

ReNu Energy Limited

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re conscious sustainable investments

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Appendix 4E

PRELIMINARY FINAL REPORT FINANCIAL YEAR ENDED 30 JUNE 2024 RENU ENERGY LIMITED ABN 55 095 006 090

Results for announcement to the market

	FY24 \$	FY23 \$	Change \$	Change %
Other income	749,390	3,020,393	(2,271,003)	(75%)
Loss from ordinary activities after tax attributable to members	(5,087,876)	(1,165,960)	(3,921,916)	336%
Net loss for the period attributable to members	(5,087,876)	(1,165,960)	(3,921,916)	336%

NTA backing	FY24	FY23
Net tangible asset backing per ordinary security	\$ 0.008	\$ 0.015*

* restated from 30 June 2023

Brief explanation of any of the figures reported above:

The loss for the period was more than the corresponding period primarily due to: (i) increased green hydrogen project development expenditure during the period; (ii) higher finance costs; and (iii) higher share-based payments expense. The change in other income is driven by higher positive revaluations of the Company's carrying value of investee companies in the corresponding period partially offset by R&D tax incentive revenue recognised during the period. Please refer to the attached Directors Report for a full commentary on the results for the period and refer to the 2024 Financial Report for the detailed financial statements and explanatory notes to the accounts.

Details of associated entities

Name of associate	Reporting entity's percentage holding		Carrying amount	
	June 2024 %	June 2023 %	June 2024 \$	June 2023 \$
Vaulta Holdings Pty Ltd*	0%	10%	-	421,859
Group's aggregate share of associates profit/(loss)				
Profit/(loss) from ordinary activities before income tax			(4,941)	(78,141)

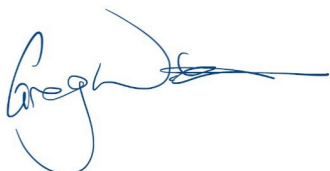
* Ceased to be an associate during the period as management concluded significant influence was lost when the option to purchase additional interest expired on 13 November 2023

Dividends

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

Compliance statement

This report is based on accounts which have been audited.

A handwritten signature in blue ink, appearing to read 'Greg Watson', with a long horizontal flourish extending to the right.

Greg Watson
Company Secretary
30 August 2024

: Directors' report

Director Profiles

Your Directors submit their report for the year ended 30 June 2024. 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 Executive Chairman	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 has had no other listed company directorships in the past three years. Mr White is a member of the Risk and Audit Committee, and Remuneration and Nominations Committee. On 15 May 2023, Mr White assumed the role of Executive Chairman on an interim arrangement to assist with taking the Company's Tasmanian green hydrogen project to final investment decision.
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 and High Victor McKay Investment Committee for the Victorian government. Ms Oliver's Order of Australia was awarded for services to business and women. Ms Oliver has had no other listed company directorships in the past three years. Ms Oliver is Chair of the Risk and Audit Committee and Chair of the Remuneration and Nominations Committee.

Directors' Report (continued)

Name & Qualifications	Experience
Geoffrey Drucker BEc Executive Director	Mr Drucker is an experienced senior executive with a background in the renewable energy sector spanning over 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. Mr Drucker holds a Bachelor of Economics and was previously admitted as a Certified Practising Accountant. Mr Drucker has had no other listed company directorships in the past three years.
Tony Louka MBA & MAICD Non-executive Director <i>(resigned 1 May 2024)</i>	Mr Louka has over 30 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 had no other listed company directorships in the past three years.
Tim Scholefield BAppSc, MBA, GAICD, Cert Gov (Risk) Non-executive Director <i>(resigned 1 May 2024)</i>	Mr Scholefield is a 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 has had no other listed company directorships in the past three years.

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 with nearly three decades of experience in professional services, the resources and clean energy sectors.

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 (**ReNu Energy** or **the Company**) and its subsidiaries (collectively **the Group**) for the financial year ended 30 June 2024.

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. 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.

Significant changes in the state of affairs

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

- Undertaking a strategic review, with the Group's strategic direction honed to be on green hydrogen with the immediate term focus to advance the Group's flagship Tasmanian green hydrogen project to Final Investment Decision (FID);
- Progressing the Group's Tasmanian green hydrogen project – Hydrogen HyWay#1 – to FID, with Hydrogen HyWay#1 having the potential to deliver Australia's first end-to-end hydrogen transport ecosystem that will contribute to decarbonising the heavy transport industry;
- Securing the award of an \$8 million funding package from the Tasmanian Government for the Hydrogen HyWay#1 project, to be paid on delivery of green hydrogen to customers from the proposed Tasmanian sites;
- Progressing discussions: (i) with the Australian Renewable Energy Agency (ARENA) for grant funding through the Advancing Renewables Program; and (ii) in relation to the Federal Government's Hydrogen Highways program;
- Optimising the Company's governance structure and cost base through the implementation of Board and remuneration changes;
- Commencing a process to assess options to realise value in the Group's investee companies with McGrathNicol Advisory appointed to provide sell side transaction advice; and

Directors' Report (continued)

Significant changes in the state of affairs (continued)

- Capital raisings totalling \$3.165 million (prior to costs) to progress the Group's green hydrogen projects and renewable and clean energy investments.

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	2024 \$	2023 \$
EBITDA – by business segment		
Hydrogen	(1,325,226)	(1,500,736)
Renewable & clean energy investments	(41,773)	2,917,975
Corporate	(3,226,975)	(2,124,913)
Total Group EBITDA	(4,593,974)	(707,674)
Equity Accounted Share of Profit/(Loss)	(4,941)	(78,141)
Depreciation	(82,634)	(82,518)
Amortisation & impairment	(454,613)	(453,370)
Interest expense	(6,615)	(3,558)
Income tax (expense)/benefit	54,901	159,301
Loss after tax	(5,087,876)	(1,165,960)

The above non-IFRS information has been audited.

Financial Position

The Group has net operating cash outflows for the year of \$3,331,678 and as at 30 June 2024 has cash and cash equivalents of \$245,213. Subsequent to year end, the Group: (i) received a further institutional investment of \$250,000 from Towards Net Zero, LLC (TNZ) as a prepayment for \$272,500 worth of shares; (ii) received a \$185,000 advance from RH Capital Finance Co (the advance will be repaid from the proceeds of Company's 2024 financial year R&D tax incentive rebate); and (iii) announced on 29 August 2024 a trading halt on the ASX pending the release of an ASX announcement regarding a proposed capital raise.

Results

The Group's Underlying EBITDA loss of \$4,593,974 (2023: \$707,674) was more than the corresponding period primarily due to:

- (i) Hydrogen segment: increased green hydrogen project development expenditure during the period offset by R&D tax incentive revenue recognised;
- (ii) Renewable & clean energy investments segment: higher positive revaluations of the Company's carrying value of investee companies in the corresponding period; and
- (iii) Corporate segment: higher finance costs and share based payments expense.

Directors' Report (continued)

Operating and Financial Review (continued)

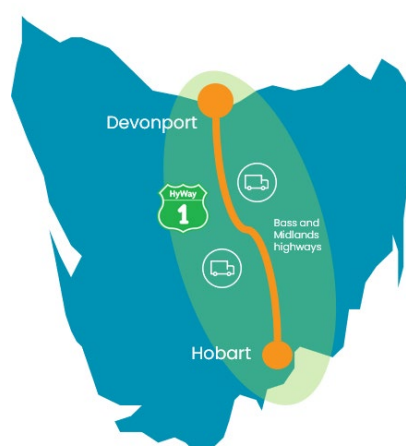
Operational review

Green Hydrogen

The Group's main focus during the year ended 30 June 2024 was progressing its flagship Tasmanian green hydrogen project – Hydrogen HyWay#1 – to FID. Hydrogen HyWay#1 has the potential to deliver Australia's first end-to-end hydrogen transport ecosystem and contribute to decarbonising the heavy transport industry. It is designed to incorporate:

1. Hydrogen production and storage – building infrastructure to produce and store green hydrogen.
2. Hydrogen Refuelling Stations (HRS) – building green hydrogen stations to refuel heavy vehicles 24/7.
3. Direct hydrogen supply – retail sales to fuel cell trucks and buses under the H₂CO brand.

Hydrogen HyWay#1 is initially planned to comprise two hydrogen production and refuelling facilities, one in the north of Tasmania, at Wesley Vale, 10km east of Devonport (Devonport Site) and the second in the south, at Brighton, 20km north of Hobart (Hobart Site). 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 (MW) 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

During the 2024 financial year, the Group advanced its work to achieve a FID that meets the investment requirements set out in the Platform Agreement with Australian superannuation fund HESTA for co-investment in Hydrogen HyWay#1.¹ Activities during the period include:

- Completion of the basis of design and negotiation of (i) the electrolyser supply and (ii) the HRS and balance of plant Engineering Procurement and Construction (EPC) contracts.
- Identification of site locations and securing an option to lease over the Devonport Site.

¹ See the Company's 7 June 2023 ASX announcement for further details.

Directors' Report (continued)

Operating and Financial Review (continued)

- Front End Engineering and Design (FEED).
- Lodgement of a notice of intent to build and operate a hydrogen production and refuelling facility with the Tasmanian Environment Protection Authority Project and initial preparation of an environmental effects report.
- Submission of a connection enquiry to TasNetworks for a transmission connection for the Devonport Site and discussions with TasNetworks on connection options for the Hobart Site.
- Advancing discussion with potential customers and entering into non-binding, indicative hydrogen supply term sheets with multiple parties.
- Collaborating with Tasmanian solar developer, Climate Capital, for a 10MW solar farm to potentially provide 5MW behind-the-meter solar to the Devonport Site and an approximate 5MW export power offtake for the Hobart Site.

Federal and State Government funding

During the period, the Tasmanian Government awarded the Company an \$8 million funding package for the Hydrogen HyWay#1 project, to be paid on delivery of green hydrogen to customers from the proposed Tasmanian sites. The funding will be made available through the Tasmanian Government's Green Hydrogen Price Reduction Scheme.

The Group also welcomed during the period the renewable hydrogen announcements contained in the 2024 Federal Budget, including:

- A \$6.7 billion Hydrogen Production Tax Incentive to provide a \$2 incentive per kilogram of renewable hydrogen produced for up to ten years per project, between 2027–28 and 2039–40, for projects that reach final investment decisions by 2030.
- \$1.3 billion over ten years from 2024–25 for an additional round of the Hydrogen Headstart program to bridge the green premium for early-mover renewable hydrogen projects.

