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Half Year Report

31 December 2024

ReNu Energy Limited

renu:energy
conscious sustainable investments

: Appendix 4D

HALF YEAR REPORT

Name of entity

RENU ENERGY LIMITED

ABN

55 095 006 090

Half year ended

31 December 2024

Previous corresponding period: 31 December 2023

Results for announcement to the market

	HY Dec 2024 $	HY Dec 2023 $	Change $	Change %
Revenues from ordinary activities	117,712	492,024	(374,312)	(76)
Net loss for the period attributable to members	(13,883,098)	(2,215,422)	(11,667,676)	(527)

Net Tangible Asset Backing	As at 31 December 2024	As at 31 December 2023
Net tangible asset backing per ordinary security	$0.002	$0.011

Brief explanation of any of the figures reported above:

Revenue for HY Dec 24 was less than the previous period due to: (i) lower R&D tax incentive revenue arising from less R&D expenditure on the Group's green hydrogen development activities; and (ii) nil favourable valuations of the Company's carrying value of investee companies ($189,574 in the corresponding period). The loss for HY Dec 24 was higher than the previous period primarily due to impairments of the Company's: (i) goodwill and customer relationship intangible assets; and (ii) investments at fair value through profit or loss.

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

Dividends

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

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: Directors' report

Your Directors submit their report for ReNu Energy Limited (**ReNu Energy** or the **Company**) for the half year ended 31 December 2024 (**half year**).

Directors

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

Greg Watson (Managing Director) (appointed 2 September 2024)

Boyd White (Executive Chairman)

Geoffrey Drucker (Executive Director) (resigned 2 September 2024)

Susan Oliver (Non-executive Director)

The Directors were in office for the entire period unless otherwise stated.

Company Secretary

Greg Watson

Corporate Structure

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

Principal Activities

ReNu Energy is focused on advancing Australia's transition to a low-carbon future by identifying and developing decarbonisation projects and investing in renewable and clean energy technologies to create stakeholder value. The Company presently operates through a portfolio of incubator investments in renewable and clean energy technologies, positioning itself as a leader in decarbonisation. ReNu Energy's primary undertaking during the half year involved the strategic development of green hydrogen initiatives via its wholly owned subsidiary, Countrywide Hydrogen Pty Ltd (**Countrywide Hydrogen**). Countrywide Hydrogen is focussed on delivering Australia's first end-to-end hydrogen transport ecosystem through its flagship Tasmanian green hydrogen project: Hydrogen HyWay#1; with plans to expand into other states and offshore where viable.

As of the date of this report, ReNu Energy is transitioning from a company focused on renewable and clean energy technologies, with its principal investment in developing green hydrogen infrastructure for the heavy road transport sector, to a company driving the electrification of heavy road transport through a unique swappable battery solution through the proposed acquisition of Janus Electric Limited (refer to *significant events after reporting date*).

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Directors' Report (continued)

Review of results and operations

Operational review

Hydrogen Business Division

Key activities

During the half year, Countrywide Hydrogen continued to progress the flagship Tasmanian green hydrogen project – Hydrogen HyWay#1.[1] Key developments and activities for Hydrogen HyWay#1 during the period 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.[2]
- 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.

Management buyout proposal

On 14 October 2024 ReNu Energy announced that it had received a non-binding indicative offer from the Company's management team in respect of Countrywide Hydrogen and its hydrogen business (**MBO proposal**). The proponents of the MBO proposal are Boyd White, Geoffrey Drucker and Ingeborg Drucker (together, **the Proponents**).

Subsequent to the receipt of the MBO proposal, the Company:

- Established an Independent Board Committee (**IBC**) comprising Susan Oliver AM and Greg Watson to oversee all aspects of the MBO proposal and make recommendations to shareholders.
- Suspended progress on Hydrogen HyWay#1 whilst the MBO proposal was being considered by the IBC.

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[1] An overview of Hydrogen HyWay#1 is contained in Appendix 1 to the Company's September quarterly activities report located at https://announcements.asx.com.au/asxpdf/20241029/pdf/069qzhtm9vgqmg.pdf

[2] 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.

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Directors' Report (continued)

Review of results and operations (continued)

Accordingly, during the half year, the IBC considered the MBO proposal and engaged constructively with the Proponents. In considering the MBO proposal, the IBC had regard to: (i) market feedback over the last 12-18 months from multiple capital raising rounds (including in relation to the optimal project structure to maximise value); (ii) ReNu Energy's financial position; and (iii) project funding requirements for the flagship Tasmanian green hydrogen project, Hydrogen HyWay#1.

Impairment of Hydrogen Business Division intangible assets

Whilst ReNu Energy has made progress on its flagship Tasmania green hydrogen project, the second half of calendar year 2024 presented challenges to the Company. The half year saw a decline in market sentiment surrounding hydrogen and insufficient appetite from the Company's investor base to provide the required capital for the Company to progress the green hydrogen projects to final investment decision. This led to a further strategic review of the Hydrogen Business Division in September 2024 and the MBO proposal. As noted above, whilst considering the MBO proposal and engaging with the Proponents, the IBC decided to suspend progress on Hydrogen HyWay#1. The Company determined during the half year that, because of these events, the targeted date to progress Hydrogen HyWay#1 to a final investment decision would be indefinitely deferred.

This created an impairment trigger with the Company subsequently reassessing the fair value less cost to dispose calculation for the Hydrogen Business Division (being the hydrogen development projects in Tasmania, Portland and Melbourne). After considering the MBO Proposal and the terms of the Sale of Assets and Business Agreement to sell the Hydrogen Business Division entered into following the end of the half year (see *significant events after reporting date* below), the Company has determined that the fair value less cost to dispose is nil. As a result, the Company decided to fully impair its goodwill and customer relationship intangible assets to a nil carrying value (31 December 2023: $10,145,613).

Sale of legacy geothermal assets

On 24 December 2024, ReNu Energy entered into an Asset Sale and Purchase Agreement with Hydro Lit Pty Ltd (**Hydro Lit**) to sell its legacy geothermal assets (**Geothermal Assets**) for a headline consideration of $700,000. The Geothermal Assets relate to the Company's historic geothermal activities in the Cooper Basin, South Australia, and broadly comprise data and samples that have been fully written down in the Company's accounts.

Hydro Lit is a privately owned and funded company focused on exploring the lithium potential of South Australia's Innamincka region and becoming the world's lowest-cost and most ethical producer of 'green lithium'. Hydro Lit has established Australia's largest lithium JORC Resource, which stands at 25.2mt of lithium carbonate equivalent (LCE).

The consideration is payable in tranches in cash and by the issue of convertible notes in Hydro Lit.[3] The first tranche of convertibles notes with a face value of $200,000 were received following the end of the half year.

