The Group also generated a loss after tax of $1,165,960.

Subsequent to year end, the Group paid the third tranche of $250,000 to acquire a further 5% interest in an associate, Vaulta Holdings Pty Ltd. At the date of this report, the Group had $335,035 in cash and cash equivalents.

The ability of the Group to continue as a going concern is dependent upon completing a successful capital raise within the next four to six weeks. It is intended that the Company will undertake a capital raise by means of a placement to sophisticated and institutional investors with the intention to raise up to $5,000,000. Steps have already been undertaken towards completing this capital raise. The Directors believe completing a successful capital raise within the timeframe is reasonable based on steps already undertaken and the Company's recent history in raising capital. The Group completed an oversubscribed private placement to sophisticated and institutional investors on 29 November 2022, raising $4,530,000.

Upon completion of a successful capital raise, the ongoing ability for the Group to continue as a going concern and meet its debts and commitments will be managed through the execution of the following:

Notes to the Financial Statements (continued)

- Effective cash flow management.
- Securing appropriate projects and related funding for project investment.
- Raising additional capital or securing other forms of financing, as and when necessary to meet the levels of expenditure required for the Group to advance its strategy of investing in renewable and clean energy technologies and developing green hydrogen projects.

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.

E. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at 30 June 2023. Subsidiaries are all entities which the Group controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

Notes to the Financial Statements (continued)

Material controlled entity/subsidiaries

The consolidated financial statements include the financial statements of the ultimate parent company, ReNu Energy Limited, and its controlled entities. Principal subsidiaries, all of which are incorporated in Australia, are listed in the following table:

		Equity Interest %	
Name	**Principal activities**	**2023**	**2022**
Countrywide Hydrogen Pty Ltd (formerly Countrywide Renewable Hydrogen Limited)	Hydrogen project origination	100	100
Countrywide Renewable Energy Pty Ltd	Dormant	100	100

Equity accounted investments

An equity accounted associate is an entity over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income.

Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The following entity has been included in the consolidated financial statements using the equity method:

		Equity Interest %	
Name	**Principal activities**	**2023**	**2022**
Vaulta Holdings Pty Ltd	Assembly and sale of batteries designed for re-use and repair using patented battery casing technology	10	-

F. Property, plant & equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is provided on a straight-line basis on all property, plant and equipment. All classes are depreciated over periods ranging from 3 to 25 years (2022: 3 to 25 years). The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Notes to the Financial Statements (continued)

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

G. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for a cash-generating unit (CGU). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in the profit or loss in the year the loss is recognised.

H. Cash and cash equivalents

Cash and cash equivalents on the Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand and in banks and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

I. Contributed equity

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

J. Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

K. Borrowings

Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Transaction costs of borrowings

Fees and other costs incurred in relation to the establishment of borrowing facilities are treated as transaction costs to the extent that it is probable that some or all of the facility will be drawn down and are included in the initial fair value of the financial liability. Costs for facilities which do not eventuate or for which the probability of utilisation is not probable are expensed in profit or loss.

Notes to the Financial Statements (continued)

L. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

M. Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables or provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee entitlements. Long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iv) Share-based payments

The Group provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest.

The expense or credit recognised in the Statement of Profit or Loss and Other Comprehensive Income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award provided the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. When the award is cancelled by the entity or by the counterparty any remaining element of the fair value of the award is expensed immediately through the profit or loss.

Notes to the Financial Statements (continued)

N. Income recognition

The Group's primary income relates to contributions from the joint licensee for geothermal remediation.

Interest income

Interest income is recorded as the interest accrues, using the effective interest rate (EIR) in accordance with AASB9. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

O. Government grants

Government Grants (including R&D tax incentives) are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants relating to rehabilitation costs are recorded as an offset against expenditure. To the extent the government grant is greater than the associated expenditure the residual amount is recorded as other income.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset or liability, the fair value is credited to a deferred income account until such time as all conditions associated with the grant are met. Once these conditions are achieved the credit is allocated to the relevant asset or liability. The amount of the grant is then released to net income over the expected useful life (by way of reduced depreciation or amortisation) of the relevant asset.

P. Earnings per share

Basic earnings per share is determined by dividing the profit/(loss) after tax by the weighted average number of ordinary shares outstanding during the financial period. Diluted earnings per share is determined by dividing the profit/(loss) after tax adjusted for the effect of earnings on potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) outstanding during the financial period.

Q. Income tax

Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Notes to the Financial Statements (continued)

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

R. Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the Statement of Cash Flow on a net basis and the GST component arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Notes to the Financial Statements (continued)

S. Segment reporting

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. Operating segments are identified on the basis of internal reports that are regularly reviewed and used by the Board of Directors in order to allocate resources to the segment and assess its performance and are reported in note 24.

T. Parent Entity financial information

The financial information for the parent entity, ReNu Energy, included in note 22, has been prepared on the same basis as the consolidated financial statements.

U. Comparative figures

When required by Accounting Standards, comparative figures are adjusted to conform to changes in presentation for the current financial year.

V. Rounding of amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest dollar.

W. Financial Assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI), or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The election is made on an investment-by-investment basis. All other financial assets are classified as measured at fair value through profit or loss (FVPL).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the group recognises the difference as follows:

Notes to the Financial Statements (continued)

(a) when the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e.: a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. The Group has cash and cash equivalents and trade and other receivables as financial assets. Consequently, the measurement category most relevant to the group is as follows:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. The Group subsequently measures all equity investments at fair value through profit or loss. Gains and losses on equity investments at FVPL are included in the 'net gains/(losses) on financial assets at fair value through profit or loss' in the statement of profit or loss and other comprehensive income.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition other than modification

Financial assets, or portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownerships and the Group has not retained control.

X. Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Notes to the Financial Statements (continued)

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred. Right-of-use assets has been included in property, plant and equipment in the statement of financial position.

Y. Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down. Lease liability has been included in borrowings in the statement of financial position.