Following a presentation to the ARENA Panel during the period and, based on project progress, the Group (with assistance from Deloitte) is preparing an updated proposal for ARENA's consideration for grant funding through the Advancing Renewables Program. The Group is also progressing discussions in relation to the Federal Government's Hydrogen Highways program, which allocates up to \$80m to co-invest with State Governments for heavy transport decarbonisation.

Renewable and Clean Energy investments

The Group's investee companies continued to make strong progress during the period to commercialise their clean and renewable energy technologies (Allegro Energy Pty Ltd and Uniflow Power Limited) and increasing their annual recurring revenue (Vaulta Holdings Pty Ltd and Enosi Australia Pty Ltd).

With a book carrying value of \$6.015m (at 30 June 2024) based on the share price of capital raises recently undertaken, and investment cost of \$3.145m, the Group views a sell down of interests in the investee companies as a source of funds to progress Hydrogen HyWay#1 to FID and construction. Accordingly, the Group commenced a process during the period to assess options to realise value in its investee companies with McGrathNicol Advisory appointed to provide sell side transaction advice, including implementation of a divestment plan.

Directors' Report (continued)

Operating and Financial Review (continued)

Corporate

The Company undertook a strategic review of the Group's vision and direction during the period, with the outcomes of the review that:

- The Group's strategic direction is to be on green hydrogen with the immediate term focus to advance the Group's flagship Tasmanian green hydrogen project to FID;
- A sell down of interests in investee companies can be applied as a source of funds to progress Hydrogen Highway#1; and
- The governance structure and cost base of the Company through to FID can be optimised through the implementation of Board and remuneration changes, with Mr Tony Louka and Mr Tim Scholefield stepping off the Board on 1 May 2024 and reductions in Board and management remuneration taking effect on 1 April 2024.

During the 2024 financial year, the Company's capital raising activities included:

- Completion of a fully underwritten, non-renounceable, pro-rata entitlement offer and a placement to professional, sophisticated and other investors raising \$2.50 million (before costs);
- Receiving institutional investments from Towards Net Zero, LLC totaling \$550,000 as a prepayment for \$620,500 worth of shares; and
- Utilisation of the Company's At-the-Market Subscription Agreement (**ATM**) with Acuity Capital to raise \$275,000 (inclusive of costs) through the set-off of 18,000,000 ReNu Energy collateral shares previously issued to Acuity Capital under the ATM.

Material business risks

There are a number of factors, both specific to the Group and of a general nature, which may affect the future operating and financial performance of ReNu Energy, its projects, the industry in which it operates and the outcome of an investment in the Company. 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. Each of the risks set out below could, if it eventuates, have a materially adverse impact on the Group's operating performance, financial performance, financial position, liquidity, and the value of its shares. 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/>).

Company Specific Risks

Future funding risk

The Group does not currently have any income producing assets and therefore has not yet generated any profits. The net cash used in operating activities for the March 2024 and June 2024 quarters was \$910,718 and \$772,342 respectively. The net cash to be used in operating activities for the September 2024 quarter is expected to be materially consistent with these past quarters. Cash and cash equivalents on hand as at 30 June 2024 was \$245,213 (refer to the Subsequent Events note for steps taken subsequent to 30 June 2024 to raise further cash to fund the Company's operations).

Until the Group is able to develop projects to generate appropriate cashflow, it is dependent upon being able to obtain future equity or debt funding to support its stated business plan and objectives.

Directors' Report (continued)

Operating and Financial Review (continued)

Even if funds are raised to meet the immediate needs of the Group, there is no assurance that adequate or sufficient funds can be raised in the future to meet its funding requirements at or after FID, to achieve its stated business objectives or strategy or to meet expenditure requirements under future EPC and supply contracts in respect of its projects, either at all or on terms and conditions which are commercially acceptable to the Group or at a price which is not lower than the Offer Price. If the Group is unable to obtain such additional capital, it may be required to reduce the scope of its anticipated activities which could adversely affect its business, prospects, financial condition and operating results. There is also a risk of default of its contractual commitments if they cannot be renegotiated.

Offtake and commercialisation

The Group's ability to successfully develop and commercialise its Tasmanian 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, or 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.

Strategic partner risk

The Group's strategy is to collaborate with strategic partners to develop hydrogen production and refuelling facilities in three key locations in Tasmania, with a view to exporting the model to mainland Australia and international locations. The Group currently has non-binding memorandums of understanding and framework agreements in place for its Tasmanian projects with key strategic partners.

No assurance can be given that the Group will secure binding agreements with these strategic partners on appropriate terms or at all, or that the proposed hydrogen production and refuelling facilities will be completed.

The deterioration of any such key relationships or a change in the circumstances or requirements of the key suppliers or partners, or market conditions generally, could therefore have significant operational and financial implications for the Group. Moreover, a failure by any one of those suppliers or partners to perform their services may have an adverse effect on the operations of the Group and its financial performance.

The Group is seeking to secure other strategic partners in the target markets. While the Group has had positive discussions with a number of potential partners, negotiations are ongoing and there is no guarantee that the Group will secure agreements with other partners.

Emerging nature of the green hydrogen industry

The prospects of the Group must be considered in 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.

Changes in energy policy

The Australian green 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 hydrogen 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.

Directors' Report (continued)

Operating and Financial Review (continued)

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.

Construction

There is a risk that the Group's Tasmanian green 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.

Operational risk

If constructed, the Group's Tasmanian green hydrogen projects may still be adversely affected by a range of technological and operational factors, including unanticipated operational and technical difficulties encountered in ramping up facilities for hydrogen production, storage and refuelling, difficulties in securing renewable power supply, industrial and environmental accidents, and unexpected shortages or increases in the costs of raw materials and equipment.

Environmental risk

The Group's Tasmanian green hydrogen projects are subject to environmental regulation under a range of Tasmanian and Commonwealth laws and regulations. The Group's operations are undertaken in a responsible manner with appropriate resourcing to manage compliance.

Despite this, there is a risk that the Group's operations may cause harm to the environment due to an unexpected occurrence. Depending on the circumstances the Group may suffer reputational damage, may have an obligation to remediate the damage and may have its licences to operate suspended or revoked, all of which may have a material adverse effect on the business of the Group.

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 ReNu 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.

Legal and regulatory risk

The Group must comply with the legislation and regulatory frameworks in each of the jurisdictions in which it operates. A failure to do so could result in suspension or loss of permits or licenses as well as financial penalties, which could impact the Group's ability to scale up its green hydrogen projects and which may affect the Group's operational and financial performance.

Changes to laws and regulations in the future may provide for more onerous conditions with which the Group must comply. Any material adverse change in relevant laws or regulations may impact the Group's operational and financial performance.

Directors' Report (continued)

Operating and Financial Review (continued)

Tax law risk

The Group has claimed and intends to continue to claim a refundable tax offset for eligible expenditure under the research and development (**R&D**) tax incentive scheme while it is able to do so. Changes in tax law, or changes in the way tax laws are interpreted (and in particular the R&D tax incentive scheme) may impact the ability of the Group to claim the R&D rebate and which may have a consequent impact on the Group's financial condition.

There is a risk that the tax authorities may review the tax treatment of the Group's business and activities, and any transactions entered into by ReNu now or in the future. Any actual or alleged failure to comply with, or any change in the application or interpretation of, tax rules applied in respect of such transactions, may increase the Group's tax liabilities or expose it to legal, regulatory or other actions.

Future changes in taxation law, including changes in interpretation or application of the law by the courts or taxation authorities, may affect taxation treatment of an investment in the Group's shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which the Group operates, may impact the future tax liabilities of the Group.

Jurisdiction risk

The Group proposes to collaborate with strategic partners to explore potential offshore hydrogen project opportunities. If these opportunities progress, the Group will be exposed to the risk of operating in jurisdictions outside of Australia. These risks may include legal complications, taxation risks, exchange rate risks and geopolitical risks.

Investment strategy risk

The Group's business strategy includes investing in renewable and clean energy technologies to create stakeholder value.

ReNu holds investments in four renewable and clean energy investee companies – Uniflow Power Limited, Enosi Australia Pty Ltd, Allegro Energy Pty Ltd and Vaulta Holdings Pty Ltd. These investee companies are all at early stages of their development and commercialisation, have not yet generated positive earnings and are speculative in nature.

The success and future profitability of the Group will depend, in part, on the Group's ability to select investee companies which increase in value over time. There is a risk that one or more of ReNu's investee companies will not succeed in scaling their renewable energy technologies and projects to a stage that will generate positive returns for ReNu, and that may lead to a write-down in the carrying value of one or more investments.

The past performances of investments by ReNu cannot be relied on as indicators of the Group's future performance.

Insurance

The Group intends to maintain appropriate insurance to cover its activities, however no assurance can be given that such insurance will be available on commercially reasonable terms or that any cover will be adequate and able to cover all potential claims. Insurance may not always be available for all aspects of the Group's operations. Where the Group suffers loss and does not carry adequate insurance, the Group may be exposed to material uninsured losses, which may have a material adverse impact on the viability of a project or the Group's business and financial condition generally.

Directors' Report (continued)

Operating and Financial Review (continued)

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.

Asset impairment

The Group's board regularly monitors impairment risk. Consistent with accounting standards, the Group is periodically required to assess the carrying values of its assets. Where the value of an asset is to be less than its carrying value, the Group is obliged to recognise an impairment charge in its profit and loss account. Impairment charges can be significant and operate to reduce the level of a company's profits. Impairment charges are a non-cash item.

General risks

Share market

The price at which the shares in ReNu Energy trade on the Australian Stock Exchange may be affected by the financial performance of ReNu and by external factors over which the Directors and ReNu have no control. These factors include movements on international share and commodity markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

Dependence on general economic conditions

The operating and financial performance of the Group is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, access to debt and capital markets, government fiscal, monetary and regulatory policies.

A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on the Group's business or financial condition. Changes to laws and regulations or accounting standards which apply to the Group from time to time could adversely impact on the Group's business operations and financial performance.