The sale created value from the Company's Geothermal Assets and ensures that the data and insights gained can be put to good use by Hydro Lit. The transaction structure provides ReNu Energy exposure to upside in Hydro Lit's value as Hydro Lit moves forward with its lithium opportunity.

[3] See the Company's ASX announcement at https://announcements.asx.com.au/asxpdf/20241224/pdf/06d0k2vmnlvmf2.pdf for further details.

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Directors' Report (continued)

Review of results and operations (continued)

Renewable and clean energy investments

ReNu Energy's investee companies continued to progress their projects during the half year 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 half year 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.

During the half year, ReNu Energy continued to assess options to realise value in its investee companies to fund working capital and project development by way of a targeted sale process. McGrathNicol Advisory worked with the Company during the half year providing ad hoc sell side transaction advice, including implementation of a divestment plan.

The process was not successful during the half year in finding one or more buyers to acquire some or all of the Company's interests in its investee portfolio, with feedback that conditions in the secondary market for divesting interests are challenging. Based on: (i) the market feedback received as part of the sale process, i.e. lack of liquidity in the secondary market currently; (ii) that the investee companies do not currently have line of sight to a realisation event (such as an IPO or trade sale); and (iii) ReNu Energy's intention to realise value in the investee companies, the Company considered it appropriate to partially impair the carrying value of the investee companies at 31 December 2024, with the carrying value at 31 December 2024 revised to $4,140,525 (30 June 2024: $6,015,035).

Strategic opportunities

During the half year, ReNu Energy progressed its strategy to identify new opportunities to create shareholder value, including by way of acquisition or strategic combination. The Company consulted with ASX in relation to a transaction, which will require re-compliance with Chapters 1 and 2 of the Listing Rules, due to the significant change in the nature and activities of the Company.

In this regard, on 28 November 2024, at the request of ReNu Energy, the securities of the Company were suspended from quotation under Listing Rule 17.2, pending the release of an announcement in relation to the Company's compliance with section 2.10 of Guidance Note 12, regarding a proposed transaction under Listing Rule 11.1.3.

Corporate

Board and executive changes

During the half year, 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 Geoffrey Drucker stepping down as Executive Director and Greg Watson being appointed to the Board as Managing Director effective 2 September 2024. Greg Watson retained the roles of Chief Executive Officer and Company Secretary as part of the CEP.

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Directors' Report (continued)

Review of results and operations (continued)

The CEP included further reduction to the Group's annual fixed cash remuneration by approximately $200,000 (which was 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 implementation resulted in a material reduction during the December quarter in staff, administration and corporate costs.

Funding activities and cash position

During the half year, 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. Following shareholder approval of the Loan Notes Placement during the half year, the Loan Notes converted into: (i) 443,750,000 million ordinary shares at a conversion price of $0.0008; and (ii) 443,750,000 options exercisable at $0.003.
- Secured commitments and received proceeds of $395,000 under a Share Placement (at $0.001 a share).

ReNu Energy received a Tax R&D refund of $419,982 during the half year. The net proceeds were $110,544 after repayment of an associated R&D funding loan.

ReNu Energy retained $97,855 in cash and cash equivalents at 31 December 2024 ($1,940,492 at 31 December 2023).

Results

The underlying Group EBITDA loss of $4,261,218 (2023: $2,005,123) for the half year was higher than the previous period primarily due to impairments of the Company's: (i) goodwill and customer relationship intangible assets; and (ii) investments at fair value through profit or loss.

Significant events after the reporting date

First tranche of HydroLit convertible notes

On 23 January 2025, ReNu Energy received the first tranche of convertibles notes in Hydro Lit (pursuant to the Asset Sale and Purchase Agreement entered into on 24 December 2024 in relation to the Company's legacy geothermal assets) with a face value of $200,000, following delivery of the geothermal data and samples to Hydro Lit.

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Directors' Report (continued)

Review of results and operations (continued)

$500,000 capital raise

On 29 January 2025, the Company announced[4] it had received binding commitments for $500,000 through the issue of 500,000 loan notes (**Loan Notes**), to be issued at $1.00 each (**Loan Note Placement**). The Loan Notes have an interest rate of 0% and become convertible into ordinary shares (**Loan Note Shares**); and unlisted options (**Loan Note Options**), subject to shareholder approval. The funds have been received and are being applied to working capital and costs of the offer. The face value of the Loan Notes will be converted at a conversion price of $0.00075 (on a pre-consolidation basis) into 666,666,667 Loan Note Shares and 666,666,667 Loan Note Options at an exercise price of $0.0015 (on a pre-consolidation basis), expiring 2 years following their date of issue.

Sale of Hydrogen Business Division

On 6 February 2025 ReNu Energy announced[5] that it had entered into a Sale of Assets and Business Agreement to sell its Hydrogen Business Division to Countrywide Hydrogen Holdings Pty Ltd (**Hydrogen Buyer**), an entity controlled by the Proponents (**Proposed Divestment**). Subject to shareholder approval, ReNu Energy will sell its Hydrogen Business Division for total consideration of up to approx. $1.1 million, comprising cash (upfront and deferred), assumption of employee entitlements and equipment leases and a cash royalty based on project revenue.

Proposed acquisition of Janus Electric Limited

On 19 February 2025 ReNu Energy announced[6] that it had entered into a Share Purchase Agreement to acquire 100% of the issued share capital of Janus Electric Limited (**Janus**), a company focused on the electrification of heavy road transport through its swappable battery technology and comprehensive energy management ecosystem (**Proposed Acquisition**). Subject to shareholder approval, re-compliance with Chapters 1 and 2 of the ASX Listing Rules and other regulatory requirements, ReNu Energy will acquire Janus in consideration of the issue of 50,000,000 Shares in ReNu Energy, on a 200:1 post-Consolidation basis.

Proposed capital raise

On 19 February 2025 ReNu Energy announced[7] a proposed capital raise consisting of an offer of between 40,000,000 and 50,000,000 Shares in ReNu Energy on a 200:1 post-Consolidation basis, being the **New Shares**, at an issue price of $0.20 per New Share to raise between $8.0 million and $10.0 million (**Proposed Capital Raise**). The New Shares offered under the Capital Raise will be offered under a Prospectus dated 25 February 2025 in accordance with section 710 of the Corporations Act.

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[4] See the Company's ASX announcement at https://announcements.asx.com.au/asxpdf/20250129/pdf/06dy7bxvzzjt4q.pdf for further details.
[5] See the Company's ASX announcement at https://announcements.asx.com.au/asxpdf/20250206/pdf/06f7z30dpnv9nf.pdf for further details.
[6] See the Company's ASX announcement at https://announcements.asx.com.au/asxpdf/20250219/pdf/06fpn3787hfgbm.pdf for further details.
[7] See the Company's ASX announcement at https://announcements.asx.com.au/asxpdf/20250219/pdf/06fpn3787hfgbm.pdf for further details.