Z. Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Notes to the Financial Statements (continued)

AA. Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Customer contracts

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

BB. Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

CC. 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 15 for further information.

Notes to the Financial Statements (continued)

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, in accordance with the accounting policy stated in note 2 BB. 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 prior 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.

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.

Intangible assets – customer relationships

The Group determined that customer relationships that Countrywide Hydrogen Pty Ltd held at the time of acquisition met the accounting criteria to be recognised as identifiable intangible assets. This involved significant judgement regarding the nature of the relationships and took into consideration the memorandums of understanding (MOUs) that had been entered into and that these are not potential contracts with new customers, rather they illustrate that Countrywide Hydrogen Pty Ltd has information about the customer, regular contact with them and the customer can make direct contact with the company. The valuation of the customer relationship intangible asset was assessed by adopting an income-based methodology utilising an estimate of discounted cash flows arising from the MOUs. The key assumptions were similar to those detailed in note 6 for the impairment testing of goodwill.

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.

Classification of investments as associates

The Group recognises an investment as an associate, and therefore adopts equity accounting for the investment rather than recognising at fair value through profit or loss, if the Group has significant influence over the investment. Whether or not the Group has significant influence over an investment is a matter of considerable judgement. Factors taken into consideration include the percentage of equity interest, participation in policy-making decisions and representation on the board. If the percentage of equity interest is greater than 20%, it is presumed that the Group has significant influence over the investment unless it can be clearly demonstrated this is not the not the case. The converse applies.

At 30 June 2023 the group held a 10% interest in Vaulta Holdings Pty Ltd with an option to acquire an additional 10% interest and to appoint a director to the board. It was considered that the Group does have significant influence over Vaulta Holdings Pty Ltd for the year ended 30 June 2023.

Notes to the Financial Statements (continued)

Note 3A – Income

	2023 $	2022 $
Other income		
Recoupment of remediation costs	29,483	48,412
R&D tax incentive received[1]	-	14,098
Net fair value gains/(losses) on investments at fair value through profit or loss	2,943,752	-
Other income	-	25,030
	2,973,235	**87,540**

1. Total R&D incentive received or receivable is in relation to geothermal remediation activities

Note 3B – Personnel expenses

	2023 $	2022 $
Loss before income tax has been determined after charging the following specific items:		
Personnel expenses	1,575,434	1,191,800
Termination payments	116,922	-
Share based payments[1]	347,814	287,784
	2,040,170	**1,479,584**

1. Refer to note 15

Note 3C – Other operating expenses

	2023 $	2022 $
Depreciation of operational plant & equipment	11,765	2,282
Hydrogen Project Advisory and Consultancy fees	725,041	58,994
Write down of geothermal assets	-	165,215
Amortisation expense	453,370	183,833
Impairment of goodwill	-	-
Investment & acquisition costs	23,652	241,853
	1,213,828	**652,177**

Notes to the Financial Statements (continued)

Note 3D – General & administrative expenses

	2023 $	2022 $
Governance	253,398	241,179
External advisory	157,066	162,487
Facility, IT and communications	92,263	48,004
Travel	84,431	35,653
Insurance	155,137	153,222
Depreciation on right of use asset	70,753	56,697
Investor and public relations	177,522	88,901
Other	19,387	45,321
	1,009,957	**831,464**

Note 4 – Income tax

	2023 $	2022 $
Income tax expense		
The prima facie tax benefit on loss of 25.0% (2022 – 25.0%) differs from the income tax provided in the financial statements as follows:		
Prima facie tax benefit on loss	331,315	706,136
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Change in R&D incentive for the prior year[1]	-	3,525
Other income/(expenses)	(117,375)	(176,912)
Adjustments for current tax of prior periods	82,310	-
Deferred tax assets for tax losses and other temporary differences not recognised	(136,949)	(532,748)
Income tax benefit / (expense)	**159,301**	**-**

1 Change in R&D incentive represents amounts received in excess of carrying receivable balances

Notes to the Financial Statements (continued)

Note 4 – Income tax (continued)

Income tax expense comprises:

Current tax	(879,320)	(535,595)
Deferred tax	1,038,621	535,595
Total income tax expense	**159,301**	-

Tax losses	**2023 $**	**2022 $**
Unused tax losses for which no deferred tax asset has been recognised[1]	269,704,568	263,864,332
Potential tax benefit at 25.0% (2022 – 25.0%)	**67,426,142**	**65,966,083**

Deferred income tax

Deferred income tax at the end of the reporting period relates to the following:

	2023 $	**2022 $**
Deferred tax liabilities		
Deferred tax liabilities not offset against deferred tax assets	(407,413)	(566,714)
Other deferred tax liabilities offset against deferred tax assets (A)	(743,454)	42,667
Total deferred tax liabilities	**(1,150,866)**	**(524,047)**
Deferred tax assets		
Losses available for offset against future taxable income:		
Company	67,096,580	65,966,083
Subsidiary	329,562	-
Other deferred tax asset	250,229	58,878
Total deferred tax assets (B)	**67,676,371**	**66,024,961**
Net deferred tax assets (A) + (B)	66,932,917	66,067,628
Deferred tax assets not recognised[1]	(66,932,917)	(66,067,628)
Recognised net deferred income tax assets	-	-

1 Deferred tax assets arising from tax losses and temporary differences are only brought to account to the extent that it offsets the Group's deferred tax liabilities arising from temporary differences. As the Group does not have a history of taxable profits, the deferred tax assets associated with tax losses and temporary differences in excess of the Group’s deferred tax liabilities arising from temporary differences is not yet regarded as probable of recovery at 30 June 2023.When the Group does generate taxable profits, the company will also need to consider at that point if it passes the continuity of ownership test or the same or similar business test.