Changes in Accounting Policy

Accounting standards may change. This may affect the reported earnings of the Group and its financial position from time to time.

Directors' Report (continued)

Likely developments and expected results

The Group will continue working towards an FID that meets HESTA's investment requirements under the terms of the Platform Agreement.² The Board believes the Company is well placed to progress Hydrogen HyWay#1 to FID in 2024 with the funding plan in place to reach FID and commence construction consisting of:

- Co-investment partners;
- Sell-down of existing investee companies to realise value;
- Possible government grants and R&D claims; and
- Capital raising.

Dividend

No dividends were declared or paid during the year ended 30 June 2024.

The Directors do not propose to recommend the payment of a dividend in respect of the period ended 30 June 2024.

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	2,015,989	9,000,000	-
Geoffrey Drucker	35,627,291	8,000,000	-
Susan Oliver	2,000,000	6,000,000	-

Significant events after the reporting date

Subsequent to year end, the Group: (i) received a further institutional investment of \$250,000 from Towards Net Zero, LLC (TNZ) as a prepayment for \$272,500 worth of shares; (ii) received a \$185,000 advance from RH Capital Finance Co (the advance will be repaid from the proceeds of Company's 2024 financial year R&D tax incentive rebate); and (iii) announced on 29 August 2024 a trading halt on the ASX pending the release of an ASX announcement regarding a proposed capital raise.

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.

² See the Company's 7 June 2023 ASX announcement for further details.

Directors' Report (continued)

Environmental regulations and performance (continued)

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.

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) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Share Options

25,000,000 unlisted options with an exercise price of \$0.0165 per share expiring on 15 January 2027 were granted in December and issued on 15 January 2024 to PAC Partners Securities Pty Limited and a further 25,000,000 unlisted options with an exercise price of \$0.0165 per share expiring on 23 January 2027 were granted in December and issued on 23 January 2024 Cygnet Capital Pty Ltd for acting as lead manager and underwriter and sub-underwriter respectively to the December 2023 underwritten, non-renounceable, pro rata entitlement offer at an issue price of \$0.011 per share.

115,556 shares were issued on 15 December 2023 upon the exercise of 115,556 listed options (\$0.07 each) raising \$8,089.

25,000,000 listed options previously granted to Peak Asset Management for acting as corporate adviser and lead manager to various placements lapsed, on 31 December 2023. An amount of \$993,937 relating to the previously recognised cost of raising capital, has been transferred out of the share-based payment reserve for the year ended 30 June 2024.

A further 99,121,385 listed options previously granted between August 2021 and February 2023 to shareholders during historical capital raises lapsed on 31 December 2023.

Directors' Report (continued)

Directors' meetings

During the period, there were 10 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	-	-	1	1
Tony Louka	3	3	4	4	1	1
Tim Scholefield	3	3	4	4	-	-
Geoffrey Drucker	5	5	-	-	-	-
Susan Oliver	5	5	4	4	1	1

A – Number of meetings attended

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

Committee memberships as at 30 June 2024 was:

Risk & Audit Committee – Membership comprises Ms Susan Oliver AM (Chair of the Committee and Non-executive Director), Mr Boyd White (Executive Director) and Mr Geoffrey Drucker (Executive Director).

Remuneration & Nominations Committee – Membership comprises Ms Susan Oliver AM (Chair of the Committee and Non-executive Director) and Mr Boyd White (Executive Director).

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 32.

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 (Ernst & Young and previously BDO Audit Pty Ltd) for audit and non-audit services provided during the year are set out in note 15 to the Financial Statements.

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*.

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 2024 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 FY24 (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)

Tony Louka (ceased 1 May 2024)	Director
Tim Scholefield (ceased 1 May 2024)	Director
Susan Oliver	Director

Executive Directors

Boyd White	Executive Chairman
Geoffrey Drucker	Executive Director Hydrogen

Other KMP

Greg Watson	Chief Executive Officer & Company Secretary
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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

Remuneration Report approval at 2023 AGM

The 2023 Remuneration Report was not passed at the AGM as it did not attract the requisite majority of 75% with shareholders voting against the report providing feedback to the Company of their dissatisfaction with the Company's Board size and remuneration in the context of the fall in the Company's share price and market capitalisation since the last AGM. Considering this result and following shareholder consultation and a strategic review, the Company announced on 16 April 2024 changes to the Board size and Board and management remuneration, comprising:

- Mr Tony Louka and Mr Tim Scholefield volunteering to resign from the Board with their resignations as Non-executive Directors effective 1 May 2024; and
- The following changes to Board and management remuneration effective 1 April 2024:

Position	Remuneration change ¹
Executive Chairman	Annual Chairman fees reduced to \$54,000 and 25% reduction in 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

¹ Other than annual Chairman fees, refers to change in remuneration compared with the financial year ended 30 June 2023.

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.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

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 2024, remuneration consisted of fixed remuneration – base salary and superannuation with no short term or long-term incentives awarded.

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 2024 financial year no share-based payments were awarded to staff or executives. No Key Management Personnel were awarded any short term or cash incentives for the financial year.

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).

Directors' Report (continued)

Remuneration Report (Audited) (continued)

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 2024 financial year, no Plan Shares were issued or vested under the Loan Share Plan.

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 FY24

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

The 2024 financial year saw the Group progress its flagship Tasmanian green hydrogen projects towards FID. The Board set specific measurable short-term targets for KMP for the 2024 financial year. Whilst a number of the targets were met, no share based or cash incentives were awarded to KMP for the 2024 financial year.

It is intended that corporate and individual KPIs will again be set for the 2025 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 2024 is set out below:

Table 1 – Remuneration of senior executives of the Group for the year ended 30 June 2024

Name	Short-term		Post employment	Long term benefits	Share based payments	Total	Performance related
	Salary ¹	Consulting Fees	Superannuation	Employee entitlements	Loan Share Plan Shares		
	\$	\$	\$	\$	\$	\$	%
G. Watson	322,212	-	35,062	6,061	77,504	440,839	-
G. Drucker	285,577	-	30,938	4,564	62,003	383,082	-
B. White ¹	67,500	222,313	-	-	69,753	359,566	-
Totals	675,289	222,313	66,000	10,625	209,260	1,183,487	-

1. B White is engaged through an associated company White Lotus Solutions Pty Ltd (trading as New Energy Capital).

2. Salary includes annual leave.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

Table 2 – Remuneration of senior executives of the Group for the year ended 30 June 2023

Name	Short-term		Post employment	Long term benefits	Share-based payments	Total	Performance related
	Salary	Consulting Fees	Superannuation	Employee entitlements	Loan Share Plan Shares		
	\$	\$	\$		\$	\$	%
G. Watson	341,354*	-	36,750	4,654*	77,292	460,050	-
G. Drucker	243,876*	-	27,300	1,507*	61,834	334,517	-
B. White ¹	8,125	39,000	-	-	8,695	55,820	-
Totals	593,355	39,000	64,050	6,161	147,821	850,387	-

*restated from 30 June 2023

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.

2. Mr White's share-based payment was appropriately accounted for in line with AASB 2, however in prior year reporting was not presented appropriately between his two roles, with all expense presented in Table 4. In the 2024 remuneration report, this has been split appropriately in both Table 2 and Table 4, reflecting the services provided in the respective roles.

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 variations to his Employment Agreement effective 1 January 2022 and 1 April 2024. The key terms of Mr Watson's employment are as follows:

- Base remuneration of \$350,000 per annum plus superannuation from 1 July 2023 to 31 March 2024, reduced to a base remuneration of \$225,000 per annum plus superannuation, effective 1 April 2024.
- 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 (as noted in section 3C above).
- 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 at the board discretion, including for example, the instance of a merger, take over bid. The shares were issued at an Issue Price of \$0.09 and Mr Watson was provided with an interest-free, limited-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 variations to his Employment Agreements, effective 1 March 2023 and 1 April 2024. The key terms of Mr Drucker's employment are as follows:

- Base remuneration of \$300,000 per annum plus superannuation from 1 July 2023 to 31 March 2024, reduced to a base remuneration of \$225,000 per annum plus superannuation, effective 1 April 2024.
- Conditional remuneration of \$60,000 plus superannuation in the event of meeting the following defined hydrogen project development milestones:
 - Land is identified for the Bell Bay, Portland and Melbourne green hydrogen projects and at least one parcel of land is secured; and
 - An offtake agreement is entered into on a renewable hydrogen project.
- 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 (as noted in section 3C above)
- 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 at the board discretion, including for example, the instance of a merger, take over bid. The shares were issued at an Issue Price of \$0.09 and Mr Drucker was provided with an interest-free, limited-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, to assist with taking the Company's green hydrogen project in Tasmania to FID.

Mr White is engaged through an associated company, White Lotus Solutions Pty Ltd (trading as New Energy Capital). Mr White's executive contract provided 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 for the period from 1 July 2023 to 31 March 2024. Effective 1 April 2024, the hourly rate reduced to \$187.50 (plus GST) and the daily cap reduced to \$1,500 (plus GST). 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 monthly for his Chairman services. For the period 1 July 2023 to 31 March 2024, the amount paid was based on a per annum rate of \$72,000. Effective 1 April 2024 the per annum rate reduced to \$54,000.

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. From 1 July 2023 to 31 March 2024 Non-executive Directors were paid a gross annual remuneration of \$50,000. Effective 1 April 2024, the fee structure for Non-executive Directors reduced to a gross annual remuneration of \$37,500 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 2024 is detailed in Table 3 of this report and the remuneration for the comparative year ended 30 June 2023 is detailed in Table 4.

Table 3 – Non-executive Directors' Remuneration for the year ended 30 June 2024

Director	Short-term		Post employment	Share-based payments	
	Directors' fees	Consulting Fees	Superannuation	Loan Share Plan Shares	Total
	\$	\$	\$	\$	\$
T. Louka ¹	41,670	-	-	268,694 ³	310,364
T. Scholefield ²	37,537	302,350	4,129	268,694 ³	612,710
S. Oliver	42,230	-	4,645	46,502	93,377
Totals	121,437	302,350	8,774	583,889	1,016,451

- Mr T Louka was a Non-executive Director until 1 May 2024 and was engaged through an associated company, Maxify Pty Ltd, to provide director services to the Company.
- Mr T Scholefield was a Non-executive Director until 1 May 2024. The Group also 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 fees in the table comprise fees paid by the Group to Pacific Energy Partners Pty Ltd until 1 May 2024.
- Upon ceasing as a Directors, Mr Louka and Mr Scholefield retained the Loan Share Plan Shares granted to them. The balance of the expense associated with these shares was accelerated and captured in the current year.