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Directors' Report (continued)

Review of results and operations (continued)

Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

On 19 February 2025 ReNu Energy announced[8] that ASX has advised the Company that as the Proposed Acquisition will amount to a significant change in the nature and scale of the Company's activities, ReNu Energy is required to obtain Shareholder approval for the Proposed Acquisition and must also re-comply with Chapters 1 and 2 of the ASX Listing Rules before it can be re-instated to trading on the ASX (including any ASX requirement to treat the Company's securities as restricted securities).

Binding commitments for $250,000

On 25 February 2025 ReNu Energy announced[9] it had received binding commitments for $250,000 through the issue of 250,000 loan notes (**Additional Loan Notes**), to be issued at $1.00 each (**Additional Loan Note Placement**). The Additional Loan Notes have an interest rate of 0% and become convertible into ordinary shares (**Additional Loan Note Shares**); and unlisted options (**Additional Loan Note Options**), subject to shareholder approval. The face value of the Additional Loan Notes will be converted at a conversion price of $0.00075 (on a pre-consolidation basis) into 333,333,333 Additional Loan Note Shares and 333,333,333 Additional Loan Note Options at an exercise price of $0.0015 (on a pre-consolidation basis), expiring 2 years following their date of issue.

2025 Outlook

The Proposed Divestment of the Hydrogen Business Division and divestment rationale

Whilst ReNu Energy has made progress on its flagship Tasmania green hydrogen project, the half year presented challenges to the Company. Market sentiment surrounding hydrogen and insufficient appetite from the Company's investor base to provide the required capital for the Company to progress the green hydrogen projects to final investment decision led to a further strategic review of the Hydrogen Business Division in September 2024. The Proposed Divestment means funding to support further development of the hydrogen projects does not need to be raised and the Company can realise value as and when the Hydrogen Buyer funds and progresses the projects to key milestones. The Proposed Divestment allows the Company to focus its funds and resources on the Proposed Acquisition and the scale up of Janus' operations.

The Proposed Acquisition and acquisition rationale

ReNu Energy is transitioning from a company focused on renewable and clean energy technologies, with its principal investment in developing green hydrogen infrastructure for the heavy road transport sector, to a company driving the electrification of heavy road transport through a unique swappable battery solution through the proposed acquisition of Janus Electric Limited.

The Proposed Acquisition of Janus represents a pivotal opportunity for ReNu Energy to enhance its standing in renewable and clean energy technologies. This strategic move allows ReNu to integrate a scalable and validated technology platform with significant growth prospects, particularly in the electrification of the heavy road transport sector. By acquiring Janus, ReNu Energy positions itself advantageously within Australia's expanding energy storage market, contributing to the nation's decarbonisation initiatives.

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[8] See the Company's ASX announcement at https://announcements.asx.com.au/asxpdf/20250219/pdf/06fpn3787hfgbm.pdf for further details.

[9] See the Company's ASX announcement at https://announcements.asx.com.au/asxpdf/20250226/pdf/06fymzfd7vlgyq.pdf for further details.

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Directors' Report (continued)

Review of results and operations (continued)

This Proposed Acquisition aligns with ReNu Energy's mission to drive the transition to clean energy, granting access to a multi-billion-dollar market. This Proposed Transaction is a significant milestone in ReNu Energy's evolution into a provider of a sustainable energy solution. The Proposed Acquisition positions ReNu Energy to assist to advance Australia's clean energy future.

The Board and management of ReNu Energy believes that the Proposed Acquisition of Janus provides ReNu Energy Shareholders and incoming shareholders with an opportunity to participate in a transformative clean energy company that has the potential to deliver shareholder returns.

Non-IFRS Measure:	**6 months ended 31 December 2024 $**	**6 months ended 31 December 2023[1] $**
EBITDA – by business segment		
Hydrogen	(557,627)	(879,260)
Renewable & clean energy investments	(2,239,346)	183,633
Corporate	(1,464,245)	(1,309,496)
Total Group EBITDA	**(4,261,218)**	**(2,005,123)**
Interest Income	2,020	4,232
Depreciation	(41,685)	(41,040)
Amortisation and impairment	(9,919,549)	(228,548)
Interest expense	(15,178)	(2,080)
Income tax (expense) / benefit	352,512	57,137
Loss after tax	**(13,883,098)**	**(2,215,422)**

1 Prior period has been reclassified to align with current period

Auditor's Independence Declaration

The Directors have obtained an independence declaration from the Company's auditor, Ernst & Young, which can be found on page 24 of the Half Year Financial Report.

Signed in accordance with a resolution of the Directors.

Boyd White
Chairman
Brisbane
28 February 2025

:contents

Consolidated Statement of Profit or Loss and Other Comprehensive Income	**2**
Consolidated Statement of Financial Position	**3**
Consolidated Statement of Cash Flows	**4**
Consolidated Statement of Changes in Equity	**5**
Notes to the financial statements	**6**
Directors' declaration	**23**
Auditor's Independence Declaration	**24**
Independent Review Report	**25**

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: Consolidated statement of profit or loss and other comprehensive income

FOR THE HALF YEAR ENDED 31 DECEMBER 2024	Note	6 months ended 31 December 2024 $	6 months ended 31 December 2023 $
Interest income		2,020	4,232
Other income	3A	115,692	487,792
Total income		**117,712**	**492,024**
Personnel expenses	3B	(670,369)	(1,046,421)
Other operating expenses	3C	(10,693,100)	(1,155,734)
General & administrative expenses		(598,049)	(486,407)
Finance costs	3D	(517,293)	(71,080)
Other Expenses	3E	(1,874,511)	
Total expenses		**(14,353,322)**	**(2,759,642)**
Share of profit/(loss) of associates		-	(4,941)
Loss before income tax		**(14,235,610)**	**(2,272,559)**
Income tax benefit / (expense)		352,512	57,137
Loss after income tax expense		**(13,883,098)**	**(2,215,422)**
Net loss for the year after income tax attributable to the owners of the parent		**(13,883,098)**	**(2,215,422)**
Total comprehensive loss for the period attributable to the owners of the parent		**(13,883,098)**	**(2,215,422)**
Earnings Per Share attributable to the owners of the parent			
Basic and diluted loss per share (cents per share)	13	(1.26)	(0.48)

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

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: Consolidated statement of financial position