Notes to the Financial Statements (continued)

Note 4 – Income tax (continued)

Movement in deferred tax assets	2023 $	2022 $
Balance at the beginning of the year	66,024,960	68,188,722
(Charged)/credited to profit or loss:		
Tax losses	937,992	535,595
Trade and other payables	109,109	(42,478)
Provisions	(6,259)	(3,038)
Adjustment for deferred tax of prior periods	610,569	(20,440)
Change in tax rate		(2,633,401)
Balance at the end of the year	**67,676,371**	**66,024,960**

Movement in deferred tax liabilities	2023 $	2022 $
Balance at the beginning of the year	(524,047)	(1,151)
(Charged)/credited to profit or loss:		
Leases	(4,224)	(3,290)
Intangible assets	113,343	45,958
Gain on financial assets	(735,938)	-
Adjustment for deferred tax of prior periods	-	1,105
Recognition of DTL of acquired entities	-	(566,714)
Change in tax rate	-	44
Balance at the end of the year	**(1,150,866)**	**(524,047)**

Note 5 – Trade and other receivables

	2023 $	2022 $
Current		
Cash held as security	150,211	150,052
Trade receivables	13,249	52,369
GST Receivable	24,105	65,400
Interest receivable	41	19
Other receivables and deposits	55,063	2,614
Total current trade and other receivables	**242,669**	**270,454**

Notes to the Financial Statements (continued)

Note 5 – Trade and other receivables (continued)

Assets pledged as security

Of the cash held as security $150,211 (2022: $150,052) for bank guarantees (refer note 19).

Foreign exchange, interest rate and liquidity risk

Information about the Group's exposure to foreign exchange risk, interest rate risk and liquidity risk is provided in note 21. Trade and other receivables are non-interest bearing.

Fair value and credit risk

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 21 for more information on the risk management policy of the Group.

Impairment

The Group assesses impairment on a forward looking basis for its trade and other receivables carried at amortised cost. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. No expected credit loss has been recognised by the Group during the year.

Note 6 – Intangibles	2023 $	2022 $
Intangibles (including goodwill) at cost	11,011,365	11,011,365
Less: accumulated amortisation and impairment	(637,203)	(183,833)
Total Intangibles	**10,374,162**	**10,827,532**
Reconciliation of Intangibles		
Customer relationships		
Cost	2,266,855	2,266,855
Accumulated amortisation	(637,203)	(183,833)
	1,629,652	**2,083,022**
Goodwill		
Cost	8,744,510	8,744,510
Impairment	-	-
	8,744,510	**8,744,510**
Carrying amount 30 June	**10,374,162**	**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:

Notes to the Financial Statements (continued)

Note 6 – Intangibles (continued)

FINANCIAL YEAR ENDED 30 JUNE 2023	Goodwill $	Customer relationships $	Total $
Balance at 30 June 2022	**8,744,510**	**2,083,022**	**10,827,532**
Additions through business combinations	-	-	-
Impairment of Assets	-	-	-
Amortisation Expense	-	(453,370)	(453,370)
Balance at 30 June 2023	**8,744,510**	**1,629,652**	**10,374,162**

FINANCIAL YEAR ENDED 30 JUNE 2022	Goodwill $	Customer contracts $	Total $
Balance at 30 June 2021	**-**	**-**	-
Additions through business combinations	8,744,510	2,266,855	11,011,365
Impairment of Assets	-	-	-
Amortisation Expense	-	(183,833)	(183,833)
Balance at 30 June 2022	**8,744,510**	**2,083,022**	**10,827,532**

Impairment testing

The Group assessed Countrywide Hydrogen Pty Ltd to include three cash-generating units being hydrogen development projects in Melbourne, Portland and Tasmania. Goodwill acquired through the prior period 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 proposed hydrogen development projects are as follows:

Location	Tasmania[1]	Melbourne	Portland
Project size	5MW facility	10MW facility	10MW facility

1. The Group plans to develop two 5MW facilities.

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.

Key assumptions are those to which the recoverable amount of an asset or cash generating unit is most sensitive. Each of the key assumptions has been based on a range of possible values reflecting an estimated 10%, 50% and 90% chance of occurring. The key assumptions in the following table were used in the discounted cash flow model. The values disclosed in the table represent the mean of the range of possible values.

Utilising the Company's available carry forward tax losses has not been factored into the value-in-use calculations.

Notes to the Financial Statements (continued)

Note 6 – Intangibles (continued)

Key assumption	Approach to determining the value assigned to the key assumption
Discount rate	Reflects management's estimate of the time value of money and the Group's expected weighted average cost of capital, the risk-free rate and the volatility of the share price relative to market movements. It also reflects that for the key assumptions, adjustments to the cash flows have been made to arrive at risk-adjusted expected cash flows. A 16.3% cost of equity has been assumed.
Federal and State grant funding	Takes into consideration government announcements of funding to be made available for projects and funding already provided for other projects that don't belong to the Group. Grant funding included in the model was based on the project location and size as follows: • for a 5MW facility the mean value is $12.5 million. • for 10MW facility the mean value is $21.6 million.
Capital expenditure	Determined based on estimates provided by a global engineering consultancy engaged by the Company working on similar projects and discussions/pricing from key equipment vendors. The capex assumptions also include a contingency appropriate to the status of the project. Capital expenditure included in the model was based on the project location and size as follows: • for a 5MW facility the mean value is $31.2 million. • for 10MW facility the mean value is $54 million.
Hydrogen sales price	Depending on the use case for the facility, management considered the diesel displacement breakeven point for heavy vehicles, business demand to decarbonise operations, the opportunity to blend hydrogen in natural gas pipelines, conversations on expected price with potential customers and hydrogen sale prices in overseas markets. A mean hydrogen sales price of $10.40/kg has been modelled for all development projects.
Power price	Determined considering estimates of current behind-the-meter and national energy market peak and off-peak power costs, potential project partner purchase price agreements and government subsidies. Power price included in the model was based on the project location and supplier as follows: • for the Tasmania projects the mean value is $60/MWh. • for Melbourne and Portland projects the mean value is $74/MWh.
First hydrogen sales	Determined considering the key milestones to be achieved before financial close and expected construction timeframe based on discussions with the Company's engineering consultant and considering current supply chains. Although first sales may occur earlier, sales commencing during calendar years 2025 (for the Tasmania) and 2027 (for the Melbourne and Portland) have been modelled.
Annual growth rate	An annual growth rate of 1.5% has been applied to expenditure and 2.5% to sales. The rate applied to expenditure considers the long term supply contracts envisaged, the ability to achieve real savings through synergies as multiple projects come online and operational efficiencies once commercial production is reached. The sales escalation considers assessments on diesel price growth, including IEA forecasts and road user charge increases applied to diesel fuel.

