

30 April 2024

ASX:announcement

March 2024 Quarterly Activities Report

Highlights

- **Honed corporate strategy as a pure hydrogen play** – based on progress made in Tasmania – a developer of **green hydrogen ecosystems** enabling emissions reduction
- **Board size, Board and management remuneration changes** following a strategic review
- Immediate term focus to progress flagship green hydrogen project – **Tasmania Hydrogen HyWay#1** – to FID with financial modelling showing the project is capable of strong returns and a competitive hydrogen price
- Tasmania Hydrogen HyWay#1 progress – **procurement and EPC contracts nearing conclusion**
- Strong **investor appetite** to invest/co-invest at FID with **grant** funding opportunities progressing and **Hydrogen HyWay** and **offtake** interest growing
- Strong **investee companies** progress
- Assessing options to **realise value in investee companies** to fund green hydrogen success – McGrathNicol Advisory appointed to provide sell side advice
- Knowhow developed allows the **hydrogen model to be replicated in other locations** in Australia and internationally – Hydrogen HyWay#2 being planned in collaboration with Mitsubishi's DGA Energy Solutions

ReNu Energy Limited (**ReNu Energy** or **Company**) (**ASX: RNE**), together with its wholly owned subsidiary Countrywide Hydrogen Pty Ltd (**Countrywide**) (ReNu Energy and Countrywide together **the Group**), is pleased to provide the following update on the Group's activities for the three months ended 31 March 2024 (**the quarter**).

Strategy

During the quarter, the Board and management undertook a strategic review of the Company's vision and direction. After the end of the quarter, the Company announced (on 16 April 2024¹) that the Board had decided:

- The Company's strategic direction and focus is to be on green hydrogen.
- The immediate term focus is to advance the Group's flagship Tasmanian green hydrogen project to Final Investment Decision (**FID**).

¹ See the Company's 16 April 2024 ASX announcement.

- The Company’s vision is to be a preferred supplier of green hydrogen to support customers reduce emissions and to do this by pioneering green hydrogen ecosystems that decarbonise heavy transport and power generation.

Based on project progress, the Company’s future lies in developing green hydrogen projects in Australia and abroad. The progress made in Tasmania in creating a bespoke green hydrogen ecosystem is resonating with governments, potential offtakers and project investors. New Hydrogen HyWay opportunities presented in Victoria and South Australia, along with state government interest in Queensland and from the logistics sector give the Board confidence that the business model created and being implemented by Countrywide can be replicated and provide potential long-term returns.

Based on recent investor engagement, the Board considers that the value proposition for investors lies in being an ASX-listed first mover for domestic supply focused green hydrogen production, rather than as an investor in, and incubator of, renewable energy technologies. The Board views a sell down of interests in investee companies as a source of funds to progress the Tasmanian hydrogen projects. To this end, on 24 April 2024, the Company engaged McGrathNicol Advisory to provide sell side transaction advisory services.

Board and Remuneration Changes

The strategic review undertaken during the quarter and referred to above also incorporated a review of Board size and cost base, with the Company announcing on 16 April 2024²:

- That Mr Tony Louka and Mr Tim Scholefield have tendered their resignations as Non-executive Directors, effective 1 May 2024.
- The following changes to Board and management remuneration effective 1 April 2024.

Position	Remuneration change ³
Executive Chairman	25% reduction in Director fees and hourly rate for consulting services
Non-executive Directors	25% reduction in Director fees
Executive Director Hydrogen	\$75,000 reduction in annual base remuneration
Chief Executive Officer and Company Secretary	\$125,000 reduction in annual base remuneration
Group Communications Director	\$51,250 reduction in annual base remuneration

Hydrogen HyWay#1 – Hydrogen Tasmania

During the quarter the Group focussed on progressing its flagship Tasmanian green hydrogen project – Hydrogen HyWay#1.

² See the Company’s 16 April 2024 ASX announcement.

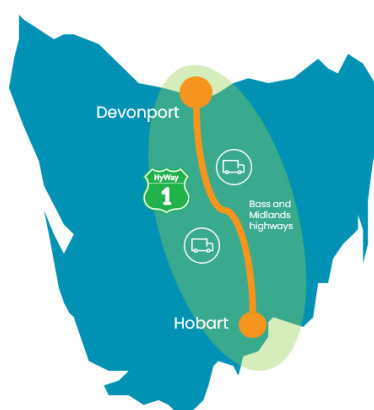
³ Refers to change in remuneration compared with the financial year ended 30 June 2023. The changes include a proportionate decrease in superannuation where superannuation applies.

About Hydrogen HyWay#1

The Group's hydrogen focus in Tasmania is on decarbonising the heavy transport industry. The Tasmanian hydrogen project (Hydrogen HyWay#1) has the potential to deliver Australia's first end-to-end hydrogen transport ecosystem.