AS AT 31 DECEMBER 2024	Note	31 December 2024 $	30 June 2024 $
Current assets			
Cash and cash equivalents	4	97,855	245,213
Trade and other receivables	5	330,346	603,641
Prepayments		63,223	133,544
		491,424	**982,398**
Assets classified as held for sale	7	17,110	-
Total current assets		**508,534**	**982,398**
Non-current assets			
Property, plant and equipment		27,782	55,832
Investments at fair value through profit or loss	8	4,140,525	6,015,035
Intangibles	6	-	9,919,549
Total non-current assets		**4,168,307**	**15,990,416**
Total assets		**4,676,841**	**16,972,814**
Current Liabilities			
Trade and other payables	9	961,136	499,208
Borrowings		26,793	143,095
Employee provisions		184,100	189,004
Financial Liabilities at fair value through profit or loss	10	149,750	49,750
		1,321,779	**881,057**
Liabilities classified as held for sale	7	31,355	-
Total current liabilities		**1,353,134**	**881,057**
Non-current liabilities			
Deferred tax		-	352,512
Borrowings		1,472	9,053
Employee provisions		27,479	44,324
Total non-current liabilities		**28,951**	**405,889**
Total liabilities		**1,382,085**	**1,286,946**
Net assets		**3,294,756**	**15,685,868**
Equity			
Issued capital	11	378,791,146	377,767,457
Other reserves	12	2,209,154	1,740,857
Accumulated losses		(377,705,544)	(363,822,446)
Total equity		**3,294,756**	**15,685,868**

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

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: Consolidated statement of cash flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2023	Note	6 months ended 31 December 2024 $	6 months ended 31 December 2023 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,052,653)	(1,708,614)
Proceeds from R&D tax incentive		419,982	
Net Goods and Services Tax received		(30,939)	(10,698)
Interest received		2,061	4,187
Costs associated with investments made		-	(1,000)
Net cash outflows from operating activities		**(661,549)**	**(1,716,125)**
Cash flows from investing activities			
Investment in other entities		-	(250,000)
Costs associated with M&A Activities		(89,870)	-
Net cash inflows / (outflows) from investing activities		**(89,870)**	**(250,000)**
Cash flows from financing activities			
Proceeds from Issue of shares		395,000	2,650,989
Proceeds from exercise of options		-	8,089
Transaction costs of share issues[1]		(243,177)	(196,932)
Proceeds from Borrowings		300,010	-
Repayment of borrowings		(396,910)	-
Interest on borrowings		(13,788)	-
Repayments of lease liabilities		(41,943)	(41,238)
Payment of additional lease bond		(111)	
Proceeds from issue of convertible debt securities		605,000	300,000
Transaction costs of convertible debt securities[1]		(20)	(22,376)
Repayment of convertible debt securities principal amount		-	(100,000)
Net cash outflows from financing activities		**604,061**	**2,598,532**
Net increase / (decrease) in cash and cash equivalents		**(147,358)**	**632,407**
Add: Opening cash and cash equivalents carried forward		245,213	1,308,085
Closing cash and cash equivalents at end of period	4	**97,855**	**1,940,492**

1 Prior year balances have been reclassified to be current with current year mapping

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

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: Consolidated statement of changes in equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2024	Issued Capital	Share Based Payment Reserve (Note 12)	Accumulated Losses	Total Equity
	$	$	$	$
At 1 July 2024	**377,767,457**	**1,740,857**	**(363,822,446)**	**15,685,868**
Loss for the period			(13,883,098)	(13,883,098)
Total comprehensive loss for the period			**(13,883,098)**	**(13,883,098)**
Transactions with owners in their capacity as owners:				
Shares issued	1,127,944	-	-	1,127,944
Share issue costs	(170,744)	-	-	(170,744)
Share-based payments (note 16)	66,489	468,297		534,786
At 31 December 2024	**378,791,146**	**2,209,154**	**(377,705,544)**	**3,294,756**

FOR THE HALF YEAR ENDED 31 DECEMBER 2023	Issued Capital	Share Based Payment Reserve (Note 12)	Accumulated Losses	Total Equity
	$	$	$	$
At 1 July 2023	**375,331,156**	**1,483,736**	**(359,728,507)**	**17,086,385**
Loss for the period			(2,215,422)	(2,215,422)
Total comprehensive loss for the period			**(2,215,422)**	**(2,215,422)**
Transactions with owners in their capacity as owners:				
Shares issued	2,698,990	-	-	2,698,990
Exercise of options - listed	8,089	-	-	8,089
Share issue costs	(198,309)		-	(198,309)
Transfer of expired performance rights		(993,937)	993,937	-
Share based payment (Note 16)	(457,909)	633,245		175,336
At 31 December 2023	**377,382,017**	**1,123,044**	**(360,949,992)**	**17,555,069**

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

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Notes to the Financial Statements

Note 1 – Corporate information

The condensed consolidated financial statements of ReNu Energy Limited and its subsidiaries (collectively the Group or Consolidated Entity) for the half year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 28 February 2025.

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

Note 2 – Summary of significant accounting policies

A. Basis of Preparation

This general purpose condensed financial report for the half year ended 31 December 2024 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The half year financial report has been prepared on a historical cost basis and going concern basis and is presented in Australian dollars. For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

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

It is recommended that the half year report be read in conjunction with the Annual Report for the year ended 30 June 2024 and considered together with any public announcements made by ReNu Energy Limited during the half year ended 31 December 2024 in accordance with the continuous disclosure obligations of the ASX listing rules.

The half year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2024.

B. Going Concern

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

As disclosed in the financial statements, the Group:

- had net operating cash outflows for the half year of $661,549 (31 December 2023: 1,716,125);
- generated a loss after tax for the half year of $13,883,098 (31 December 2023: 2,215,422); and
- had cash and cash equivalents of $97,855 at 31 December 2024 (30 June 2024: 245,213).

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Notes to the Financial Statements (continued)

Note 2 – Summary of significant accounting policies (continued)

The ability of the Group to continue as a going concern is dependent upon completing a successful capital raise. The Directors believe completing a successful capital raise is reasonable, based on steps already undertaken (as disclosed in *significant events after reporting date*) and the Company's recent history in raising capital.

Upon completion of a successful capital raise, the ongoing ability of the Group to continue as a going concern is principally dependent upon one or more of the following conditions:

- effective cash flow management, including continuing informal financial support of creditors pending the Proposed Capital Raise of $8.0 million to $10.0 million contemporaneous with the Proposed Acquisition (as disclosed in *significant events after reporting date*);
- completing the Proposed Divestment, Proposed Acquisition and Proposed Capital Raise (as disclosed in *significant events after reporting date*);
- generating cash flows from the Proposed Acquisition; and
- raising additional capital or securing other forms of financing, as and when necessary, to meet the levels of expenditure required for the Group's activities and working capital requirements.