Notes to the Financial Statements (continued)

Note 6 – Intangibles (continued)

Sensitivity

Based on the above the recoverable amount of the cash generating units exceeded the carrying amount of intangible assets by $2.6 million.

The Directors have made judgements and estimates in respect of impairment testing goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The key sensitivities are as follows:

- The discount rate would need to increase to 16.9% (a movement of 0.6%) before goodwill would need to be impaired.
- Federal and State Government grant funding would need to be 3% less than the mean value modelled across the projects before goodwill would need to be impaired.
- If the mean value of capital expenditure across the projects increase by 3%, the carrying amount of goodwill would need to be impaired.
- If the mean value of the hydrogen price decreases by 1%, the carrying amount of goodwill would need to be impaired.
- If the mean value of the power price increases by 3%, the carrying amount of goodwill would need to be impaired.
- If the first hydrogen sales for the Tasmanian project were delayed by 9 months which in turn will delay the first hydrogen sales for the Melbourne and Portland projects by 9 months, the carrying amount of goodwill would need to be impaired.
- If the gap between the annual growth rate in expenditure and the growth rate in sales decreases by 0.5% then the carrying amount of goodwill would need to be impaired.

Note 7 – Investments at fair value through profit or loss	2023 $	2022 $
Investment in Uniflow Power Limited(1)	350,000	350,000
Investment in Enosi Australia Pty Ltd(2)	1,590,000	500,000
Investment in Allegro Energy Pty Ltd(3)	3,398,752	450,000
	5,338,752	1,300,000

Notes to the Financial Statements (continued)

Note 7 – Investments at fair value through profit or loss (continued)

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

(2) Shares held in Enosi Australia Pty Ltd (Enosi) with a fair value of $1,590,000. During year ended 30 June 2023 the Company invested a further $1,000,000 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 grid-scale renewable energy trading and tracing solution. The shares held equate to 14% of Enosi equity.

(3) Shares held in Allegro Energy Pty Ltd (Allegro) with a fair value of $3,398,752. Allegro is an Australian battery technology company that has developed a water-based electrolyte for use in redox flow batteries and supercapacitors. Allegro raised an additional $4 million in share capital in June 2023 at an issue price of $32/share. The total shares held by ReNu Energy equate to a 4.86% interest. The Company has assessed the fair value of its cumulative investment at $28/share, after taking into account the terms of the June 2023 capital raise. This generated a $2.854m gain on financial assets (Note 3A).

Note 8 – Equity Accounted Investments

Interests in associates

Name of entity	Ownership interest		Carrying amount	
	2023	2022	2023 $	2022 $
Vaulta Holdings Pty Ltd	10%	0%	-	-

Vaulta is a battery casing technology company based in Brisbane, Australia.

Refer to note 2CC for significant judgment/assumptions made in relation to equity accounting investments where the Group own less than 20% ownership interest.

Subsequent to year end, the Group acquired a further 5% of the share capital of Vaulta Holdings Pty Ltd bringing the total ownership interest at the date of this report to 15%.

Notes to the Financial Statements (continued)

Note 8 – Equity Accounted Investments (continued)

The following table illustrates the summarised financial information of the Group's investment in Vaulta Holdings Pty Ltd:

Summarised financial information for associate	**2023 $**	**2022 $**
Summarised Balance Sheet		
Current assets	223,741	-
Non-current assets	149,300	-
Total assets	**373,041**	-
Current liabilities	122,888	-
Non-current liabilities	-	-
Total liabilities	**122,888**	-
Equity	**250,153**	-
Reconciliation to carrying amount		
Share of equity (10%)	25,015	-
Goodwill	396,843	-
Carrying amount of investment in associate	**421,859**	**-**

	2023 $	**2022 $**
Summarised statement of comprehensive income		
Revenue	327,358	-
Profit/(loss) before tax	**(781,414)**	**-**
Income Tax		
Profit / (loss) after tax	**(781,414)**	**-**
Group's share of profit / (loss) at 10%	**(78,141)**	**-**

	2023 $	**2022 $**
Reconciliation of the consolidated entity's carrying amount		
Opening carrying amount	-	-
Investment	500,000	-
Share of profit / (loss) after income tax	(78,141)	-
Closing carrying amount	**421,859**	**-**

Notes to the Financial Statements (continued)

Note 9 – Trade and other payables

	2023 $	2022 $
Current		
Trade creditors	105,683	143,437
Accrued and other liabilities	190,439	117,108
Trade creditors and accruals	**296,122**	**260,545**

Terms and conditions

Accounts payable and accrued liabilities are non-interest bearing. Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company. All amounts are normally settled within 30 days, and discounts for early payment are normally taken where it is considered advantageous for the Company to do so. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

Note 10 – Borrowings

	2023 $	2022 $
Current borrowings		
Lease liability	64,622	19,290
Total current borrowings	**64,622**	**19,290**

Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under borrowings) and the movements during the period:

Changes in lease liabilities	2023 $	2022 $
At 1 July	19,290	14,369
Additions	117,942	60,870
Interest	3,558	1,199
Lease payments	(76,168)	(57,148)
At 30 June	**64,622**	**19,290**
Current	64,622	19.290
Non-current	-	-
	64,622	**19,290**

The maturity analysis of lease liabilities are disclosed in Note 21.