It is designed to incorporate two hydrogen production and refuelling facilities initially, one in the north of Tasmania, at Wesley Vale, 10km east of Devonport and the second in the south, at Brighton, 20km north of Hobart. A third facility near Launceston is planned to follow within 12-24 months of commissioning the first two facilities.

Each facility is designed to comprise a 5-megawatt electrolyser and a hydrogen refuelling station with two 350 bar dispensers capable of supplying up to 690,000kg of green hydrogen per annum, which equates to refuelling around 33 fuel cell trucks per day.



Proposed Project Locations – Tasmania Map

Tasmania Hydrogen Project Progress and Status

During the quarter, Fabrum Solutions Limited (**Fabrum**) progressed the front-end engineering design and pricing on the hydrogen refuelling facility for the first two Tasmanian sites. The Engineering, Procurement and Construction (**EPC**) contract with Fabrum was materially negotiated during the previous quarter and the final price based on the design and the terms of the EPC contract is expected in May 2024. The supply contract for the procurement of the electrolyser, from Plug Power Inc. was materially negotiated last quarter and final pricing is also expected in May 2024.

Please refer to the Company's 16 April 2024 ASX release for further details on progress made during the quarter and the status of the project – covering land and approvals, grid connection and power supply, offtakes and funding.

Hydrogen HyWay#2 – Victoria & South Australia Project

The Group's view that the benefits of green hydrogen go beyond emissions reductions is a motivating factor behind commencing preparatory works during the quarter on the larger scale Hydrogen HyWay#2 on the mainland. Hydrogen HyWay#2 is supported by Mitsubishi Corporation's Australian arm for renewable energy and green hydrogen development, DGA Energy Solutions Australia (**DGA**), with the parties planning to conduct joint studies to determine the feasibility of delivering a domestic supply project (Stage 1) followed by an export supply project (Stage 2).⁴ DGA is an excellent partner for both stages, in particular for the Stage 2

⁴ Refer to the Company's ASX announcement dated 13 December 2023 for further details.

potential export project due to its relationship with the Japanese Government which is seeking access to green hydrogen or ammonia for future electricity generation.

In conjunction with DGA, Countrywide applied in February 2024 for feasibility study funding up to \$500,000 from the Regional Development Victoria's Portland Diversification Fund. Applications have been assessed by an independent panel and the results are expected to be announced in the coming months.

Hydrogen HyWay Extensions

Opportunities arose during the quarter for the Group to present the Hydrogen HyWay concept, including to representatives from the governments of New South Wales and Queensland – key states for the model to be deployed in Australia. The Group's intent to focus on supplying domestic demand to decarbonise local economies initially is well aligned with government policies focused on quantified state emission reduction targets.

The Group continued discussions with HW Richardson Group (**HWR**) during the quarter to collaborate to develop a Hydrogen HyWay across the South Island of New Zealand where HWR operates a fleet of approximately 1,500 heavy vehicles. The availability of renewable electricity generation in the South Island is an enabler for the opportunity.

The Group's Southeast Asia opportunity, with its project partner, Anantara (a joint venture between ib vogt and Quantum Power) is still awaiting outcomes on tenders for the proposed associated solar project.

Renewable and Clean Energy Investments

Investment in Allegro Energy

During the quarter, Allegro Energy Pty Ltd's (**Allegro**) focus was on the execution of its 100kW demonstration pilot at the Origin Energy Eraring site, which is due for completion in the last quarter of 2024. Allegro continued to expand its Battery Testing Facility and the size of its team during the quarter. The multi-discipline engineering capability within Allegro now incorporates principal process engineer, principal power engineer, senior controls engineer and lab scientist roles. Key components of Allegro's long duration battery technology were also delivered to the testing facility during the quarter.

Allegro was cited in a report by the Australian Associated Press (AAP) as contributing to Origin Energy's first steps toward a greener grid. Co-founder and CEO, Dr Thomas Nann participated in a range of industry and sector events during the quarter, including a NSW-hosted roundtable focused on Innovation Blueprint, the H2 Summit, and a German-Australian Chamber of Commerce hosted event with the German Aerospace Center.

Investment in Enosi

During the quarter, Enosi Australia Pty Ltd's (**Enosi**) Powertracer software went live in pilot programs in the UK with commercial and industrial energy supplier Business Power & Gas and in Italy with energy company ENI-Plenitude. Both these energy suppliers are planning larger expansion and launch of commercial products using Powertracer. In Singapore, Enosi's partner Senoko Energy won the Singapore Business Review's Technology Award for their Solarshare project using Enosi's technology.

