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Half Year Report 31 December 2020

Release Statement

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APPENDIX 4D

HALF YEAR REPORT

Name of entity

RENU ENERGY LIMITED

ABN

55 095 006 090

Half year ended

31 December 2020

Previous corresponding period: 31 December 2019

Results for announcement to the market

Results	HY Dec 2020 \$	HY Dec 2019 \$	Change \$	Change %
Revenues from ordinary activities ⁽¹⁾	397,065	511,950	(114,885)	(22%)
Net loss for the period attributable to members	(349,059)	(2,178,654)	1,829,595	84%

(1) Includes revenues from discontinued operations, but excludes ReNu Energy's share of revenues of associated companies

Net Tangible Asset Backing	As at 31 December 2020	As at 31 December 2019
Net tangible asset backing per ordinary security	\$0.019	\$0.039

Brief explanation of any of the figures reported above:

The Company completed the sale of the Group's 30% interest in the Goulburn and Beaudesert bioenergy projects for a consideration of \$500,000 on 5 August 2020.

The loss for the period was lower than in the corresponding period in the previous year due to:

- Disposal of bioenergy projects
- Benefit from the significant corporate cost reductions

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.

APPENDIX 4D (Continued)

Name	Ownership Interest		Contributions to net profit / (loss)	
	Dec 2020	Dec 2019	HY Dec 2020	HY Dec 2019
	%	%	\$	\$
RE Holding Company One Pty Ltd (as trustee for RE Holding Trust One)	-	30%	(9,194)	(42,238)
SM Project Company Pty Ltd (as trustee for SM Project Trust)	-	30%	(6,886)	(4,357)
AJB Energy Projects Pty Ltd (as trustee for AJB Energy Projects Trust)	-	30%	(5,346)	1,930
Aggregate share of losses			(21,426)	(44,665)

Dividends

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

DIRECTORS' REPORT

Your Directors submit their report for the half year ended 31 December 2020.

DIRECTORS

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

Boyd White (Non-executive Chairman) (appointed 20 December 2019)

Tony Louka (Non-executive Director) (appointed 5 October 2018)

Tim Scholefield (Executive Director) (appointed 6 December 2019)

Directors were in office for this entire period unless otherwise stated.

COMPANY SECRETARY

Greg Watson (appointed 10 September 2019, resigned 30 October 2020, appointed 29 January 2021)

Jillian Bell (appointed 30 October 2020, resigned 29 January 2021)

CORPORATE STRUCTURE

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

PRINCIPAL ACTIVITIES

ReNu Energy Limited's focus is to (i) operate as an independent power producer delivering clean energy products and services and (ii) to complete the works to finalise its geothermal remediation activities in the Cooper Basin.

REVIEW AND RESULTS OF OPERATIONS

Operational review

During the six months to 31 December 2020, ReNu Energy's activities centred around (i) completion of the sale of its 30% interest in the Goulburn and Beaudesert bioenergy projects, (ii) progressing the abandonment programs for the two remaining geothermal wells located in the South Australian Cooper Basin and (iii) progressing consideration of new projects, corporate combinations and acquisition opportunities.

Bioenergy

On 31 July 2020, ReNu Energy entered into a Securities and Asset Sale Purchase Agreement (**SPA**) with its Alliance Partner, Resonance Water Finance UK Limited (**Resonance**), for the sale of its 30% interest in the Goulburn and Beaudesert bioenergy projects. The SPA completed on 17 August 2020 with the Company receiving \$500,000 and further payments of approximately \$280,000 for the second generator project at the Beaudesert facility, accrued interest on project loans and other services.

DIRECTORS' REPORT (Continued)

REVIEW AND RESULTS OF OPERATIONS (Continued)

The decision to divest followed a period of underperformance of the projects due to external factors at each site and with a capital contribution needed to meet ongoing operational requirements. As a minority partner in the Alliance with Resonance and after considering a number of alternatives, the Board and management concluded that the decision to divest represented the best opportunity for the Company to offset the requirement for a cash call and add to cash holdings.

Geothermal remediation

Progress continued during the six months to 31 December 2020 toward the abandonment of the two remaining geothermal wells and surrender of the GRL3 geothermal tenement located in the South Australian Cooper Basin. Activities included:

- a meeting on 31 July 2020 with the South Australian Department for Energy and Mining to discuss the proposed abandonment activities;
- optimising the well abandonment plans and costings;
- ordering some long lead items required for the activities; and
- undertaking some field work to prepare the well sites for arrival of the workover rig.