Fair value of borrowings

The fair values of borrowings are not materially different from their carrying values as interest rates on those borrowings are either close to current market rates or the borrowings are of a short-term nature.

Notes to the Financial Statements (continued)

Note 11 – Issued capital

	2023 $	2022 $
Authorised Shares		
440,502,123 (2022 – 364,566,012) fully paid ordinary shares	**375,331,156**	**371,529,007**

MOVEMENT IN ORDINARY SHARE CAPITAL:		NUMBER OF SHARES	ISSUE PRICE $ PER SHARE	$
30/06/21	**Balance at end of financial year**	**132,762,923**		**358,435,465**
9/12/2021	Share Issue(1)	26,400,000	0.09	2,376,000
8/02/2022	Share issue(2)	1,800,000	0.081	145,800
8/02/2022	Share issue(3)	45,000,000	-	-
8/02/2022	Share issue(4)	124,680,158	0.08	9,974,413
18/02/2022	Share issue(5)	13,853,318	0.09	1,246,800
21/04/2022	Share issue(4)	9,979,362	0.08	798,349
11/05/2022	Share buy-back (6)	(7,909,749)	0.054	(427,126)
30/05/2022	Share Issue (7)	18,000,000		
	Share issue costs – options issued to corporate advisor and lead manager			(578,186)
	Share issue costs			(442,508)
30/06/2022	**Balance at end of financial year**	**364,566,012**		**371,529,007**
29/11/2022	Share Issue(8)	75,500,000	0.06	4,530,000
2/12/2022	Exercise of Options - listed(9)	19,445	0.07	1,361
2/02/2023	Share issue(10)	416,666	0.06	25,000
	Share issue costs – options issued to corporate advisor and lead manager			(415,752)
	Share issue costs			(338,460)
30/06/2023	**Balance at end of financial year**	**440,502,123**		**375,331,156**

(1) 26,400,000 shares issued on 9 December 2021 in respect of a private placement to sophisticated and institutional investors at $0.09 per share.

(2) 1,800,000 bonus shares awarded to the Board and CEO in December 2021 and approved by shareholders on 1 February 2022. The award was in recognition of work completed during 2021, including addressing long standing liabilities from previous operations, achieving reduced operating costs, raising capital and implementing a strategy to be one of the only ASX listed companies focussed on acquiring strategic stakes in and nurturing renewable and clean energy projects and technologies. The shares were issued on 8 February 2022.

(3) 45,000,000 Loan Share Plan Shares (Plan Shares) issued to executives and Directors (pursuant to the terms of the Loan Share Plan approved by shareholders at the Company's 2017 annual general meeting) with vesting conditions that require the Company's share price achieving a price which represents a significant increase in shareholder value in relation to the share price at the time that the Plan Shares were granted. The issue of the Plan Shares was approved by shareholders at the extraordinary general meeting of the Company held on 1 February 2022 and the shares were issued on 8 February 2022.

(4) 134,659,520 ordinary shares issued to the shareholders of Countrywide Hydrogen Pty Ltd (CH) as consideration for the acquisition of 100% CH (Consideration Shares), comprising 124,680,159 Consideration Shares were issued on 8 February 2022 today and a further 9,979,361 Consideration Shares issued on 21 April 2022 to the three founders of CH following preparation of completion accounts.

Notes to the Financial Statements (continued)

Note 11 – Issued capital (continued)

(5) 13,853,318 shares issued to eligible applicants under the Company's Share Purchase Plan on 18 February 2022 at $0.09 per share.

(6) 7,909,749 shares bought back under the Company's unmarketable parcels buyback facility on 18 February 2022 at $0.054 per shares.

(7) 18,000,000 shares issued as security for the Company's At The Market (ATM) Facility with Acuity Capital (Collateral Shares) for nil cash consideration. The Company may at any time cancel the ATM as well as buy back (and cancel) those shares for no cash consideration (subject to shareholder approval). The ATM provides the Company with up to $5,000,000 of standby equity capital until 31 July 2024.

(8) 75,500,000 shares issued on 29 November 2022 in respect of a private placement to sophisticated and institutional investors at $0.060 per share.

(9) 19,455 shares issued on 2 December 2022 upon the exercise of 19,455 listed options at $0.070 each.

(10) 416,666 shares requiring shareholder approval, issued on 2 February 2023 in respect of a private placement to sophisticated and institutional investors at $0.060 per share.

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. Refer to note 15 for the terms and conditions of shares issued relating to Loan Share Plan.

Note 12 – Reserves	2023 $	2022 $
Share based payment reserve	1,483,736	720,170
	1,483,736	**720,170**
Reconciliation of Reserves		
Carrying amount at beginning	720,170	-
Net share-based payments expense recognised	763,566	720,170
	1,483,736	**720,170**

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 15 for further details.

Notes to the Financial Statements (continued)

Note 13 - Earnings per share

	2023 Cents per share	2022 Cents per share
Basic and diluted earnings/(loss) per share attributable to the equity holders of the Company:		
From continuing operations	(0.29)	(1.03)
From discontinued operations	-	-
	(0.29)	**(1.03)**

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:	2023 $	2022 $
Net profit/(loss) attributable to equity shareholders:		
From continuing operations	(1,165,960)	(2,284,543)
From discontinued operations	-	-
	(1,165,960)	**(2,824,543)**

	2023 Shares	2022 Shares
Weighted average number of ordinary shares used in calculation of basic and diluted earnings per share	**408,805,106**	**222,737,484**

As the Group has generated a loss, potential ordinary shares have been deemed to be anti-dilutive.

Note 14 – Remuneration of Auditors

	2023 $	2022 $
Auditors of the Group - BDO		
Audit and review of the financial statements	144,825	76,298
Preparation of Independent Expert's Report	-	90,000
Total services provided by BDO	144,825	**166,298**

During the year $nil (2022: $90,000) fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms.