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

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

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

C. New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

D. Significant accounting judgements, estimates and assumptions

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

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Notes to the Financial Statements (continued)

Note 2 – Summary of significant accounting policies (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. The recoverable amounts of cash-generating units have been determined based on a fair value less cost to dispose calculation. This calculation requires 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 half year, the Group:

- assessed Countrywide Hydrogen Pty Ltd to include three cash-generating units being hydrogen development projects in Melbourne, Portland and Tasmania;[10] and
- considered the MBO Proposal and the terms of the Sale of Assets and Business Agreement entered into following the end of the period to sell the Hydrogen Business Division to the Hydrogen Buyer.

Refer to the Directors' report and 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. Refer to Note 8 for further information.

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[10] 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 fair value less cost to dispose calculation for goodwill was determined at the hydrogen operating segment level.

Notes to the Financial Statements (continued)

Note 2 – Summary of significant accounting policies (continued)

Accounting for Towards Net Zero, LLC financing arrangement

On 23 October 2023, the Company entered into an agreement with Towards Net Zero, LLC (the Investor) to provide the Company with investment in up to three tranches, with each investment being made by the Investor by way of a prepayment for ordinary shares in the Company.

This financing arrangement gave rise to a financial liability held at fair value through profit or loss being recognised. Refer to Note 10 for further details of the transaction.

When the fair value of financial liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. Refer to Note 18 for further details.

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Notes to the Financial Statements (continued)

Note 3A – Income

	6 months ended 31 December 2024 $	6 months ended 31 December 2023 $
Other income		
Recoupment of remediation costs[1]	-	(13,249)
R&D Tax Incentive received	115,692	311,467
Net fair value gains on investments at fair value through profit or loss	-	189,574
	115,692	**487,792**

(1) 6 months ended 31 December 2023 negative amount relates to reversal of an invoice for geothermal remediation activities

Note 3B – Personnel Expenses

	6 months ended 31 December 2024 $	6 months ended 31 December 2023 $
Personnel expenses	475,302	871,084
Share-based payments expense [1]	195,067	175,336
	670,369	**1,046,420**

(1) Relates to loan share plan expense of $128,580 and performance rights issued to directors in lieu of cash salary (refer to Note 16).

Note 3C – Other operating expenses

	6 months ended 31 December 2024 $	6 months ended 31 December 2023 $
Depreciation of operational plant & equipment	938	982
Hydrogen Project Advisory and Consultancy fees	337,068	775,204
Release of security [1]	-	150,000
Amortisation expense	-	228,548
Impairment expense [2]	9,919,549	-
Investment and Acquisition expenses	435,545	1,000
	10,693,100	**1,155,734**

(1) Refer to Note 5. $150,000 of cash held as security, once released, to be provided to third party

(2) Refer to Note 6.

Note 3D – Finance costs

	6 months ended 31 December 2024 $	6 months ended 31 December 2023 $
Interest Expense	15,178	2,080
Loan Note Expense [1]	451,650	-
TNZ Transaction Fees	50,465	69,000
	517,293	**71,080**

(1) Relates to discount on capital raise and fair value of options (note 16)

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Notes to the Financial Statements (continued)

Note 3E – Other expenses

	6 months ended 31 December 2024 $	6 months ended 31 December 2023 $
Net fair value loss on investments at fair value through profit or loss	1,874,511	-
	1,874,511	**-**

Note 4 – Cash and cash equivalents

	31 December 2024 $	30 June 2024 $
Cash at bank	97,855	245,213
	97,855	**245,213**

Note 5 – Trade and other receivables

	31 December 2024 $	30 June 2024 $
Current		
Cash held as security	150,211	150,211
GST Receivable	50,443	19,505
Interest receivable	31	72
R&D Tax Incentive Receivable	123,914	428,204
Other receivables	5,747	5,649
Total current trade and other receivables	**330,346**	**603,641**

Except for cash held as security, trade and other receivables are non-interest bearing. The fair values of trade and other receivables approximate their carrying values due to their short-term nature.

Note 6 – Intangible assets

	31 December 2024 $	30 June 2024 $
Intangibles (including goodwill) at cost	11,011,365	11,011,365
Less: accumulated amortisation and impairment	(11,011,365)	(1,091,816)
Total Intangibles	**-**	**9,919,549**
Intangibles is made up of the following:		
Customer relationships		
Cost	2,266,855	2,266,855
Accumulated amortisation	(1,091,816)	(1,091,816)
Impairment	(1,175,039)	-
	-	**1,175,039**
Goodwill		
Cost	8,744,510	8,744,510
Impairment	(8,744,510)	-
	-	**8,744,510**
Carrying amount end of period	**-**	**9,919,549**

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Notes to the Financial Statements (continued)

Note 6 – Intangible assets (continued)

Reconciliations

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

Half Year Ended 31 December 2024	Goodwill $	Customer contracts $	Total $
Balance at 1 July 2024	**8,744,510**	**1,175,039**	**9,919,549**
Additions through business combinations	-	-	**-**
Impairment of Assets	(8,744,510)	(1,175,039)	**(9,919,549)**
Amortisation Expense	-	-	**-**
Balance at 31 December 2024	**-**	**-**	**-**

Impairment testing

The Group assessed Countrywide Hydrogen Pty Ltd to include three cash-generating units being hydrogen development projects in Melbourne, Portland and Tasmania. Goodwill acquired through a 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.

As set out in the *review of results and operations* the half year saw a decline in market sentiment surrounding hydrogen and insufficient appetite from the Company's investor base to provide the required capital for the Company to progress the green hydrogen projects to final investment decision. As a result, during the half year there were changes in the assumed values adopted for goodwill impairment testing, greater than the sensitivities reported in the financial report for the year ended 30 June 2024. It has therefore been determined impairment indicators do exist and impairment testing has been performed at 31 December 2024.

The recoverable amount of the Group's goodwill has been determined by a fair value less cost to sell calculation.

After considering the MBO Proposal and the terms of the Sale of Assets and Business Agreement to sell the Hydrogen Business Division entered into following the end of the half year (see *significant events after reporting date* below), the Company has determined that the fair value less cost to dispose is nil. As a result, the Company decided has fully impair its goodwill and customer relationship intangible assets to a nil carrying value (30 June 2024: $9,919,549).

Deferred Tax Liabilities and Customer Contract Impairment

As a result of customer contracts being fully impaired, the deferred tax liability associated with these contracts, amounting to $352,512, was reversed.

The reversal of the deferred tax liability was recognized in profit and loss and has been reflected in the Group's deferred tax balance as at 31 December 2024.