New Australian retail energy partner Next Business Energy launched Powertracer during the quarter in what Enosi believes is a world-first Matched Energy Supply Agreement – matching solar production from Photon Energy's farms in western NSW with consumption at Sydney office

buildings and pricing the matched energy lower than the firming power. This is a significant step towards 24/7 matched energy contracts that Enosi believes will soon be required for green fuels production. Also, Enosi and Countrywide executed an MoU during the quarter under which Powertracer can be used to certify the green origin of power used to produce hydrogen for the Tasmanian project.

Investment in Vaulta

During the quarter, Vaulta Holdings Pty Ltd (**Vaulta**) received investments from SABIC Ventures and a follow-on investment from Novocycle Technologies (formerly known as Niocycle Technologies). Vaulta saw growth in commercial sales following the launch of a newly focussed sales strategy targeting installers and increased capacity to meet growing demand. Product upgrades are also occurring with rollout planned in the coming months. Ian Campell from ISC Partners joined as an advisor during the quarter, bringing expertise in growth and sales strategy. These strategic moves position Vaulta well for continued growth.

Investment in Uniflow Power

During the quarter Uniflow Power Limited (**Uniflow**) successfully raised additional capital and made steady progress towards its goal of manufacturing the Cobber in Australia, and licensing manufacture internationally. Uniflow is developing its workshop in Batemans Bay into a Research and Development Centre and 'Powerhouse' for prototype production. The Renewable Energy Demonstration Site (REDS) at Mugga Mugga in Canberra continues to serve as Uniflow's primary demonstration site.

During the quarter, Uniflow and Bosch Industry Consulting planned for a workshop to occur in April 2024 to examine the existing mechanically controlled design of the Cobber and current production methodology – to develop a manufacturing strategy and a capital requirement for first base manufacturing capacity. Uniflow is encouraged by the range of enquiries received that suggest the size of the demand for on-demand off-grid energy across the world is significant and growing.

Corporate

ReNu Energy retained \$908,000 in cash and cash equivalents at 31 March 2024 (\$1,940,000 at 31 December 2023).

During the quarter, Towards Net Zero, LLC (**TNZ**) made a further investment in the Company of \$250,000 as a prepayment for \$275,000 worth of shares (out of the \$500,000 that TNZ may fund under, and on the terms of, the Investment Agreement with the Company).⁵ The funds raised are being used to fund the progress of the Group's flagship Tasmanian green hydrogen project and for general working capital.

During the previous quarter, ReNu Energy successfully completed a \$2,500,000 capital raise (before costs). Proceeds from the capital raise were applied during the quarter to costs of the raise (\$151,000) and repayment of the principal amount of a convertible debt security issued to TNZ (\$200,000).

⁵ Refer to the Company's ASX announcement dated 20 February 2024 for further details.

Outlook

As advised in the Company's announcement to the ASX on 16 April 2024, the Board has updated its guidance that FID for Tasmanian Hydrogen HyWay#1 is now expected to occur in the second half of 2024 with further capital required to progress the project to FID.

The Board notes that the Company has recognised gains in the value of its investee companies, with the carrying value \$6.2 million in the 31 December 2023 half year accounts based on the share price of capital raises undertaken during the half year.⁶ As noted above, the Board views a sell down of interests in investee companies as a source of funds to progress the Tasmanian hydrogen projects and, to facilitate this, the Company has engaged McGrathNicol Advisory to provide sell side transaction advisory services.

The Board and management believe the Company has strong fundamentals to progress in 2024:

- Tangible progress is being made on the development of the hydrogen projects in Tasmania and Victoria. For the Tasmanian Hydrogen HyWay project, the Group has an option over land, approvals progressing, construction contracts materially negotiated, FEED and final pricing near completion, behind-the-meter solar and grid-connected power procurement being progressed, an offtake book being built, and financing options being assessed.
- There is strong appetite for co-investment at FID, including from HESTA (under the terms of our Platform Agreement).
- The Group is 'thinking bold', including by evaluating upstream and downstream hydrogen opportunities to continue to be a first mover at the forefront of this nascent industry.
- Green hydrogen is pivotal for transitioning to a sustainable energy future due to its potential to decarbonise sectors such as heavy transport and industry – this is where the Company is focussed.

The Group aims to deliver hydrogen to fuel cell vehicles at a retail hydrogen price which is competitive with diesel. The Group considers that hydrogen cost competitiveness with diesel is achievable due to the demand generated from the needs of diesel users to meet their publicly stated emissions reduction targets, improvements in fuel cell technologies making hydrogen powered vehicles more efficient and expected diesel price increases in the medium term.

This market announcement has been authorised for release to the ASX by the Executive Chairman, Executive Director and CEO. For more information, please contact:

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+61 7 2102 3654

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The Civic Partnership
tim.fogarty@civicpartners.com.au

⁶ The share price used for the valuation of Allegro is at a slight discount to the price of Allegro's most recent capital raise due to limited free carry rights associated with that raise.