Table 4 – Non-executive Directors' Remuneration for the year ended 30 June 2023

Director	Short-term		Post employment	Share-based payments	
	Directors' fees	Consulting Fees	Superannuation	Loan Share Plan Shares	Total
	\$	\$	\$	\$	\$
B. White ¹	51,471	-	5,404	60,868 ⁴	117,743
T. Louka ²	50,004	-	-	46,375	96,379
T. Scholefield ³	49,416	107,923	4,751	46,375	208,465
S. Oliver	45,249	-	4,751	46,375	96,375
Totals	196,140	107,923	14,906	199,993	518,962

Directors' Report (continued)

Remuneration Report (Audited) (continued)

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.
4. Mr White's share-based payment was appropriately accounted for in line with AASB 2, however in prior year reporting was not presented appropriately between his two roles, with all expense presented in Table 4. In the 2024 remuneration report, this has been split appropriately in both Table 2 and Table 4, reflecting the services provided in the respective roles.

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.

Directors' Report (continued)

Remuneration Report (Audited) (continued)

The Board resolved that Mr Louka and Mr Scholefield were each be considered a 'Good Leaver' for the purpose of Rule 11.1 of the Loan Share Plan with the effect that they retained all their unvested Plan Shares following their resignation on the same terms and conditions as they held the Plan Shares prior to their resignation.

No shares were issued under the Loan Share Plan during the financial year ended 30 June 2024.

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 2024 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 ¹	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 ¹	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

¹ The balance disclosed reflects the numbers held the day the individual ceased being a KMP.

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 fees of \$302,350 were paid to Pacific Energy Partners during the period 1 July 2023 to 1 May 2024 (2023 Consulting and a portion of Non-Executive Director fees: \$112,089). 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 \$289,813 were paid during the year (2023: \$47,125). The material terms of the engagement of White Lotus Solutions are disclosed in section 4 of the Remuneration Report.

At 30 June 2024 \$10,500 was owing to White Lotus Solutions Pty Ltd in relation to June 2024 consulting fees and \$46,000 to Pacific Energy Partners for March 2024 and April 2024 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 \$213,328 were paid to Ms Drucker during the year (2023: \$215,475).

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 2024 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 1/07/2023	Acquired Under entitlement offer ¹	Shares released from escrow ²	Balance at End of Period 30/06/2024
Directors				
B. White				
- Unrestricted	1,433,333	582,656	-	2,015,989
- Unvested ³	9,000,000	-	-	9,000,000
T. Louka ⁴				
- Unrestricted	318,500	1,048,171	-	1,366,671
- Unvested ³	6,000,000	-	-	6,000,000
T. Scholefield ⁴				
- Unrestricted	901,931	-	-	901,931
- Unvested ³	6,000,000	-	-	6,000,000
G. Drucker				
- Unrestricted	17,438,644	2,000,000	51,815,938	71,254,582
- Unvested ^{2,3}	59,815,938	-	(51,815,938)	8,000,000
S. Oliver				
- Unrestricted	-	2,000,000	-	2,000,000
- Unvested ³	6,000,000	-	-	6,000,000
Executives				
G. Watson				
- Unrestricted	614,548	4,065,041	-	4,679,589
- Unvested ³	10,000,000	-	-	10,000,000
Total	117,522,894	9,695,868	-	127,218,762

1. Shares acquired under Entitlement Offer announced on 14 December 2023.

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, a further 25% on 1 August 2023 and the final 50% on 1 February 2024.

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.

4. The balance disclosed reflects the numbers held the day the individual ceased being a KMP.

End of Remuneration Report (Audited)

Directors' Report (continued)

Signed in accordance with a resolution of the Directors.



Boyd White
Chairman
Brisbane
30 August 2024

Auditor's independence declaration to the directors of ReNu Energy Limited

As lead auditor for the audit of the financial report of ReNu Energy Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene 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 financial year.



Ernst & Young



Andrew Carrick
Partner
Brisbane
30 August 2024

: Consolidated statement of profit or loss and other comprehensive income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024		2024	2023
	Note	\$	\$
Interest income		13,604	47,158
Other income	3A	735,786	2,973,235
Total income		749,390	3,020,393
Personnel expenses	3B	(2,474,944)	(2,040,170)
Other operating expenses	3C	(2,114,247)	(1,213,828)
General & administrative expenses	3E	(1,016,963)	(1,009,957)
Finance costs	3D	(281,072)	(3,558)
Total expenses		(5,887,226)	(4,267,513)
Share of profit/(loss) of associates	8	(4,941)	(78,141)
Loss before income tax expense		(5,142,777)	(1,325,261)
Income tax (expense) / benefit	4	54,901	159,301
Loss after income tax expense		(5,087,876)	(1,165,960)
Other comprehensive income for the period			-
Total comprehensive loss for the period attributable to the owners of the parent		(5,087,876)	(1,165,960)
Earnings Per Share attributable to the owners of the parent			
Basic and Diluted Loss per share (cents per share)	14	(0.76)	(0.29)

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 2024		2024	2023
	Note	\$	\$
Current assets			
Cash and cash equivalents	19	245,213	1,308,085
Trade and other receivables	5	603,641	242,669
Prepayments		133,544	146,200
Total current assets		982,398	1,696,954
Non-current assets			
Property, plant and equipment		55,832	68,470
Investments at fair value through profit or loss	7	6,015,035	5,338,752
Equity accounted investments	8	-	421,859
Intangibles	6	9,919,549	10,374,162
Total non-current assets		15,990,416	16,203,243
Total assets		16,972,814	17,900,197
Current Liabilities			
Trade and other payables	9	499,208	296,122
Borrowings	10	143,095	34,584
Employee provisions		189,004	25,555
Financial Liabilities at fair value through profit or loss	11	49,750	-
Total current liabilities		881,057	356,261
Non-current liabilities			
Deferred tax	4	352,512	407,413
Borrowings	10	9,053	30,038
Employee provisions		44,324	20,100
Total non-current liabilities		405,889	457,551
Total liabilities		1,286,946	813,812
Net assets		15,685,868	17,086,385
Equity			
Issued capital	12	377,767,457	375,331,156
Other reserves	13	1,740,857	1,483,736
Accumulated losses		(363,822,446)	(359,728,507)
Total equity		15,685,868	17,086,385

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 2024		2024	2023
	Note	\$	\$
Operating Activities			
Payments to suppliers and employees		(3,660,318)	(3,319,901)
Proceeds from R&D tax incentive		311,467	-
Net Goods and Services Tax received (paid)		4,600	41,295
Interest received		13,573	46,973
Costs associated with investments made		(1,000)	(23,652)
Net cash flows used in operating activities	19	(3,331,678)	(3,255,285)
Investing Activities			
Investment in other entities	7	(250,000)	(1,095,000)
Investment in associate	8	0	(500,000)
Net cash from / (used in) investing activities		(250,000)	(1,595,000)
Financing Activities			
Proceeds from issue of shares	12	2,785,490	4,556,361
Proceeds from exercise of options	12	8,089	-
Transaction costs of share issues	12	(271,035)	(338,460)
Transaction costs of convertible note		(103,040)	-
Repayment of borrowings	10	(64,600)	(76,168)
Interest on borrowings		(2,907)	-
Repayment of lease liabilities	10	(83,079)	-
Payment of additional lease bond		(112)	(125)
Proceeds from issue of convertible debt securities	11	550,000	-
Repayment of convertible debt securities principal amount	11	(300,000)	-
Net cash flow provided by financing activities		2,518,807	4,141,608
Net decrease in cash and cash equivalents		(1,062,872)	(708,677)
Add: Opening cash and cash equivalents at 1 July		1,308,085	2,016,762
Cash and cash equivalents at 30 June	19	245,213	1,308,085

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 2024	Issued Capital	Share Based Payment Reserve (Note 13)	Accumulated Losses	Total Equity
	\$	\$	\$	\$
At 1 July 2023	375,331,156	1,483,736	(359,728,507)	17,086,385
Loss for the period			(5,087,876)	(5,087,876)
Total comprehensive income for the year			(5,087,876)	(5,087,876)
Transactions with owners in their capacity as owners:				
Shares issued	2,872,656	-	-	2,872,656
Exercise of options - listed	8,089	-	-	8,089
Funds from set off of shares	284,500	-	-	284,500
Share issue costs	(728,944)	457,909	-	(271,035)
Transfer of expired performance rights (note 16)	-	(993,937)	993,937	-
Share based payment (note 16)	-	793,149	-	793,149
At 30 June 2024	377,767,457	1,740,857	(363,822,446)	15,685,868

FINANCIAL YEAR ENDED 30 JUNE 2023	Issued Capital	Share Based Payment Reserve (Note 13)	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)
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	(754,212)*	415,752*	-	(338,460)
Share based payment (note 16)	-*	347,814*	-	347,814
At 30 June 2023	375,331,156	1,483,736	(359,728,507)	17,086,385

* Presentation of costs associated with options issued during FY23 has been aligned with presentation for the 2024 financial statements

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 2024 was authorised in accordance with a resolution of the Directors on 30 August 2024.

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.

The financial statements are presented in Australian dollars, which is the Group's functional and presentational currency.

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 \$3,331,678 and as at 30 June 2024 has cash and cash equivalents of \$245,213. The Group also generated a loss after tax of \$5,087,876.

Subsequent to year end, the Group: (i) received a further institutional investment of \$250,000 from Towards Net Zero, LLC (TNZ) as a prepayment for \$272,500 worth of shares; (ii) received a \$185,000 advance from RH Capital Finance Co (the advance will be repaid from the proceeds of Company's 2024 financial year R&D tax incentive rebate); and (iii) announced on 29 August 2024 a trading halt on the ASX pending the release of an ASX announcement regarding a proposed capital raise.