Note 15 – Share based payments

Loan Share Plan Shares

For the year ended 30 June 2023, an amount of $347,814 has been recognised as a share-based payment expense in the profit or loss (2022: $287,784) for shares issued to executives of the Company during the year ended 30 June 2022 pursuant to the Loan Share Plan approved by shareholders at and Extra Ordinary General meeting on 1 February 2022.

At the 2017 AGM, shareholders approved a Loan Share Plan (LSP) to retain, motivate and attract executives and to better align the interests of employees with those of the Group and its shareholders by providing an opportunity for employees to acquire shares subject to the terms and conditions of the LSP (Plan Shares).

Notes to the Financial Statements (continued)

Note 15 – Share based payments (continued)

The Plan Shares are issued or transferred to the participants in the LSP, determined by the Board in its absolute discretion, at market value. The Group may provide a limited recourse loan to eligible employees who are invited to participate in the LSP to assist them to purchase Plan Shares (Loan).

On 8 February 2022, the Company issued 45,000,000 ordinary shares (Plan Shares) to executives of the Company pursuant to the Loan Share Plan approved by shareholders at an Extraordinary General Meeting on 1 February 2022.

The Plan Shares will only vest if the executive has been employed for 6 months from the grant date and the achievement of certain share price targets for ReNu Energy's shares (Target Price) as follows:

Share Target Price*	Number of Plan Shares
$0.15	15,000,000
$0.25	15,000,000
$0.35	15,000,000
Total Plan Shares	45,000,000

* The Target Price vesting condition will be satisfied where the Volume Weighted Average Price of the Company's shares over any 15-day trading period is at least the Target Price.

Plan Shares will also vest if there is a change of control event.

Each recipient has been provided with a 10-year, limited recourse, interest-free loan to fund the acquisition of the Plan Shares. The loan amount is calculated as $0.09 per Plan Share multiplied by the number of Plan Shares and is repayable in certain circumstances, including when employment with the Company ceases. The Company's recourse against the employee is limited to the loan amount if the Plan Shares have vested, or otherwise the transfer back to the Company of the Plan Shares to which the loan relates.

The issue price of the shares was $0.09 each with an aggregate loan value of $4.05 million.

Plan Shares 2023 Grant date	Exercise price	Expiry date	Balance at the start of the year Number	Granted during the year Number	Forfeited during the year Number	Balance at the end of the year[1] Number
01/02/2022	$0.090	01/02/2032	45,000,000	-	-	45,000,000
Weighted average fair value			$0.071	-	-	$0.071

1. No Plan Shares were exercisable at the end of the year and the weighted average remaining contractual life of the Plan Shares at the end of the year was 8.59 years (2022: nil).

As the company has no right to receive cash settlement for the loan (the executive can elect to forfeit the shares), no loan receivable has been recognised by the company. The effect of the contractual arrangements is equivalent to an option exercisable at the time of loan repayment and at an exercise price of $0.09 per share. As a result, the grant of shares under the Loan Share Plan has been valued at grant date using an option pricing model and the fair value recognised in profit or loss over the expected vesting period.

Notes to the Financial Statements (continued)

Note 15 – Share based payments (continued)

Listed Options

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

  An amount of $415,752 has been included in the statement of changes in equity for the year ended 30 June 2023 under 'Share Capital' (being a cost of raising capital) relating to the fair value of the options granted to Peak Asset Management in November 2022.

- 75,916,666 listed options issued in two tranches (12,583,348 issued on 29 November 2022 and 63,333,318 issued on 1 February 2023) as part of the November 2022 share placement to professional and sophisticated investors where subscribers received one (1) free attaching option for every share subscribed for. The options have an exercise price of $0.07 per share and expire on 31 December 2023.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry Date	Exercise Price	Share options 30 June 2023	Share Options 30 June 2022
30 August 2021	31 December 2023	$0.07	20,756,872	20,776,317
10 December 2021	31 December 2023	$0.07	6,600,000	6,600,000
1 February 2022	31 December 2023	$0.07	5,000,000	5,000,000
18 February 2022	31 December 2023	$0.07	3,463,403	3,463,403
29 November 2022	31 December 2023	$0.07	12,583,348	-
1 February 2023	31 December 2023	$0.07	75,833,318	-
Total			**124,236,941**	**35,839,720**
Weighted average remaining contractual life of options outstanding at end of period			0.5 years	1.5 years

Notes to the Financial Statements (continued)

Note 16 – Key Management Personnel

Compensation of Key Management Personnel

	2023 $	2022 $
Short-term employee benefits	961,188	747,955
Post-employment benefits	78,956	50,657
Share based payment expense	347,814	287,784
	1,387,958	**1,086,396**

Further information on remuneration of KMP is shown in the Remuneration Report contained within the Directors' Report.

Note 17 – Related party disclosures

Related party transactions with Directors

The Group engaged Pacific Energy Partners Pty Ltd and White Lotus Solutions Pty Ltd (trading as New Energy Capital) to provide consulting services.

Tim Scholefield is a Director and Principal of Pacific Energy Partners Pty Ltd. Consulting and Non-Executive Director fees of $112,089 were paid to Pacific Energy Partners during the year (2022: $166,381). The material terms of the engagement of Pacific Energy Partners are disclosed in section 4 of the Remuneration Report.

The key resource from White Lotus Solutions Pty Ltd is Boyd White. Consulting and Executive Director fees of $47,125 were paid during the year (2022: $0). The material terms of the engagement of White Lotus Solutions are disclosed in section 4 of the Remuneration Report.

Geoffrey Drucker's spouse, Ms Ingeborg Drucker, is employed as Group Communications Director of ReNu Energy Limited. Gross wages and salaries (including superannuation) of $215,475 were paid to Ms Drucker during the year (2022; $87,083).