About ReNu Energy (<https://renuenergy.com.au/>)

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 through a portfolio of incubator investments in renewable and clean energy technologies. ReNu Energy's vision is to be an Australian leader in decarbonisation through pioneering the development of green hydrogen domestic ecosystems.

About Countrywide Hydrogen (<https://crh2.com.au/>)

Countrywide Hydrogen originates and develops green hydrogen projects with a view to developing them in collaboration with project partners and governments, initially targeting domestic market demand and where viable, expanding the projects to meet future export demand. Countrywide Hydrogen's business model is to retain equity in each project as it moves through development, into production and revenue generation.

About Allegro (<https://www.allegro.energy/>)

Allegro Energy makes water-based Redox Flow Batteries and supercapacitors that are clean, non-flammable, non-corrosive and fully recyclable, with no reliance on scarce materials or complex supply chains. At the core of both products is Allegro's unique water-based electrolyte which enables energy storage that is less expensive and safer than competing technology.

About Enosi (<https://enosi.energy/>)

Enosi is an energy software leader - its Powertracer product is a world-first mass-market scalable, clean energy traceability solution. Tracing carbon free energy is quickly becoming the next global sustainability benchmark and Enosi has built the platform to address this need and enable traceability from source to socket 24/7. Powertracer achieves this by providing full traceability so that consumers can see exactly where their energy is generated.

About Vaulta (<https://www.vaulta.com.au/>)

Vaulta is a battery casing technology company based in Brisbane, Australia. Using advanced composite materials and a smart, streamlined design, Vaulta has developed a lighter and smaller battery case with fewer parts, creating scalable efficiencies and opportunities for manufacturers. Vaulta's patented casing design and composite materials are designed for battery repair, re-use and recycling leading to less battery waste and landfill.

About Uniflow (<https://www.uniflowpower.com/>)

Uniflow is commercialising a unique, micro renewable energy generator (The Cobber) designed to deliver approximately 4.5kW of electrical power and 20kW thermal energy. Using solid biomass such as agricultural waste to create energy, the Cobber has the potential to displace fossil fuels including diesel, petroleum, coal and kerosene. Particularly relevant in developing economies, it has application in micro economic development, poverty alleviation, and meeting UN Sustainable Development Goals.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ReNu Energy Limited

ABN

55 095 006 090

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(439)	(1,106)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(379)	(1,129)
(f) administration and corporate costs	(422)	(714)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
(a) expenditure on biogas EPC project	-	-
(b) business development	-	-
(c) GST received/(paid)	10	(1)
(d) Research and development receipts	311	311
1.9 Net cash from / (used in) operating activities	(911)	(2,627)
<i>Note: the prepayment of annual insurance premiums impacted cash used in operating activities during the quarter</i>		

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	(250)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(250)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,651
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	8
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(151)	(371)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(20)	(61)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other : Proceeds from issue of convertible debt securities	250	550
	Other: Repayment of convertible debt securities principal amount	(200)	(300)
3.10	Net cash from / (used in) financing activities	(121)	2,477

Quarterly cash flow report for entities subject to Listing Rule 4.7B

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,940	1,308
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(911)	(2,627)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(250)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(121)	2,477
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	908	908

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	908	1,940
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	908	1,940

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(323)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Remuneration and consulting fees paid to directors and their associates.</p>		

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(911)
8.2 Cash and cash equivalents at quarter end (item 4.6)	908
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	908
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.99
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes.	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. The Company has taken the following steps to raise further cash to fund its operations:

- The Company is actively seeking to sell down interests in investee companies as a source of funds to progress the Company's green hydrogen projects to final investment decision. In this respect, the Company has engaged McGrathNicol Advisory to provide sell side transaction advisory services.
- The Company has applied to Radium Capital for advance funding of a portion of its anticipated FY2024 R&D tax refund.
- Under the terms of the investment announced on 23 October 2023, Towards Net Zero, LLC may fund the Company with an additional investment of \$250,000 as a prepayment for \$275,000 worth of shares.
- The Company has an 'At-The-Market' facility with Acuity Capital that has the potential to provide standby equity capital until 31 July 2024.¹
- The Company may choose to undertake an equity capital raise to fund its operations. The Company has recent history in raising capital and a retainer arrangement with PAC Partners for corporate advisory.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, based on steps already undertaken (outlined above), funding options available, effective cashflow management and the Company's recent history in raising capital (the Company completed a fully underwritten, non-renounceable, pro-rata entitlement offer and a placement to professional, sophisticated and other investors in December 2023, raising \$2.5 million).

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024

Authorised by: By the Executive Chairman, Executive Director and CEO/Company Secretary
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

¹ Refer to the Company's ASX announcement dated 30 May 2022 for details.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.