Notes to the Financial Statements (continued)

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

- 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 fund continued progress of the Group's hydrogen development projects to enable the Group to realise the carrying amount of its goodwill and other intangibles (refer note 6). Accordingly, the Group has 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 2024. 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:

Name	Principal activities	Equity Interest %	
		2024	2023
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:

Name	Principal activities	Equity Interest %	
		2024	2023
Vaulta Holdings Pty Ltd	Assembly and sale of batteries designed for re-use and repair using patented battery casing technology	-	10

At 30 June 2024 the group held a 13.28% interest in Vaulta Holdings Pty Ltd (**Vaulta**) with no further options to acquire an additional interest. Management concluded the Company lost significant influence over Vaulta when the option to purchase additional interest expired on 13 November 2023.

The Company has exercised shareholder agreement rights to nominate one Director to the Board of investee companies Vaulta (13.3% interest) and Enosi Australia Pty Ltd (**Enosi**) (11.8%). The nominee rights for each investee cease should the Company's interest fall to less than 7.5% and 10.0% for Vaulta and Enosi respectively. Management has exercised significant judgement in determining whether the Company exercised significant influence over Vaulta and/or Enosi at 30 June 2023 and 30 June 2024. Consideration was given to:

Notes to the Financial Statements (continued)

- The interest held for each investee company being less than 15% with a likelihood the Company's interest will further dilute as the investee companies raise additional equity;
- The presence of Company appointed directors;
- The Board composition for Vaulta and Enosi comprising 4 and 3 directors respectively with the Company not holding any Board veto rights;
- The shareholding held by Founder directors being substantially larger than the Company's shareholding;
- The objective of the nominee entitlement (between the Company and the investees) being to: (i) provide the investee companies (at no cost) access to the skills and experience of the Company's personnel for guidance and advice on (not influence over) strategic and operational matters; and (ii) to facilitate ready access to information to assist the Company with its ASX reporting and other regulatory requirements.

Following this assessment, management assessed that the Company does not hold a position of significant influence in any of its investee companies at 30 June 2024.

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 (2023: 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.

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 fair value less cost of disposal, 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.

Notes to the Financial Statements (continued)

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.

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.

Notes to the Financial Statements (continued)

(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.

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.

N. Income recognition

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.

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.

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.

Notes to the Financial Statements (continued)

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:

- 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.

R. Other taxes

Expense 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 25.

T. Parent Entity financial information

The financial information for the parent entity, ReNu Energy, included in note 23, 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:

- 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.

Notes to the Financial Statements (continued)

- (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.

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.

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.

Notes to the Financial Statements (continued)

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. 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.

AA. 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).

BB. 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:

Notes to the Financial Statements (continued)

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 16 for further information.

Impairment assessment of goodwill

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2 BB. The recoverable amounts of cash-generating units have been determined based on fair value less cost to dispose 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.

Notes to the Financial Statements (continued)

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 case. The converse applies.

At 30 June 2024 the group held a 13.28% interest in Vaulta Holdings Pty Ltd (**Vaulta**) with no further options to acquire an additional interest. Management concluded the Company lost significant influence over Vaulta Holdings Pty Ltd when the option to purchase additional interest expired on 13 November 2023.

Notes to the Financial Statements (continued)

Note 3A – Income	2024 \$	2023 \$
Other income		
Recoupment of remediation costs ¹	(13,249)	29,483
R&D tax incentive ²	739,670	-
Net fair value gains/(losses) on investments at fair value through profit or loss	9,365	2,943,752
	735,786	2,973,235

1 For the year ended 30 June 2024, negative amount relates to reversal of an invoice for geothermal remediation activities

2 Total R&D tax incentive relates to the Company's green hydrogen project development expenditure in both FY23 and FY24.

Note 3B – Personnel expenses	2024 \$	2023 \$
Loss before income tax has been determined after charging the following specific items:		
Personnel expenses	1,681,794	1,575,434
Termination payments	-	116,922
Share based payments ¹	793,150	347,814
	2,474,944	2,040,170

1. Refer to note 16

Note 3C – Other operating expenses	2024 \$	2023 \$
Depreciation of operational plant & equipment	1,953	11,765
Hydrogen project advisory and consultancy fees ¹	1,400,336	725,041
Release of security ²	150,000	-
Amortisation expense	454,613	453,370
Impairment of goodwill	-	-
Investment costs	107,345	23,652
	2,114,247	1,213,828

1 Refer to Note 18, this includes payments to related parties.

2 Refer to Note 5 \$150,000 of cash held as security, once released, to be provided to third party

Note 3D – Finance costs	2024 \$	2023 \$
Interest expense	6,615	3,558
TNZ Transaction fees	274,457	-
	281,072	3558

Notes to the Financial Statements (continued)

Note 3E – General & administrative expenses

	2024 \$	2023 \$
Governance	250,945	253,398
External advisory	300,800	157,066
Facility, IT and communications	87,414	92,263
Travel	51,084	84,431
Insurance	157,714	155,137
Depreciation on right of use asset	80,681	70,753
Investor and public relations	53,499	177,522
Other	34,826	19,387
	1,016,963	1,009,957

Note 4 – Income tax

	2024 \$	2023 \$
Income tax expense		
The prima facie tax benefit on loss of 30.0% (2023 – 25.0%) differs from the income tax provided in the financial statements as follows:		
Prima facie tax benefit on loss	1,542,833	331,315
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other income/(expenses)	(515,879)	(117,375)
Adjustments for current tax of prior periods	(335,483)	82,310
Deferred tax assets for tax losses and other temporary differences not recognised	(636,570)	(136,949)
Income tax benefit / (expense) reported in statement of profit or loss	54,901	159,301

Income tax expense comprises:

Current tax	(1,241,758)	(879,320)
Deferred tax	1,296,659	1,038,621
Total income tax expense	54,901	159,301

	2024 \$	2023 \$
Tax losses		
Unused tax losses for which no deferred tax asset has been recognised ¹	272,730,516	269,704,568
Potential tax benefit at 30.0% (2023 – 25.0%)	81,819,155	67,426,142

Notes to the Financial Statements (continued)

Note 4 – Income tax (continued)

Deferred income tax

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

	2024 \$	2023 \$
Customer relationships	(352,512)	(407,413)
Lease liabilities	58	(7,516)
Revaluations of financial assets at fair value through profit or loss	(885,934)	(735,938)
Net deferred tax liabilities	(1,238,388)	(1,150,866)
Deferred tax liabilities		
Deferred tax liabilities not offset against deferred tax assets	(352,512)	(407,413)
Other deferred tax liabilities offset against deferred tax assets (A)	(885,876)	(743,454)
Total deferred tax liabilities	(1,238,388)	(1,150,866)
Deferred tax assets		
Losses available for offset against future taxable income:		
Company	81,398,826	67,096,580
Subsidiary	420,329	329,562
Other deferred tax asset	397,593	250,229
Total deferred tax assets (B)	82,216,748	67,676,371
Net deferred tax assets (A) + (B)	81,330,871	66,932,917
Deferred tax assets not recognised ¹	(81,330,871)	(66,932,917)
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 2024. 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.

\$271,860,345 of the losses are revenue in nature and \$870,171 are capital in nature and there is not time restriction on utilising the losses.

Notes to the Financial Statements (continued)

Note 4 – Income tax (continued)

	2024 \$	2023 \$
Movement in deferred tax assets		
Balance at the beginning of the year	67,676,371	66,024,960
(Charged)/credited to profit or loss:		
Tax losses	1,179,453	937,992
Trade and other payables	117,695	109,109
Provisions	52,121	(6,259)
Adjustment for deferred tax of prior periods	(344,166)	610,569
Change in tax rate	13,535,274	-
Balance at the end of the year	82,216,748	67,676,371
Movement in deferred tax liabilities		
Balance at the beginning of the year	(1,150,866)	(524,047)
(Charged)/credited to profit or loss:		
Leases	394	(4,224)
Intangible assets	136,384	113,343
Gain on financial assets	(2,810)	(735,938)
Adjustment for deferred tax of prior periods	8,683	-
Recognition of DTL of acquired entities	-	-
Change in tax rate	(230,173)	-
Balance at the end of the year	(1,238,388)	(1,150,866)

Note 5 – Trade and other receivables

	2024 \$	2023 \$
Current		
Cash held as security	150,211	150,211
Trade receivables	-	13,249
GST Receivable	19,505	24,105
Interest receivable	72	41
R&D Tax Incentive Receivable	428,204	-
Other receivables	5,649	55,063
Total current trade and other receivables	603,641	242,669

Notes to the Financial Statements (continued)

Note 5 – Trade and other receivables (continued)

Assets pledged as security

Of the cash held as security \$150,000 (2023: \$150,000) is for bank guarantees (refer note 20).

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 22. 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 22 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	2024 \$	2023 \$
Intangibles (including goodwill) at cost	11,011,365	11,011,365
Less: accumulated amortisation and impairment	(1,091,816)	(637,203)
Total Intangibles	9,919,549	10,374,162
<i>Reconciliation of Intangibles</i>		
Customer relationships		
Cost	2,266,855	2,266,855
Accumulated amortisation	(1,091,816)	(637,203)
	1,175,039	1,629,652
Goodwill		
Cost	8,744,510	8,744,510
Impairment	-	-
	8,744,510	8,744,510
Carrying amount 30 June	9,919,549	10,374,162

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 2024	Goodwill \$	Customer relationships \$	Total \$
Balance at 30 June 2023	8,744,510	1,629,652	10,374,162
Impairment of Assets	-	-	-
Amortisation Expense	-	(454,613)	(454,613)
Balance at 30 June 2024	8,744,510	1,175,039	9,919,549

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

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 ¹	Portland
Project size	5MW facility	5MW 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 fair value less cost to dispose 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. 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 fair value less cost to dispose 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 15.1% discount rate has been assumed.
Federal and State grant funding	Takes into consideration government announcements of funding to be made available for projects. Grant funding included in the model is as follows: \$10.0 and \$14.9 million for a 5MW and 10MW facility respectively from the Federal government's Advancing Renewables Program, applied to capital expenditure. \$8 million in production credits for the Tasmanian project pursuant to the State Government's Green Hydrogen Price Reduction Scheme.¹ \$2/kg production credit per project over a 10 year period from, between 2027–28 and 2039–40, under the Hydrogen Production Tax Incentive announced in the Federal government's 2024 Federal Budget.
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: \$31.4 million for a 5MW facility. \$47.6 million for a 10MW facility.
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, conversations on expected price with potential customers and hydrogen sale prices in overseas markets. A hydrogen sales price (before escalation) of \$10.54/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. A power price (before escalation) of \$74/MWh has been modelled for all development projects.
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 2026 (for the Tasmania) and 2028 (for the Melbourne and Portland) have been modelled.
Annual growth rate	An annual growth rate of 2.5% has been applied to expenditure 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.