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Notes to the Financial Statements (continued)

Note 7 – Non-current assets and liabilities held for sale

Due to: (i) the MBO Proposal; (ii) the formation of an IBC; (iii) the IBC engaging constructively with the MBO Proponents in relation to the MBO Proposal; and (iv) change in market sentiment and investor appetite observed during the half year, as at 31 December, the Group classified the Hydrogen Business Division as held for sale.

The assets of the Hydrogen Business Division are considered as available for sale in their present condition and as set out in the *significant events after reporting date,* an asset sale agreement was entered into with the Hydrogen Buyers on 6 February 2025.

As set out in Note 6, intangible assets of the Hydrogen Business Division, comprising goodwill and customer contracts with a carrying value of $9,919,549 have been fully impaired on the basis of the assessment that the fair value less costs to sell of the disposal group has determined as not greater than nil, resulting in a total impairment loss of $9,919,549 recognised in the statement of profit or loss.

As part of the sale annual leave accruals of $14,182 and vehicle lease obligations with a carrying amount of $17,173 are classified under 'Liabilities Directly Associated with Assets Held for Sale.' The associated right-of-use asset of $17,110 is classified under 'Assets Held for Sale.'

Note 8 – Investments at fair value through profit or loss

	31 December 2024 $	30 June 2024 $
Investment in Uniflow Power Ltd	175,000	350,000
Investment in Enosi Australia Pty Ltd	1,146,595	1,637,993
Investment in Allegro Energy Pty Ltd	2,219,385	3,170,550
Investment in Vaulta Holdings Pty Ltd	599,545	856,492
	4,140,525	**6,015,035**

During the half year, ReNu Energy continued to assess options to realise value in its investee companies to fund working capital and project development by way of a targeted sale process.

As noted in *review of operations,* the process was not successful during the half year in finding buyer(s) to acquire some or all of the Company's interests in its investee portfolio, with market feedback that conditions in the secondary market for divesting interests are challenging (i.e. lack of liquidity in the secondary market currently). Further, as: (i) the investee companies do not currently have line of sight to a realisation event (such as an IPO or trade sale); and (iii) ReNu Energy's intention to realise value in the investee companies, the Company considered it appropriate to partially impair the carrying value of the investee companies at 31 December 2024, with the carrying value at 31 December 2024 revised to $4,140,525 (30 June 2024: $6,015,035). This reflects a 30% impairment to the 30 June 2024 carrying values for Allegro, Enosi and Vaulta and a 50% impairment to the 30 June 2024 carrying value for Uniflow.

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Notes to the Financial Statements (continued)

Note 9 – Trade and other payables	December 2024 $	June 2024 $
Trade creditors	742,128	169,135
Accrued and other liabilities	219,008	330,073
	961,136	**499,208**

Note 10 – Financial Liability at Fair Value Through Profit or Loss	December 2024 $	June 2024 $
Fair value of convertible note – Towards Net Zero	149,750	49,750
	149,750	**49,750**

Financial Liability

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 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 Issue Price is, nevertheless, subject to the Floor Price of $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.

A Third Investment of $250,000 was received on 15 July 2024, as a prepayment for $272,500 worth of shares at the Issue Price. During the period Towards Net Zero LLC issued settlement notices for the issue of shares in relation to $150,000 of 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 162,444,444 shares.

The fair value of the convertible note was deemed to be $149,750 at 31 December 2024.

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Notes to the Financial Statements (continued)

Note 11 – Issued capital

	31 December 2024 $	30 June 2024 $
Authorised Shares		
1,771,653,446 (June 2024 – 726,134,002) fully paid ordinary shares	378,791,146	377,767,457

MOVEMENT IN ORDINARY SHARE CAPITAL:		NUMBER OF SHARES	ISSUE PRICE $ PER SHARE	$
1/07/2024	**Balance**	**726,134,002**		**377,767,457**
6/09/2024	Share Issue (1)	38,000,000	0.0020	76,000
20/09/2024	Share Issue (2)	40,000,000	0.0010	40,000
8/10/2024	Share Issue (3)	41,111,111	0.0010	41,111
22/10/2024	Share Issue (4)	43,333,333	0.0010	43,333
29/10/2024	Share Issue (5)	395,000,000	0.0010	395,000
29/10/2024	Share Issue (6)	443,750,000	0.0012	532,500
31/12/2024	Share Issue(7)	44,325,000	0.0015	66,489
	Share issue costs – unlisted options issued to corporate advisor (note 16)			(65,567)
	Share issue costs			(105,177)
31/12/2024	**Balance**	**1,771,653,446**		**378,791,146**

(1) 38,000,000 shares issued on 6 September 2024 to Towards Net Zero LLC in satisfaction of $38,000 of the second subscription outstanding, at an Issue Price (defined in Note 10) of $0.001.

(2) 40,000,000 shares issued on 20 September 2024 to Towards Net Zero LLC in satisfaction of $36,000 of the second subscription outstanding, at an Issue Price (defined in Note 10) of $0.0009.

(3) 41,111,111 shares issued on 8 October 2024 to Towards Net Zero LLC in satisfaction of $37,000 of the second subscription outstanding, at an Issue Price (defined in Note 10) of $0.0009.

(4) 43,333,333 shares issued on 22 October 2024 to Towards Net Zero LLC in satisfaction of $39,000 of the second subscription outstanding, at an Issue Price (defined in Note 10) of $0.0009.

(5) 395,000,000 shares issued on 29 October 2024 raising $395,000 pursuant to a private placement at an issue price of $0.001 per share.

(6) 443,750,000 shares issued on 29 October 2024 raising $355,000 pursuant to a Loan Note Placement in September 2024 of 355,000 Loan Notes at $1.00 each, that converted into ordinary shares at a conversion price of $0.0008 (with attaching options) following shareholder approval at a general meeting held on 29 October 2024.

(7) 44,325,000 shares issued Mr Greg Watson, Mr Boyd White and Ms Susan Oliver in lieu of cash based Director Fees.

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.

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Notes to the Financial Statements (continued)

Note 12 – Reserves

	31 December 2024 $	30 June 2024 $
Share based payment reserve	2,209,154	1,740,857
	2,209,154	**1,740,857**
Reconciliation of Reserves		
Carrying amount at beginning	1,740,857	1,483,736
Lapsed options[1]	-	(993,937)
Net share-based payments expense recognised	468,297	1,251,058
	2,209,154	**1,740,857**

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

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 PAC Partners Securities Pty Limited and CoPeak Corporate Pty td as lead managers and Loan Note holders. Refer to note 16 for further details.

