

29 October 2024

**ASX:announcement**

## June 2024 Quarterly Activities Report

ReNu Energy Limited (**ReNu Energy** or **Company**) (**ASX: RNE**) is pleased to provide the following update on its activities for the three months ended 30 September 2024 (**the quarter**).

### Hydrogen business segment

During the quarter, the Company's wholly owned subsidiary, Countrywide Hydrogen Pty Ltd (**Countrywide**) continued to progress the flagship Tasmanian green hydrogen project – Hydrogen HyWay#1. An overview of Hydrogen HyWay#1 is contained in Appendix 1.

Key developments and activities for Hydrogen HyWay#1 during the quarter included:

- Entering into a binding Grant Deed with the Tasmanian Government for the award of up to \$8 million of funding for its Tasmanian green hydrogen project, to be paid on delivery of green hydrogen to customers.<sup>1</sup>
- Entering into a Power Purchase Agreement with solar project developer and operator Climate Capital to purchase all the output from a proposed 9.95MW solar farm adjacent to the proposed Wesley Vale hydrogen production facility.
- Progressing an Environmental Effects Report for the proposed Wesley Vale facility for submission to the Tasmanian Environmental Protection Authority.
- Signing a non-binding Collaboration Agreement with freight aggregator Digital Services Australia IV Pty Ltd (Ofload) and logistics company 7R Logistics Smartavait Technologies Pty Ltd (7R Logistics) for the parties to work together to establish a sustainable supply chain model in Tasmania initially and that can be replicated nationwide.
- Signing a non-binding Collaboration Agreement with the Tasmanian Transport Association (**TTA**) with the TTA providing its support for Countrywide's green hydrogen projects in Tasmania.

Following the end of the quarter, the Company released an ASX announcement on 14 October 2024 noting: (i) substantial shareholder disclosures by the Chairman, Geoffrey Drucker and Ingeborg Drucker (together, the **Proponents**); and (ii) the Proponents are working together on a proposal in relation to Countrywide and its hydrogen assets (**Proposal**). The Company confirmed in the announcement that it had received a confidential and incomplete non-binding indicative offer from the Proponents and is engaging constructively with it. The Company has established an Independent Transaction Committee to consider the Proposal.

<sup>1</sup> The funding is being made available through the Tasmanian Government's Green Hydrogen Price Reduction Scheme (GHPRS), which will use funds from the Tasmanian Renewable Hydrogen Industry Development Fund to stimulate both the supply and demand for green hydrogen. Under the Grant Deed, ReNu Energy will receive grant funding on a per kilogram basis of green hydrogen sold to end-users to cover the gap between the cost to produce the green hydrogen and what end-users are able to pay.

Whilst considering the Proposal and engaging with the Proponents, the Company has decided to suspend progress on Hydrogen HyWay#1. As such, the Board believes the Company is no longer able to progress Hydrogen HyWay#1 to a final investment decision in 2024. The Company will provide further updates and information in accordance with its continuous disclosure obligations.

## Renewable and clean energy investments

ReNu Energy's investee companies continued to progress their projects during the quarter through: (i) advancing the commercialisation of their clean and renewable energy technologies (Allegro Energy Pty Ltd and Uniflow Power Limited); and (ii) increasing their annual recurring revenue (Vaulta Holdings Pty Ltd and Enosi Australia Pty Ltd).

During the quarter Allegro Energy completed a \$17.5 million capital raise. Allegro Energy makes long-duration redox flow batteries and supercapacitors, which use water-based electrolytes to enable energy storage. Investors in the Series A raise include the Grantham Foundation (established in 1997 by Jeremy and Hannelore Grantham), ASX listed Origin Energy and Chicago-based disruptive early-stage technology investor Lightbank. Allegro is working with Origin on its first commercial pilot project, installing an 800 kilowatt-hour pilot redox flow storage system at Origin's Eraring facility.

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 continued during the quarter to assess options to realise value in its investee companies.