¹. See the Company's 13 May 2024 ASX announcement for details.

Sensitivity

Based on the above the recoverable amount of the cash generating units exceeded the carrying amount of intangible assets by \$6.9 million.

Notes to the Financial Statements (continued)

Note 6 – Intangibles (continued)

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 16.53% (a movement of 1.43%) before goodwill would need to be impaired.
- Federal and State Government grant funding would need to be 23.6% less than the value modelled across the projects before goodwill would need to be impaired.
- If the value of capital expenditure across the projects increase by 11.5%, the carrying amount of goodwill would need to be impaired.
- If the value of the hydrogen price decreases by 4.3%, the carrying amount of goodwill would need to be impaired.
- If the mean value of the power price increases by 9.2%, 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.

Note 7 – Investments at fair value through profit or loss

	2024 \$	2023 \$
Investment in Uniflow Power Limited ⁽¹⁾	350,000	350,000
Investment in Enosi Australia Pty Ltd ⁽²⁾	1,637,993	1,590,000
Investment in Allegro Energy Pty Ltd ⁽³⁾	3,170,550	3,398,752
Investment in Vaulta Holdings Pty Ltd ⁽⁴⁾	856,492	-
	6,015,035	5,338,752

(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 4.71% of Uniflow equity.

(2) Shares held in Enosi Australia Pty Ltd (Enosi) with a fair value of \$1,637,993. During year ended 30 June 2024 Enosi raised further capital at \$0.3612 per share. The Company assessed the fair value of the cumulative investment at this share price generating a \$47,993 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 11.8% of Enosi equity.

(3) Shares held in Allegro Energy Pty Ltd (Allegro) with a fair value of \$3,170,550. Allegro raised additional capital during the year ended 30 June 2024 on a post money valuation of \$80m, resulting in a share price of \$26.12. The Company has assessed the fair value of its investment at this price, generating a \$228,202 loss on financial assets (Note 3A). Allegro is an Australian battery technology company that has developed a water-based electrolyte for use in redox flow batteries and supercapacitors. The total shares held by ReNu Energy equate to a 3.96% interest.

(4) Shares held in Vaulta Holdings Pty Ltd (Vaulta) with a fair value of \$856,492. ReNu ceased equity accounting this investment on 13 November 2023 (refer to Note 8). The Company has assessed the fair value of its investment at the price of Vaulta's most recent capital raise at \$16.33/share. Vaulta is an Australian battery casing technology company. The total shares held by ReNu Energy equate to a 13.34% interest.

Notes to the Financial Statements (continued)

Note 8 – Equity Accounted Investments

Interests in associates

Name of entity	Ownership interest		Carrying amount	
	2024	2023	2024 \$	2023 \$
Vaulta Holdings Pty Ltd	0%	10%	-	421,859

Vaulta Holdings Pty Ltd ceased to be an associate during the period as the Group's holding reduced to 13.28% with management concluding the Group's position of significant influence lost. Refer to Note 2E for significant judgment/assumptions made in relation to equity accounting investments where the Group own less than 20% ownership interest.

	2024 \$	2023 \$
Reconciliation of the consolidated entity's carrying amount		
Opening carrying amount	421,859	-
Investment	250,000	500,000
Share of profit / (loss) after income tax	(4,941)	(78,141)
Reclassification on loss of significant influence to financial assets classified at fair value through profit and loss – derecognition of carrying amount	(666,918)	-
Closing carrying amount	-	421,859

Note 9 – Trade and other payables

	2024 \$	2023 \$
Current		
Trade creditors	169,135	105,683
Accrued and other liabilities	330,073	190,439
Trade creditors and accruals	499,208	296,122

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.

Notes to the Financial Statements (continued)

Note 10 – Borrowings

	2024 \$	2023 \$
Current borrowings		
Lease liability	46,195	34,584
Other borrowings ¹	96,900	-
Total Current borrowings	143,095	34,584
Non-Current borrowings		
Lease liability	9,053	30,038
Total Non-Current borrowings	9,053	30,038
Total borrowings	152,148	64,622

¹ Other borrowings relates to insurance premium funding

Changes in borrowings resulting from financing activities	2024 \$	2023 \$
Balance as at beginning of financial year	64,622	19,290
Facility from borrowings ¹	161,500	-
Movement in lease liabilities	(9,374)	45,332
Repayments of principal ²	(64,600)	-
Balance at the end of the financial year	152,148	64,622

¹ Facility from borrowings relates to insurance premium funding

² Insurance premium funding instalments

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	2024 \$	2023 \$
At 1 July	64,622	19,290
Additions	69,997	117,942
Interest	3,708	3,558
Lease payments	(83,079)	(76,168)
At 30 June	55,248	64,622
Current	46,195	34,584
Non-current	9,053	30,038
	55,248	64,622

The maturity analysis of lease liabilities are disclosed in Note 22.

Notes to the Financial Statements (continued)

Note 11 – Financial Liability at Fair Value Through Profit or Loss	2024 \$	2023 \$
Fair Value of convertible note	49,750	
	49,750	-

Financial Liability

As announced on 23 October 2023 and 20 February 2024 the Company received institutional investments from Towards Net Zero, LLC (the Investor) to fund the Company's general working capital requirements.

The effect of the key terms of the investment described below gives rise to a financial liability held at fair value through profit or loss.

The Company has the right (but no obligation), instead of issuing shares to the Investor, to make a cash payment to the Investor equal to the value of the Shares that would have otherwise been issued. If the Company does not exercise that right, the Company will issue shares at the Issue Price when requested by the Investor within 24 months of the date of the related prepayment. The number of shares issued by the Company will be determined by applying the Issue Price (as set out below) to the value of shares to be issued, but subject to the Floor Price (as set out below).

The Issue Price of the Shares is equal to:

- for the first month after signing – \$0.06 per share; and
- subject to the Floor Price described below, after the first month – the Issue Price is the average of five daily volume-weighted average prices selected by the Investor during the 20 consecutive trading days immediately prior to the date of the Investor's notice to issue shares, less a 10% discount, rounded down to the nearest 1/10th of a cent if the share price is at or below 20 cents, or whole cent otherwise.

The Floor Price is \$0.02. If the Issue Price formula would result in a price that is less than the Floor Price, the Company may forego issuing Shares and instead opt to repay the applicable subscription amount in cash (with a 12% premium), subject to the Investor's right to elect to receive Shares at the Floor Price in lieu of such cash payment.

An Initial Investment of \$300,000 was received on 1 November 2023 as a prepayment for \$348,000 worth of shares at the Issue Price. During the year Towards Net Zero LLC issued settlement notices for the issue of shares in relation to the Initial Investment. As the Issue Price was less than the Floor Price, the Company elected to repay the applicable subscription amount in cash (with a 12% premium).

A Second Investment of \$250,000 was received on 21 February 2024, as prepayment for \$272,500 worth of shares at the Issue Price. During the year Towards Net Zero LLC issued settlement notices for the issue of shares in relation to the Second Investment. Although the Issue Price was less than the Floor Price, the Company did not elect to repay the applicable subscription amount in cash and instead issued a combined total of 51,166,667 shares.

Additionally, the Investor may within 12 months of the initial investment make a Third Investment of \$250,000 as a prepayment for \$272,500 worth of shares at the Issue Price. This occurred subsequent to year end, on 15 July 2024. Finally, a Fourth Investment of \$700,000 as a prepayment for shares worth an equivalent amount at the Issue Price, may be undertaken by mutual consent of the Investor and the Company within 24 months of the initial investment.

The Company made an initial issuance of 1,900,000 shares to the Investor at the time of the funding of the initial investment, towards the ultimate number of Shares to be issued. The investor issued a notice of payment on 4 June 2024 and acquired the shares for \$0.005 per share, representing a 10% discount to the VWAP calculated in accordance with the terms of the Investment Agreement.

Notes to the Financial Statements (continued)

Note 11 - Financial Liability at Fair Value Through Profit or Loss (continued)

The Company also issued 2,086,957 shares to the Investor at the time of the funding of the initial investment with a deemed issue price of \$0.023 in satisfaction of a \$48,000 fee payable to the Investor.

The Investment Agreement contains embedded derivatives. The group has made an accounting policy choice to irrevocably designate the entire contract as a financial liability measured at fair value through profit and loss. At each reporting date the group measures the fair value of the entire contract and recognises the movement in fair value through profit and loss.

The fair value of the convertible note was deemed to be \$49,750 at 30 June 2024.