Note 13- Earnings per share

	31 December 2024 $	31 December 2023 $
Basic and diluted earnings/(loss) per share attributable to the equity holders (cents per share):		
From continuing operations	(1.26)	(0.48)
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net loss attributable to equity shareholders		
From continuing operations	**(13,883,098)**	**(2,215,422)**
Weighted average number of ordinary shares used in calculation of basic earnings per share (number of shares)	**1,100,380,937**	**457,087,346**

Note 14 - 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.

During the period, the Hydrogen segment was reclassified as "Held for Sale" – refer Note 7.

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Notes to the Financial Statements (continued)

Note 14 - Segment Information (continued)

The following table represents the segment financial information for the six months ended 31 December 2024.

Half Year Ended 31 December 2024	Hydrogen $	Renewable & Clean Energy Investments $	Corporate* $	Total $
Revenue and income				
- Other income	115,692	-	-	**115,692**
Expenses	(673,319)	(2,239,346)	(1,464,245)	**(4,376,910)**
EBITDA	**(557,627)**	**(2,239,346)**	**(1,464,245)**	**(4,261,218)**
Interest income	-	-	2,020	**2,020**
Depreciation	(10,020)	-	(31,665)	**(41,685)**
Amortisation	-	-	-	**-**
Impairment	(9,919,549)	-	-	**(9,919,549)**
Income Tax	352,512	-	-	**352,512**
Interest expense	(10,116)	-	(5,062)	**(15,178)**
Loss after tax	**(10,144,800)**	**(2,239,346)**	**(1,498,952)**	**(13,883,098)**
Assets				
Segment assets	-	4,140,525	-	**4,140,525**
Unallocated assets	-	-	536,316	**536,316**
Total Assets	-	**4,140,525**	**536,316**	**4,676,841**

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

Half Year Ended 31 December 2023	Hydrogen $	Renewable & Clean Energy Investments $	Corporate* $	Total $
Revenue and income				
- Other income	311,467	189,574	(13,249)	**487,792**
Share of loss from associate	-	(4,941)	-	**(4,941)**
Expenses	(1,190,727)	(1,000)	(1,296,247)	**(2,487,974)**
EBITDA	**(879,260)**	**183,633**	**(1,309,496)**	**(2,005,123)**
Interest Income[1]	-	-	4,232	**4,232**
Depreciation	(10,066)	-	(30,974)	**(41,040)**
Amortisation	(228,548)	-	-	**(228,548)**
Impairment	-	-	-	**-**
Income Tax	57,137	-	-	**57,137**
Interest expense	(1,305)	-	(775)	**(2,080)**
Loss after tax	**(1,062,042)**	**183,633**	**(1,337,013)**	**(2,215,422)**
Assets				
Segment assets	10,145,613	6,195,244	-	**16,340,857**
Unallocated assets	-	-	2,571,106	**2,571,106**
Total Assets	**10,145,613**	**6,195,244**	**2,571,106**	**18,911,963**

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

[1] Prior period has been reclassified to align with current period

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Notes to the Financial Statements (continued)

Note 15 – Contingent assets and liabilities

Should the Proposed Divestment of the Hydrogen Business Division not proceed, the Group may be liable to 'foregone amounts' which form part of the consideration included in the Asset Sale Agreement. The 'foregone amounts' are up to approximately $0.4 million and relate to employee entitlements, potential redundancy costs and equipment leases.

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

Note 16 – Share based payments

Loan share plan shares

For the six months ended 31 December 2024, an amount of $128,580 has been recognised as a share-based payment expense in the profit or loss (31 December 2023: $175,336). There has been no change during in the half-year in the number of plan shares issued.

Performance Rights

For the six months ended 31 December 2024, an amount of $66,488 has been recognised as a share-based payment expense in the profit or loss in relation to shares issued to directors in lieu of cash salary for the period 1 September 2024 to 31 December 2024 (31 December 2023: $0).

Options

MOVEMENT IN OPTIONS:	Average exercise price per option	Number of options
Balance at the beginning of the period	**$0.0165**	**50,000,000**
Lapsed during the period	-	-
Granted during the period	$0.003	653,437,500
Balance at the end of the period	**$0.004**	**703,437,500**

Unlisted Options

209,687,500 unlisted options were granted in September 2024 and issued on 29 October 2024 to PAC Partners Securities Pty Limited and CoPeak Corporate Pty Ltd for acting as lead manager to ReNu Energy's capital raise announced on 2 September 2024.

The 209,687,500 unlisted options 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 5 years. There is no cash settlement of the options. The fair value of options granted during the six months ended 31 December 2024 of $0.0003 per option was estimated on the date of grant using the following assumptions:

Exercise Price ($) 0.003
Dividend yield (%) 0
Expected volatility (%) 40.8
Risk-free interest rate (%) 3.534
Expected life of share options (years) 5
Share price ($) 0.015

An amount of $65,567 has been included in the statement of changes in equity for the six months ended 31 December 2024 under 'Share Capital' (being a cost of raising capital) relating to the fair value of the options granted.

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Notes to the Financial Statements (continued)

Note 16 – Share based payments (continued)

443,750,000 unlisted options were approved at a meeting of shareholders on 24 October 2024 and issued on 29 October 2024 to loan note holders under a Loan Note Placement. The unlisted options attached to the $355,000 loan note placement referred to at Note 11.[11]

The 443,750,000 unlisted options are accounted for as a finance expense in respect of the Loan Notes. 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 2024 of $0.0006 per option was estimated on the date of grant using the following assumptions:

Exercise Price ($) 0.003
Dividend yield (%) 0
Expected volatility (%) 86.6
Risk-free interest rate (%) 3.534
Expected life of share options (years) 3
Share price ($) 0.015

An amount of $274,150 has been included in the statement of profit or loss for the six months ended 31 December 2024 under 'Finance Costs' relating to the fair value of the options granted.

Note 17 – Related party disclosures

Transactions with Key Management Personnel

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

The key resource from White Lotus Solutions Pty Ltd is Boyd White. Consulting and Executive Director fees of $39,563 were paid during the period (2023: $150,875).

Geoffrey Drucker's spouse, Ms Ingeborg Drucker, is employed as Group Communications Director of ReNu Energy Limited. Gross wages and salaries (including superannuation) of $59,629 were paid to Ms Drucker during the period (2023: $113,775).

Note 18 – 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

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[11] Refer to the Company's ASX announcement at https://announcements.asx.com.au/asxpdf/20240902/pdf/067dknmb4g9nc7.pdf for further details.