## Legacy geothermal assets

The Company has received approaches from parties interested in acquiring its legacy geothermal assets. These assets relate to the Company's historic geothermal activities in the Cooper Basin in South Australia and comprise a geothermal retention licence, data and samples. The assets have been fully written down in the Company's accounts. The external interest in the legacy geothermal assets has arisen, in part, due to the lithium potential of the Cooper Basin and that the data and samples include lithium analysis.

## Corporate

### Board and executive changes

During the quarter, ReNu Energy made changes to Board and Executive roles as part of the Company's Corporate Execution Plan (**CEP**) to further align governance structure with cost discipline. The CEP included Mr Geoffrey Drucker stepping down as Executive Director and Mr Greg Watson being appointed to the Board as Managing Director effective 2 September 2024. Mr Watson retains the roles of Chief Executive Officer and Company Secretary as part of the CEP.

The CEP included further reduction to the Group's annual fixed cash remuneration by approximately \$200,000 (which is in addition to the Board and management remunerations changes announced on 16 April 2024) resulting in a 45% reduction in Board and Executive fixed remuneration compared to financial year 2023. The CEP also incorporates additional cost reduction measures across the business.

### Cash position

During the quarter, ReNu Energy:

- Received a further institutional investment of \$250,000 from Towards Net Zero, LLC (TNZ) as a prepayment for \$272,500 worth of shares.
- Secured commitments and received proceeds of \$355,000 under a Loan Notes Placement through the issue of 355,000 Loan Notes at \$1.00 each. The Loan Notes will become

convertible into (i) ordinary shares at a conversion price of \$0.0008 and (ii) options exercisable at \$0.003, both subject to shareholder approval.<sup>2</sup>

- Secured commitments of \$395,000 under a Share Placement, subject to receipt of Shareholder approval.<sup>2</sup>

ReNu Energy retained \$212,000 in cash and cash equivalents at 30 September 2024 (\$245,000 at 30 June 2024). As at 30 September, proceeds from the \$395,000 Share Placement had not been received, pending shareholder approval. Shareholder approval was obtained at a general meeting held on 24 October 2024 and the funds received following the approval. The Company also received a Tax R&D refund of \$420,000 following the end of the quarter. The net proceeds were \$110,000 after repayment of the associated R&D funding loan. PAC Partners continues to advise the Company on additional capital options.

In accordance with Listing Rule 4.7C.3, ReNu Energy advises that payments to related parties of the entity and their associates during the quarter amounted to \$171,000.

## Strategic opportunities

The Company is continuing to actively seek opportunities to create shareholder value in the renewable and clean energy sector. This follows market feedback over the last 12-18 months, and ReNu Energy's financial position, project funding requirements, and Board and Executive changes announced on 2 September 2024.

## Outlook

The Board's focus for the 31 December 2024 quarter is to:

- Finalise its consideration of the Proponents Proposal in relation to Countrywide and its hydrogen assets.
- Continue to actively seek opportunities to create shareholder value in the renewable and clean energy sector.
- Continue to assess opportunities for the sale of the Company's legacy geothermal assets.
- Continue to assess opportunities to sell-down existing investee companies to realise value.
- Maintain the CEP cost discipline.

This market announcement has been authorised for release to the ASX by the Board of Directors. For more information, please contact:

**Greg Watson**  
Chief Executive Officer  
+61 7 2102 3654

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<sup>2</sup> Shareholder approval was obtained following the end of the quarter at a general meeting held on 24 October 2024.

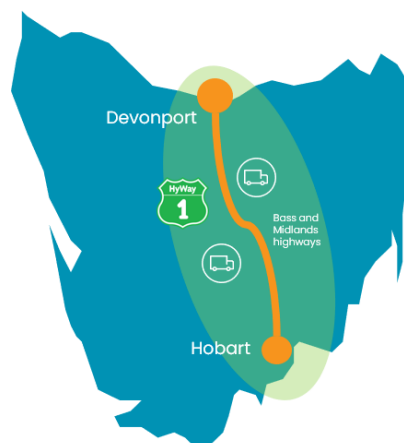
## Appendix 1: Overview of Hydrogen HyWay#1

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 H<sub>2</sub>CO 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.