Note 12 – Issued capital

		2024 \$	2023 \$
Authorised Shares			
726,134,002 (2023 – 440,502,123) fully paid ordinary shares		377,767,457	375,331,156
MOVEMENT IN ORDINARY SHARE CAPITAL:			
	NUMBER OF SHARES	ISSUE PRICE \$ PER SHARE	\$
30/06/2022 Balance at end of financial year	364,566,012		371,529,007
29/11/2022 Share Issue ⁽¹⁾	75,500,000	0.06	4,530,000
2/12/2022 Exercise of Options - listed ⁽²⁾	19,445	0.07	1,361
2/02/2023 Share issue ⁽³⁾	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
26/09/2023 Funds from set off of shares - Acuity capital ⁽⁴⁾		0.050	150,000
26/09/2023 Share Issue ⁽⁵⁾	3,000,000		-
31/10/2023 Share Issue ⁽⁶⁾	2,086,957	0.023	48,000
31/10/2023 Share Issue ⁽⁷⁾	1,900,000		-
14/12/2023 Exercise of Options - listed ⁽⁸⁾	115,556	0.07	8,089
14/12/2023 Share Issue ⁽⁹⁾	56,957,832	0.011	626,536
22/12/2023 Share Issue ⁽¹⁰⁾	45,454,545	0.011	500,000
22/12/2023 Share Issue ⁽¹¹⁾	124,950,322	0.011	1,374,453
08/04/2024 Share Issue ⁽¹²⁾	16,666,667	0.007	116,667
20/05/2024 Share Issue ⁽¹³⁾	34,500,000	0.006	207,000
06/06/2024 Funds from set off of shares - Towards Net Zero ⁽¹⁴⁾		0.005	9,500
14/06/2024 Funds from set off of shares - Acuity capital ⁽¹⁵⁾		0.007	125,000
Share issue costs – unlisted options issued to corporate advisor (Note 16)			(457,909)
Share issue costs			(271,035)
30/06/2024 Balance at end of financial year	726,134,002		377,767,457

Notes to the Financial Statements (continued)

Note 12 – Issued capital (continued)

- (1) 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.
- (2) 19,455 shares issued on 2 December 2022 upon the exercise of 19,455 listed options at \$0.070 each.
- (3) 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.
- (4) Utilisation of the Company's At-the-Market Subscription Agreement with Acuity Capital to raise \$150,000 (inclusive of costs) at an issue price of \$0.05 per share.
- (5) 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) the shares for no cash consideration (subject to shareholder approval). The ATM provided the Company with up to \$5,000,000 of standby equity capital until 31 July 2024.
- (6) 2,086,957 shares issued to Towards Net Zero LLC in satisfaction of a \$48,000 fee payable under the terms of the Investment Agreement, entered into on 23 October 2023 (Note 11).
- (7) 1,900,000 shares issued to Towards Net Zero LLC as an initial investment towards the ultimate number of shares to be issued under the Investment Agreement, entered into on 23 October 2023 (Note 11).
- (8) 115,556 shares issued on 14 December 2023 upon the exercise of 115,556 listed options (\$0.07 each) raising \$8,089.
- (9) 56,957,832 shares issued on 14 December 2023 raising \$626,536 pursuant to an underwritten, non-renounceable, pro rata entitlement offer at an issue price of \$0.011 per share.
- (10) 45,454,545 shares issued on 22 December 2023 raising \$500,000 pursuant to a private placement at an issue price of \$0.011 per share.
- (11) 124,950,322 shares issued on 22 December 2023 to the underwriter and sub-underwriters raising \$1,374,454 in respect of the underwritten, non-renounceable, pro rata entitlement offer at an issue price of \$0.011 per share.
- (12) 16,666,667 shares issued on 8 April 2024 to Towards Net Zero LLC in satisfaction of \$100,000 of the second subscription outstanding, at an Issue Price (defined in Note 11) of \$0.006.
- (13) 34,500,000 shares issued on 20 May 2024 to Towards Net Zero LLC in satisfaction of the remaining \$172,500 of the second subscription outstanding, at an Issue Price (defined in Note 11) of \$0.005.
- (14) Payment for 1,900,000 shares issued to Towards Net Zero at an issue price of \$0.005 per share (Note 11).
- (15) Utilisation of the Company's At-the-Market Subscription Agreement with Acuity Capital to raise \$125,000 (inclusive of costs) at an issue price of \$0.007 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 16 for the terms and conditions of shares issued relating to Loan Share Plan.

Notes to the Financial Statements (continued)

Note 13 – Reserves	2024 \$	2023 \$
Share based payment reserve	1,740,857	1,483,736
	1,740,857	1,483,736
Reconciliation of Reserves		
Carrying amount at beginning	1,483,736	720,170
Lapsed options ¹	(993,937)	-
Net share-based payments expense recognised	1,251,058	763,566
	1,740,857	1,483,736

1 Relates to the lapse of unexercised options granted to Peak Asset Management as lead manager and corporate advisor to historic capital raises.

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, PAC Partners and Cygnet Capital, as lead managers and/or corporate advisors. Refer to note 16 for further details.

Note 14 - Earnings per share	2024 Cents per share	2023 Cents per share
Basic and diluted earnings/(loss) per share attributable to the equity holders of the Company:		
From continuing operations	(0.76)	(0.29)
	(0.76)	(0.29)

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:	2024 \$	2023 \$
Net profit/(loss) attributable to equity shareholders:		
From continuing operations	(5,087,876)	(1,165,960)
	(5,087,876)	(1,165,960)

	2024 Shares	2023 Shares
Weighted average number of ordinary shares used in calculation of basic and diluted earnings per share	670,846,431	408,805,106

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

Notes to the Financial Statements (continued)

Note 15 – Remuneration of Auditors	2024 \$	2023 \$
Auditors of the Group – Ernst & Young		
Audit and review of the financial statements	103,000	-
Total services provided by Ernst & Young	103,000	-
Amounts received or due and receivable by previous Auditors of the Group - BDO		
Audit and review of the financial statements	156,553	144,825
Total services provided by BDO	156,553	144,825

During the year \$nil (2023: \$nil) 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 16 – Share based payments

Loan Share Plan Shares

For the year ended 30 June 2024, an amount of \$793,150 has been recognised as a share-based payment expense in the profit or loss (2023: 347,814) 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 an 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).

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 in continuous employment and the achievement of certain share price targets before the loan maturity date of 1 February 2032, 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.

Notes to the Financial Statements (continued)

Note 16 – Share based payments (continued)

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 2024			Balance at the start of the year	Granted during the year	Forfeited during the year	Balance at the end of the year ¹
Grant date	Exercise price	Expiry date	Number	Number	Number	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 7.59 years (2023: 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 periods of between six and eight and half years. Effective 1 May 2024, Tony Louka and Tim Scholefield ceased as Directors. The Board resolved that Mr Louka and Mr Scholefield were each be considered a 'Good Leaver' for the purpose of Rule 11.1 of the Loan Share Plan with the effect that they retained all their unvested Plan Shares following their resignation on the same terms and conditions as they held the Plan Shares prior to their resignation. The balance of the fair value of the shares held by these parties was fully expensed during the period.

Options

MOVEMENT IN OPTIONS:	Average exercise price per option	Number of options
Balance at the beginning of the period	\$0.07	124,236,941
Exercised during the Period	\$0.07	(115,556)
Lapsed during the period	\$0.07	(124,121,385)
Granted during the period	\$0.0165	50,000,000
Balance at the end of the period	\$0.0165	50,000,000

Lapse of Listed Options

25,000,000 listed options previously granted to Peak Asset Management for acting as corporate adviser and lead manager to various placements lapsed, on 31 December 2023.

An amount of \$993,937 relating to the previously recognised cost of raising capital, has been transferred out of the share-based payment reserve for the year ended 30 June 2024.

A further 99,121,385 listed options previously granted between August 2021 and February 2023 to shareholders during historical capital raises lapsed on 31 December 2023.

Notes to the Financial Statements (continued)

Note 16 – Share based payments (continued)

Unlisted Options – Granted during the period

25,000,000 unlisted options were granted in December and issued on 15 January 2024 to PAC Partners Securities Pty Limited and a further 25,000,000 unlisted options were granted in December and issued on 23 January 2024 Cygnet Capital Pty Ltd for acting as lead manager and underwriter and sub-underwriter respectively to the December 2023 underwritten, non-renounceable, pro rata entitlement offer at an issue price of \$0.011 per share.

The 50,000,000 unlisted options granted to PAC Partners Securities Pty Limited and Cygnet Capital Pty Ltd 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 3 years. There is no cash settlement of the options. The fair value of options granted during the six months ended 31 December 2023 of \$0.0092 per option was estimated on the date of grant using the following assumptions:

Exercise Price (\$) 0.0165
Dividend yield (%) 0
Expected volatility (%) 97.1
Risk-free interest rate (%) 3.66
Expected life of share options (years) 3.1
Share price (\$) 0.015

An amount of \$457,909 has been included in the statement of changes in equity for the year ended 30 June 2024 under 'Share Capital' (being a cost of raising capital) relating to the fair value of the options granted to PAC Partners and Cygnet Capital.

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 2024	Share Options 30 June 2023
30 August 2021	31 December 2023	\$0.07	-	20,756,872
10 December 2021	31 December 2023	\$0.07	-	6,600,000
1 February 2022	31 December 2023	\$0.07	-	5,000,000
18 February 2022	31 December 2023	\$0.07	-	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
18 December 2023	15 January 2027	\$0.0165	25,000,000	-
18 December 2023	23 January 2027	\$0.0165	25,000,000	-
Total			50,000,000	124,236,941
Weighted average remaining contractual life of options outstanding and exercisable at end of period			2.56 years	0.5 years

Notes to the Financial Statements (continued)

Note 17 – Key Management Personnel

Compensation of Key Management Personnel	2024 \$	2023 \$
Short-term employee benefits	1,321,389	936,418*
Post-employment benefits	74,774	78,956
Long-term benefits	10,625	6,161*
Share based payment expense	793,150	347,814
	2,199,938	1,369,349*

*restated from 30 June 2023

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

Note 18 – 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. For the period ending 1 May 2024, Consulting fees of \$302,350 were paid to Pacific Energy Partners (2023 consulting and Non-Executive Director fees: \$112,089). 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 \$289,813 were paid during the year (2023: \$47,125). 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 \$213,328 were paid to Ms Drucker during the year (2023: \$215,475).

The above transactions are included in the following:	2024 \$	2023 \$
Personnel expenses	297,891	283,845
External Advisory	64,350	1,375
Hydrogen Project Advisory and Consultancy fees	443,250	89,375
Facility, IT and communications	-	94
Amounts included in Trade and other payables:	-	43,845
Amounts included in Accrued and other liabilities	56,500	-

Notes to the Financial Statements (continued)

Note 19 - Notes to the Statement of Cash Flows	2024 \$	2023 \$
A. Reconciliation of cash		
Cash balance comprises:		
Cash at bank	245,213	1,308,085
Total cash	245,213	1,308,085
B. Reconciliation of the operating loss after tax with the net cash flows used in operations		
Loss after income tax	(5,087,876)	(1,165,960)
Depreciation and amortisation	537,247	535,887
Interest on lease liabilities	3,708	-
Share based payments expense	793,150	347,814
Equity Accounted Share of Loss	4,941	78,141
Write down of geothermal assets / PPE	-	1,339
Income tax expense/(benefit)	(54,901)	(159,301)
Net fair value (gains)/losses on investments at fair value through profit or loss	(9,365)	(2,943,752)
Items treated as cash flows from financing activities:		
Repayment of Borrowings	64,600	-
Interest on Borrowings	2,907	-
TNZ transaction fees	274,457	-
Changes in Operating Assets & Liabilities		
(Increase)/decrease in receivables and prepayments	(348,204)	39,138
Increase/(decrease) in other creditors and accruals	299,985	35,577
Increase / (decrease) in provisions	187,673	(24,168)
Net Cash Flow used in Operating Activities	(3,331,678)	(3,255,285)

Note 20 – 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: \$150,000 (2023: \$150,000).