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Notes to the Financial Statements (continued)

Note 18– Fair Value Measurement (continued)

Consolidated – 31 December 2024	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Investments at fair value through profit or loss	-	-	4,140,525	**4,140,525**
Total assets	**-**	**-**	**4,140,525**	**4,140,525**
Liabilities				
Financial liabilities at fair value through profit or loss	-	-	149,750	**149,750**
Total liabilities	**-**	**-**	**149,750**	**149,750**

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

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

Unquoted investments in ordinary shares have been valued using the share price of the latest capital raise of the investee company, less a liquidity discount assessed following the divestment processed that occurred during the half year.

Level 3 assets and liabilities

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

Assets **Consolidated – 31 December 2024**	Investments at fair value through profit or loss $	**Total** $
Balance at 1 July 2024	**6,015,035**	**6,015,035**
Additions	-	**-**
Net fair value gains/(losses) on investments at fair value through profit or loss	(1,874,511)	**(1,874,511)**
Balance at 31 December 2024	**(1,874,511)**	**(1,874,511)**

Note 19 – Events after reporting period

First tranche of HydroLit convertible notes

On 23 January 2025, ReNu Energy received the first tranche of convertibles notes in Hydro Lit (pursuant to the Asset Sale and Purchase Agreement entered into on 24 December 2024 in relation to the Company's legacy geothermal assets) with a face value of $200,000, following delivery of the geothermal data and samples to Hydro Lit.

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Notes to the Financial Statements (continued)

Note 19 – Events after reporting period (continued)

$500,000 capital raise

On 29 January 2025 ReNu Energy announced[12] it had received binding commitments for $500,000 through the issue of 500,000 loan notes (**Loan Notes**), to be issued at $1.00 each (**Loan Note Placement**). The Loan Notes have an interest rate of 0% and become convertible into ordinary shares (**Loan Note Shares**); and unlisted options (**Loan Note Options**), subject to shareholder approval. The funds have been received and are being applied to working capital and costs of the offer. The face value of the Loan Notes will be converted at a conversion price of $0.00075 (on a pre-consolidation basis) into 666,666,667 Loan Note Shares and 666,666,667 Loan Note Options at an exercise price of $0.0015 (on a pre-consolidation basis), expiring 2 years following their date of issue.

Sale of Hydrogen Business Division

On 6 February 2025 ReNu Energy announced[13] that it had entered into a Sale of Assets and Business Agreement to sell its Hydrogen Business Division to Countrywide Hydrogen Holdings Pty Ltd (**Hydrogen Buyer**), an entity controlled by the Proponents (**Proposed Divestment**). Subject to shareholder approval, ReNu Energy will sell its Hydrogen Business Division for total consideration of up to approx. $1.1 million, comprising cash (upfront and deferred), assumption of employee entitlements and equipment leases and a cash royalty based on project revenue.

Proposed acquisition of Janus Electric Limited

On 19 February 2025 ReNu Energy announced[14] that it had entered into a Share Purchase Agreement to acquire 100% of the issued share capital of Janus Electric Limited (**Janus**), a company focused on the electrification of heavy road transport through its swappable battery technology and comprehensive energy management ecosystem (**Proposed Acquisition**). Subject to shareholder approval, re-compliance with Chapters 1 and 2 of the ASX Listing Rules and other regulatory requirements, ReNu Energy will acquire Janus in consideration of the issue of 50,000,000 Shares in ReNu Energy, on a 200:1 post-Consolidation basis.

Proposed capital raise

On 19 February 2025 ReNu Energy announced[15] a proposed capital raise consisting of an offer of between 40,000,000 and 50,000,000 Shares in ReNu Energy on a 200:1 post-Consolidation basis, being the **New Shares**, at an issue price of $0.20 per New Share to raise between $8.0 million and $10.0 million (**Proposed Capital Raise**). The New Shares offered under the Capital Raise will be offered under a Prospectus dated 25 February 2025 in accordance with section 710 of the Corporations Act.

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[12] See the Company's ASX announcement at https://announcements.asx.com.au/asxpdf/20250129/pdf/06dy7bxvzzjt4q.pdf for further details.
[13] See the Company's ASX announcement at https://announcements.asx.com.au/asxpdf/20250206/pdf/06f7z30dpnv9nf.pdf for further details.
[14] See the Company's ASX announcement at https://announcements.asx.com.au/asxpdf/20250219/pdf/06fpn3787hfgbm.pdf for further details.
[15] See the Company's ASX announcement at https://announcements.asx.com.au/asxpdf/20250219/pdf/06fpn3787hfgbm.pdf her details.

Notes to the Financial Statements (continued)

Note 19 – Events after reporting period (continued)

Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

On 19 February 2025 ReNu Energy announced[16] that ASX has advised the Company that as the Proposed Acquisition will amount to a significant change in the nature and scale of the Company's activities, ReNu Energy is required to obtain Shareholder approval for the Proposed Acquisition and must also re-comply with Chapters 1 and 2 of the ASX Listing Rules before it can be re-instated to trading on the ASX (including any ASX requirement to treat the Company's securities as restricted securities).

Binding commitments received for $250,000

On 25 February 2025 ReNu Energy announced[17] it had received binding commitments for $250,000 through the issue of 250,000 loan notes (**Additional Loan Notes**), to be issued at $1.00 each (**Additional Loan Note Placement**). The Additional Loan Notes have an interest rate of 0% and become convertible into ordinary shares (**Additional Loan Note Shares**); and unlisted options (**Additional Loan Note Options**), subject to shareholder approval. The face value of the Additional Loan Notes will be converted at a conversion price of $0.00075 (on a pre-consolidation basis) into 333,333,333 Additional Loan Note Shares and 333,333,333 Additional Loan Note Options at an exercise price of $0.0015 (on a pre-consolidation basis), expiring 2 years following their date of issue.

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[16] See the Company's ASX announcement at https://announcements.asx.com.au/asxpdf/20250219/pdf/06fpn3787hfgbm.pdf for further details.
[17] See the Company's ASX announcement at https://announcements.asx.com.au/asxpdf/20250226/pdf/06fymzfd7vlgyq.pdf for further details.

: Directors' declaration

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

1. In the opinion of the Directors:

   (a) the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:

      i. giving a true and fair view of the financial position as at 31 December 2024 and the performance for the half year ended on that date of the Consolidated Entity;

      ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

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

On behalf of the Board.

Boyd White
Chairman
Brisbane
28 February 2025

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

As lead auditor for the review of the half-year financial report of ReNu Energy Limited for the half-year ended 31 December 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 review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

Ernst & Young

Andrew Carrick
Partner
Brisbane
28 February 2025

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Independent auditor's review report to the members of ReNu Energy Limited

Conclusion

We have reviewed the accompanying half-year financial report of ReNu Energy Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2B 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 conclusion is not modified in respect of this matter.

Directors' responsibilities for the half-year financial report

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

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Ernst & Young

Andrew Carrick
Partner
Brisbane
28 February 2025

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