Project development progress includes:

- Completion of the basis of design and with the (i) electrolyser supply and (ii) HRS and balance of plant Engineering Procurement and Construction (**EPC**) contracts in progress and to be announced once agreed.
- Identification of site locations with an option to lease secured over the Devonport Site and negotiations over the Hobart Site nearing finalisation.
- 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 (**EPA**).
- Submission of an Environmental Effects Report for the Devonport Site to the EPA.
- 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.

- A Power Purchase Agreement with solar project developer and operator Climate Capital to purchase all the output from a proposed 9.95MW solar farm adjacent to the proposed Wesley Vale hydrogen production facility.
- The Tasmanian Government awarding up to \$8 million of funding to be paid on delivery of green hydrogen to customers.
- A definitive Platform Agreement with Australian superannuation fund HESTA for potential co-investment in the project.
- Interest and support from potential customers with non-binding, indicative hydrogen supply term sheets entered into with multiple parties and further term sheet negotiations ongoing. These will be announced to the ASX once binding terms are agreed.

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

ReNu Energy's purpose is to strategically drive the transition to a low carbon future. It does this by identifying and developing green hydrogen projects and through a portfolio of incubator investments in renewable and clean energy technologies. ReNu Energy's vision is to be an Australian leader in decarbonisation through pioneering the development of green hydrogen domestic ecosystems.

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

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

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

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

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

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

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

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

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

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

## Appendix 4C

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

**Name of entity**

ReNu Energy Limited

**ABN**

55 095 006 090

**Quarter ended ("current quarter")**

30 September 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(285)	(285)
(f) administration and corporate costs	(238)	(238)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
(a) expenditure on biogas EPC project	-	-
(b) business development	-	-
(c) GST received/(paid)	(3)	(3)
(d) Research and development receipts	-	-
(e) Audit and tax fees	(64)	(64)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(589)</b>	<b>(589)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
	(a) Hydrogen development costs	(192)	(192)
	(b) M&A Activity	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(192)</b>	<b>(192)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	355	355
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(85)	(85)
3.5	Proceeds from borrowings	300	300
3.6	Repayment of borrowings	(72)	(72)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other : Proceeds from issue of convertible debt securities	250	250
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>748</b>	<b>748</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	245	245
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(589)	(589)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(192)	(192)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	748	748
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>212</b>	<b>212</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	212	245
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>212</b>	<b>245</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	171
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> Remuneration and consulting fees paid to directors and their associates.		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	(300)	(300)
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	<b>(300)</b>	<b>(300)</b>
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>R&amp;D Tax refund advance (loan) from RH Capital Finance Co to be repaid from FY2024 R&amp;D Tax refund. The interest rate is 16% per annum. The loan amount and interest of \$9,428.11 were repaid in full on 18 October 2024.</p>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(589)
8.2	Cash and cash equivalents at quarter end (item 4.6)	212
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	212
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.36
	<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>	
8.6	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p> <p>Answer: Yes</p> <p>8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?</p> <p>Answer: Yes, the Company has taken the following steps to raise further cash to fund its operations:</p> <ul style="list-style-type: none"> <li>On 2 September 2024, the Company announced a capital raising of \$750,000. \$395,000 of the amount raised remained outstanding at 30 September 2024 subject to shareholder approval at an Extraordinary General Meeting (EGM). Shareholder approval was obtained at the EGM held on 24 October 2024 with the proceeds received following the approval.</li> <li>The Company received a Tax R&amp;D refund of \$419,982 on 18 October 2024. The net proceeds were \$110,544 after repayment of the associated R&amp;D funding loan.</li> <li>PAC Partners is advising the Company on additional capital options.</li> </ul>	

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

Answer: Yes, based on steps already undertaken (outlined above), additional cost reduction measures announced on 2 September 2024, effective cashflow management and the Company's recent history in raising capital.

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

## Compliance statement

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

Date: 29 October 2024

Authorised by: By the Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.