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

Note 21 – Subsequent events

Subsequent to year end, the Group: (i) received a further institutional investment of \$250,000 from Towards Net Zero, LLC (**TNZ**) as a prepayment for \$272,500 worth of shares; (ii) received a \$185,000 advance from RH Capital Finance Co (the advance will be repaid from the proceeds of Company's 2024 financial year R&D tax incentive rebate); and (iii) announced on 29 August 2024 a trading halt on the ASX pending the release of an ASX announcement regarding a proposed capital raise.

Notes to the Financial Statements (continued)

Note 21 – Subsequent events (continued)

No other matter or circumstance has arisen since 30 June 2024 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 22 – Financial risk management

The Group's principal financial instruments comprise cash, short-term deposits, borrowings and 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.

Liquidity risk

The Group's objective is to maintain adequate capital to finance its activities and near-term growth opportunities while maintaining sufficient funds to meet its obligations. The Group currently does not have any plans to introduce debt financing to fund its growth plans. The Group's financial liabilities and their contractual maturities are:

Contractual maturities of financial liabilities

2024	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	169,135	-	-	-		169,135
Lease liabilities	35,533	10,663	8,144	908		55,248
Other Borrowings	96,900	-	-	-		96,900
Total financial liabilities	301,568	10,663	8,144	908	-	321,283

Notes to the Financial Statements (continued)

Note 22 – Financial risk management (continued)

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

(B) Market risk

Currency risk

The Group does not have any material exposure to foreign currency risk (2023: nil).

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 \$2,450 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 equity 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 \$6,015,035. Sensitivity analyses of these investments have been provided in note 24.

Notes to the Financial Statements (continued)

Note 23 – Information relating to ReNu Energy Limited (The Parent)

	2024 \$	2023 \$
Current Assets	973,937	1,474,543
Total Assets	17,292,397	18,005,691
Current Liabilities	(1,021,227)	(379,314)
Total Liabilities	(1,418,063)	(806,827)
Contributed Equity	377,767,457	375,331,156
Accumulated Losses	(363,633,980)	(359,616,028)
Share Based Payment Reserve	1,740,857	1,483,736
	15,874,334	17,198,864
Profit or (loss) of the Parent Entity	(5,011,887)	(1,093,700)
Total comprehensive income (loss) of the Parent Entity	(5,011,887)	(1,093,700)

Note 24 – 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 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Investments at fair value through profit or loss	-	-	6,015,035	6,015,035
Total assets	-	-	6,015,035	6,015,035
Liabilities				
Financial liabilities at fair value through profit or loss	-	-	49,750	49,750
Total liabilities	-	-	49,750	49,750

There were no transfers between levels during the financial 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.

Notes to the Financial Statements (continued)

Note 24 – Fair Value Measurement (continued)

Level 3 assets and liabilities

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

Assets	Ordinary shares at fair value	Total
Consolidated – 30 June 2024	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
Additions – reclassification on loss of significant influence from investments accounted for using the equity method (note 8)	666,918	666,918
Fair value adjustment on loss of significant influence from investments accounted for using the equity method	83,082	83,082
Fair value adjustment recognised in profit or loss	(73,717)	(73,717)
Balance at 30 June 2024	6,015,035	6,015,035

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

Unobservable Inputs	Sensitivity
<i>Share Price</i>	10% change in share price of each investee company would increase/decrease fair value by \$601k

Note 25 - 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.

Notes to the Financial Statements (continued)

Note 25 - Segment Information (continued)

The following table represents the Group's segment information for the year ended 30 June 2024:

Year Ended 30 June 2024	Hydrogen	Renewable & Clean Energy Investments	Corporate*	Total
	\$	\$	\$	\$
Revenue and income				
- Other income	739,670	9,365	(13,249)	735,786
- Interest income	-	-	13,604	13,604
Expenses	(2,064,896)	(51,138)	(3,227,330)	(5,343,364)
EBITDA	(1,325,226)	(41,773)	(3,226,975)	(4,593,974)
Share of loss from associate	-	(4,941)	-	(4,941)
Income tax (expense)/benefit	54,901	-	-	54,901
Depreciation	(20,131)	-	(62,503)	(82,634)
Amortisation	(454,613)	-	-	(454,613)
Interest expense	(2,307)	-	(4,309)	(6,615)
Profit /(Loss) after tax	(1,747,375)	(46,714)	(3,293,787)	(5,087,876)
Assets				
Segment assets	10,374,854	6,015,035	-	16,389,889
Unallocated assets	-	-	582,925	582,925
Total Assets	10,374,854	6,015,035	582,925	16,972,814

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

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	(2,195,561)	(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.

: Consolidated entity disclosure statement

Entity Name	Entity type	Body corporate country of Incorporation	Body corporate % of share capital held	Country of Tax Residency
ReNu Energy Limited	Body Corporate	Australia	0%	Australia
Countrywide Hydrogen Pty Ltd	Body Corporate	Australia	100%	Australia
Countrywide Renewable Energy Pty Ltd	Body Corporate	Australia	100%	Australia
RE Holding Company Four Pty Ltd	Body Corporate	Australia	100%	Australia
ReNu SP Three Pty Ltd	Body Corporate	Australia	100%	Australia

: 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 2024 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.

The consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct.

2. The 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 2024.

On behalf of the Board.

Boyd White

Chairman
Brisbane
30 August 2024

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 (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information the consolidated entity disclosure statement and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and
- b. 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 2D in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These conditions indicate that material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Impairment assessment of Intangible assets (including Goodwill)

Why significant	How our audit addressed the key audit matter
At 30 June 2024, the Group has intangible assets of \$9,919,549, including \$8,744,510 of goodwill. As detailed in Note 6, the Group goodwill is monitored at hydrogen operating segment level. The Group performs an annual impairment assessment of goodwill which involves a comparison of the carrying amount of the group of cash generating units ("CGUs") which comprise the operating segment with its recoverable amount. As the three CGUs which comprise the hydrogen operating segment have not yet received final investment decision, recoverable amount is measured using fair value less cost of disposal ("FVLCD") methodology using pre-revenue and pre-development discounted cash flow forecasts. The model used by the Group to determine FVLCD of the hydrogen operating segment is complex due to assumptions and estimation in forecasting future cash flows of the operating segment. The key judgments and input assumptions include forecast hydrogen sale price, forecast power price (input cost), timing of proposed development, availability and extent of government support, annual growth rates and discount rates. As reasonably possible change in key input assumptions could cause impairment of the Group's goodwill, the disclosure of such changes is important to understanding the sensitivity of the calculated FVLCD. Given the carrying amount of goodwill and the judgment and estimation involved in calculating the recoverable amount of the hydrogen operating segment, we considered this a key audit matter.	Our procedures included, amongst others: - Evaluating the Group's determination of its CGUs and assessing the Group's allocation to and monitoring of goodwill at a hydrogen operating segment level. - Obtaining an understanding of the Group's FVLCD model and, with the assistance of our valuation specialists - Testing the mathematical accuracy of the model; and - Assessing the methodology applied for consistency with the requirements of Australian Accounting Standards. - Evaluating the reasonableness of key input assumptions in the model and understanding the Group's basis for those assumptions, including agreeing to Board approved cash flow forecasts and other supporting documentation (where applicable). - With the assistance of our valuation specialists, assessing the reasonableness of the Group's discount rate and growth rate assumptions. - Performing sensitivity testing evaluating the recoverable amount impact of reasonably possible changes in key input assumptions and assessing the appropriateness of the Group's disclosures, including changes in forecast hydrogen sale price, forecast power price, operations start dates and annual growth rates, government grant funding probability and amounts and discount rate. - Assessing the adequacy of the related disclosures in Note 6 to the financial statements.

Accounting for investments

Why significant	How our audit addressed the key audit matter
As detailed in Note 7 to the financial statements, the Group holds investments four unlisted Australian companies at 30 June 2024. The investments are accounted for at fair value through profit and loss. This accounting treatment is a consequence of the Group determining it does not have significant influence over the investments. At 30 June 2024, the Group's voting rights and potential voting rights in each of the entities is lower than 20%. Consistent with Australian Accounting Standards, the Group presumes it does not have significant influence over investment where its shareholding is below 20%, unless it can be clearly demonstrated that this is not the case. In the case of the Group's investments in Enosi Australia Pty Ltd and Vaulta Holdings Pty Ltd, the Group has appointed a director to their respective Boards, but this has been assessed as not providing clearly demonstratable evidence of significant influence. Given assessment of the whether significant influence exists or does not exist requires significant judgement and this judgement can materially impact the accounting for an investment, we considered the accounting for investments to be a key audit matter.	Our procedures were designed to test whether the Group's application of AASB 9 <i>Financial Instruments</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> had been correctly applied. Our audit procedures included the following: • Reading the Group's position papers detailing its assessment as to the existence or otherwise of significant influence over the investments. • Evidencing the Group's shareholding in each of entities at 30 June 2024. • Understanding any options to acquire additional ownership interests at future dates (potential voting rights). • Evaluating the Group's judgement as to its level of influence as consequence of its board representation at Enosi Australia Pty Ltd and Vaulta Holdings Pty Ltd. • Evaluating the impact on the accounting for investments due to the lapsing of options to acquire additional ownership interests and dilution of the Group's ownership interests through capital raisings by the entities. • Assessing the adequacy of the related disclosures in the financial statements.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information 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, 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.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and;
- b. The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 have 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 29 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of ReNu Energy Limited for the year ended 30 June 2024, 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.

A handwritten signature in black ink, appearing to read 'Ernst + Young', is written above the printed name.

Ernst & Young

A large, stylized handwritten signature in black ink, likely belonging to Andrew Carrick, is written above the printed name.

Andrew Carrick
Partner
Brisbane
30 August 2024