The above transactions are included in the following:	2023 $	2022 $
Personnel expenses	283,845	253,464
External Advisory	1,375	-
Hydrogen Project Advisory and Consultancy fees	89,375	-
Facility, IT and communications	94	-
Amounts included in Trade and other payables:	43,845	-

Notes to the Financial Statements (continued)

Note 18 - Notes to the Statement of Cash Flows

	2023 $	2022 $
A. Reconciliation of cash		
Cash balance comprises:		
Cash at bank	1,308,085	2,016,762
Total cash	**1,308,085**	**2,016,762**
B. Reconciliation of the operating loss after tax with the net cash flows used in operations		
Loss after income tax	(1,165,960)	(2,824,543)
Depreciation and amortisation	535,887	242,811
Impairment of Goodwill		-
Share based payments expense	347,814	287,784
Equity Accounted Share of Loss	78,141	-
Write down of geothermal assets / PPE	1,339	165,215
Income tax expense/(benefit)	(159,301)	-
Items treated as cash flows from investing activities:		
Net fair value gains/(losses) on investments at fair value through profit or loss	(2,943,752)	-
Changes in Operating Assets & Liabilities		
(Increase)/decrease in receivables and prepayments	39,138	573,861
Increase/(decrease) in other creditors and accruals	35,577	(470,474)
Increase / (decrease) in provisions	(24,168)	16,432
Net Cash Flow used in Operating Activities	**(3,255,285)**	**(2,008,914)**

Note 19 – Contingent liabilities

Bank guarantees

The Group's bankers have issued bank guarantees as security for relevant Government authorities in respect of tenement rehabilitation obligations of the Company: $150,211 (2022: $150,052).

As noted in note 5, these amounts are secured over cash deposits.

Notes to the Financial Statements (continued)

Note 20 – Subsequent events

Subsequent to year end, the Group acquired a further 5% of the share capital of Vaulta Holdings Pty Ltd bringing the total ownership interest at the date of this report to 15%. No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 21 – Financial risk management

The Group’s principal financial instruments comprise cash, short-term deposits, borrowings investments in equity shares at fair value through profit or loss. The Group has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations. The Group does not trade in financial instruments. The main risks arising from the Group’s financial instruments are credit risk, liquidity risk and market risk (price risk).

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Primary responsibility for identification and control of financial risks rests with the board of Directors, however the day-to-day management of these risks is under the control of the Chief Executive Officer. The Board agrees the strategy for managing future cash flow requirements and projections.

(A) Credit risk

The Group’s maximum exposures to credit risk at balance date in relation to financial assets, is the carrying amount of those assets as recognised on the reporting of financial position. There are no derivative financial instruments currently being used by the Group to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties for material transactions and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. The Group’s retail business does have exposure to small business customers for whom credit records may not be readily available, however individual exposures have not been assessed as posing a material credit risk to the Group.

(B) Liquidity risk

The Group’s objective is to maintain adequate capital to finance its current operations and near-term growth opportunities while maintaining sufficient funds to meet its obligations in the event of a business downturn. The Group plans to introduce conservative levels of debt financing to fund its growth plans, with repayment profiles which match the expected cash flows from the relevant business operations. The Group’s financial liabilities and their contractual maturities are:

Contractual maturities of financial liabilities

2023	Less than 6 months	Between 6 months & 1 year	Between 1 year & 2 years	Between 2 years & 5 years	Total contractual cash flows	Total carrying value
	$	$	$	$	$	$
Trade payables	105,683					105,683
Lease liabilities	24,591	9,993	20,985	9,053		64,622
Total financial liabilities	**130,274**	**9,993**	**20,985**	**9,053**		**170,305**

Notes to the Financial Statements (continued)

Note 21 – Financial risk management (continued)

2022	Less than 6 months	Between 6 months & 1 year	Between 1 year & 2 years	Between 2 years & 5 years	Total contractual cash flows	Total carrying value
	$	$	$	$	$	$
Trade payables	143,437	-	-	-		143,437
Lease liabilities	14,800	463	973	3,054		19,290
Total financial liabilities	**158,237**	**463**	**973**	**3,054**		**162,727**

(C) Market risk

Currency risk

The Group does not have any material exposure to foreign currency risk (2022: nil) but may cover the expected cost of firm orders denominated in foreign currencies with forward contracts from time to time.

Interest rate risk

The Group's cash balances are held in a combination of interest-bearing term deposits and bank accounts. For each 10% movement in the interest rate, the Group's profit/loss after tax would increase/decrease by $13,00 if the year end cash balance was invested at those rates for 12 months.

The Group's borrowings are at fixed rates of interest and there is no exposure to interest rate risk.

Equity Price Risk

The Group's unlisted equity investments are susceptible to market price risk arising from uncertainty about future values of the investment securities. The Group manages the equity price risk through diversification. At the reporting date, the exposure to non-listed equity investments at fair value was $5,338,752. Sensitivity analyses of these investments have been provided in note 23.

Note 22 – Information relating to ReNu Energy Limited (The Parent)

	2023	2022
	$	$
Current Assets	1,474,543	2,133,345
Total Assets	18,005,691	14,618,751
Current Liabilities	(379,314)	(317,883)
Total Liabilities	(806,827)	(891,903)
Contributed Equity	375,331,156	371,529,007
Accumulated Losses	(359,616,028)	(358,522,328)
Share Based Payment Reserve	1,483,736	720,170
	17,198,864	**13,726,849**
Profit or (loss) of the Parent Entity	(1,093,700)	(2,784,323)
Total comprehensive income (loss) of the Parent Entity	(1,093,700)	(2,784,323)

Notes to the Financial Statements (continued)

Note 23 – 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:

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 – 30 June 2023	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets				
Investments at fair value through profit or loss	-	-	5,338,752	5,338,752
Total assets	**-**	**-**	**5,338,752**	**5,338,752**

There were no transfers between levels during the financial 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 year are set out below:

Consolidated – 30 June 2023	Ordinary shares at fair value through profit or loss **$**	**Total $**
Balance at 1 July 2021	**-**	**-**
Additions	1,300,000	1,300,000
Net fair value gains/(losses) on investments at fair value through profit or loss	-	-
Balance at 30 June 2022	**1,300,000**	**1,300,000**
Additions	1,095,000	1,095,000
Net fair value gains/(losses) on investments at fair value through profit or loss	2,943,752	2,943,752
Balance at 30 June 2023	**5,338,752**	**5,338,752**

Notes to the Financial Statements (continued)

Note 23 – Fair Value Measurement (continued)

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Unobservable Inputs	Sensitivity
Share Price	10% change in share price of each investee company would increase/decrease fair value by $533k

Note 24 - 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 the Group's segment information for the year ended 30 June 2023:

Year Ended 30 June 2023	Hydrogen	Renewable & Clean Energy Investments	Corporate*	Total
	$	$	$	$
Revenue and income				
- Other income	-	2,943,752	29,483	**2,973,235**
- Interest income	-	-	47,155	**47,155**
Expenses	(1,500,736)	(25,777)	(2,201,551)	**(3,728,064)**
EBITDA	**(1,500,736)**	**2,917,975**	**(2,124,913)**	**(707,674)**
Share of loss from associate	-	(78,141)	-	**(78,141)**
Income tax (expense)/benefit	159,301	-	-	**159,301**
Depreciation	(13,302)	-	(69,216)	**(82,518)**
Amortisation	(453,370)	-	-	**(453,370)**
Interest expense	(2,126)	-	(1,432)	**(3,558)**
Profit /(Loss) after tax	**(1,810,233)**	**2,839,834**	**(2,195,562)**	**(1,165,960)**
Assets				
Segment assets	10,421,260	5,760,611	-	**16,181,871**
Unallocated assets	-	-	1,718,326	**1,718,326**
Total Assets	**10,421,260**	**5,760,611**	**1,718,326**	**17,900,197**

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

Notes to the Financial Statements (continued)

Note 24 - Segment Information (continued)

Year Ended 30 June 2022	Hydrogen $	Renewable & Clean Energy Investments $	Corporate* $	Total $
Revenue and income				
- Other income	-	-	87,540	**87,540**
- Interest income	-	-	55,362	**55,362**
Expenses	(345,398)	(41,916)	(2,333,099)	**(2,720,413)**
EBITDA	**(345,398)**	**(41,916)**	**(2,190,197)**	**(2,577,511)**
Depreciation	-	-	(58,979)	**(58,979)**
Amortisation	(183,833)	-	-	**(183,833)**
Interest expense	-	-	(4,220)	**(4,220)**
Profit /(Loss) after tax	**(529,231)**	**(41,916)**	**(2,253,395)**	**(2,824,543)**
Assets				
Segment assets	10,827,532	1,300,000	-	12,127,532
Unallocated assets	-	-	2,475,470	2,475,470
Total Assets				**14,603,002**

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

: Directors declaration

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

1. In the opinion of the Directors:

The consolidated financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and accompanying notes are in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the period ended on that date; and

(b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001;

(c) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and

(d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*. for the financial year ended 30 June 2023.

On behalf of the Board.

Boyd White

Chairman
Brisbane
18 September 2023

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INDEPENDENT AUDITOR'S REPORT

To the members of ReNu Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ReNu Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(D) 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment assessment of Intangible assets (including Goodwill)

Key audit matter	*How the matter was addressed in our audit*
The Group's disclosures in respect to intangible assets (including goodwill), detailing the allocation of Goodwill to the Group's cash generating units (CGU's), setting out the key assumptions for the value-in-use calculations and the impact of possible changes in these assumptions would have on the impairment assessment, is included in Note 6. The carrying value of goodwill represents a significant asset of the Group and is required to be annually tested for impairment. This annual impairment test was significant to our audit because management's assessment process, including the determination of CGUs and calculation of value-in-use calculations is complex and highly judgmental as the cashflows are based on a pre-revenue basis and pre-development basis. Management's assessment process involves an extended period of forecasting due to the nature of the project, and includes estimates and assumptions relating to expected future market or economic conditions. The impact of inputs used in management's assessment required significant auditor attention.	Our procedures included, amongst others: • Evaluating management's determination of the CGU's to ensure they are appropriate, including being at a level no higher than the operating segments of the entity. • Obtaining and gaining an understanding of the Group's value in use models, testing the mathematical accuracy and critically evaluating management's methodologies and their key assumptions. • Evaluating the Group's inputs used in the value-in-use calculations, including those relating to forecast revenue, costs, capital expenditure, operation start dates and discount rate. • Performing sensitivity analysis on the key assumptions in the model. These included hydrogen sales price, power price, operations start dates and annual growth rates, grant funding probability and discount rate. • Involving our internal specialists to assess the discount rate applied against comparable market information. • Involving our internal specialists to assess management's impairment assessment process is in accordance with accounting standards. • Evaluating the adequacy of the related disclosures in the financial report.

Valuation of investments at fair value through profit or loss

Key audit matter	***How the matter was addressed in our audit***
The Group's disclosures in respect of investments at fair value through profit of loss, including how the fair value of these investments is determined, is included in Note 7 and Note 23. The valuation of investments at fair value through profit or loss was significant to our audit because these investments are a significant asset of the Group and determining the fair value can involve significant judgement as the investments are in companies that are not publicly traded.	Our procedures included, amongst others: • Evaluating the appropriateness of using the most recent capital raise as a basis for determining fair value, taking into consideration the timing of the capital raise and any special terms attached to the capital raise • Considering management's assessment of the performance of the investment post the most recent capital raise • Reviewing management's assessment of whether the Group is in a position to exercise significant influence over the individual investment.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the directors' report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 27 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of ReNu Energy Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

A J Whyte
Director

Brisbane, 18 September 2023