Pending final approvals and the completion of commercial arrangements, the Company expects that the program of work will commence in March 2021. The well abandonment activities are expected to take approximately one month to complete.

Corporate

During the six months to 31 December 2020, ReNu Energy continued to identify and assess new projects, corporate combinations and acquisition opportunities in cooperation with its financial advisor, KPMG Corporate Finance. The Company reviewed a number of opportunities in the renewable and cleantech sectors, including proposals which progressed beyond the Company's preliminary screening to more advanced discussions and evaluation.

Results

The underlying Group EBITDA loss of \$431,407 (2019: \$1,716,953) for the financial period was lower than previous periods and impacted by the realisation of the benefits of recurring corporate cost reductions and the sale of the bioenergy asset.

The Group's loss after tax of \$349,059 (2019: \$2,178,654) reflected these items.

DIRECTORS' REPORT (Continued)

	6 months ended 31 December 2020 \$	6 months ended 31 December 2019 \$
EBITDA – by business segment		
Geothermal	4,471	(55,964)
Corporate	(435,878)	(1,660,989)
Total Group EBITDA – continuing operations	(431,407)	(1,716,953)
Loss from discontinued operations	110,325	(396,785)
Gain on sale of property, plant & equipment	-	2,178
Total Group EBITDA	(321,082)	(2,111,560)
Depreciation	(27,389)	(60,125)
Interest expense	(588)	(6,969)
Loss after tax	(349,059)	(2,178,654)

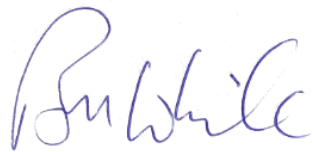
ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1 (unless otherwise stated) under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which the ASIC Corporations Instrument applies.

AUDITOR INDEPENDENCE DECLARATION

The Directors have obtained an independence declaration from the Company's auditors, BDO, which can be found on page 23 of the Half Year Financial Report.

Signed in accordance with a resolution of the Directors



Boyd White
Chairman
Brisbane
25 February 2021



Half Year Financial Report ended 31 December 2020

ABN 55 095 006 090

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	6 months ended 31 December 2020 \$'000	6 months ended 31 December 2019 \$(¹)
Interest income		20,207	46,390
Other income	3A	376,858	141,152
Total income		397,065	187,542
Personnel expenses	3B	(342,793)	(1,240,864)
Other operating expenses	3C	(160,844)	(127,921)
General & administrative expenses	3D	(352,224)	(593,657)
Finance costs		(588)	(6,969)
Total expenses		(856,449)	(1,969,411)
Share of profit/(loss) of associates	7	-	-
Loss before income tax		(459,384)	(1,781,869)
Income tax benefit / (expense)		-	-
Loss after income tax expense from continuing operations		(459,384)	(1,781,869)
Profit / (loss) from discontinued operations after tax	15(a)	110,325	(396,785)
Net loss for the year after income tax attributable to the owners of the parent		(349,059)	(2,178,654)
Total comprehensive loss for the period attributable to the owners of the parent		(349,059)	(2,178,654)
Earnings Per Share attributable to the owners of the parent			
Basic and diluted loss per share from continuing operations (cents per share)	13	(0.39)	(1.48)
Basic and diluted loss per share (cents per share)		(0.29)	(1.81)

(1) Balances for the prior period have been re-presented to reclassify results from discontinued operations. Refer to note 15.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020		31 December 2020	30 June 2020
	Note	\$	\$
Current Assets			
Cash and cash equivalents	4	2,400,328	2,448,803
Trade and other receivables	5	1,054,715	477,540
Prepayments		97,163	214,104
Assets held for sale	15(d)	-	390,863
Total current assets		3,552,206	3,531,310
Non Current Assets			
Other receivables	5	-	694,585
Property, plant and equipment	6	26,641	39,650
Total non current assets		26,641	734,235
Total assets		3,578,847	4,265,545
Current Liabilities			
Trade and other payables	8	288,009	423,535
Borrowings	9	14,381	27,358
Provisions	10	1,242,804	1,431,940
Total current liabilities		1,545,194	1,882,833
Total liabilities		1,545,194	1,882,833
Net assets		2,033,653	2,382,712
Equity			
Issued capital	11	357,069,848	357,069,848
Other reserves	12	63,771	63,771
Accumulated losses		(355,099,966)	(354,750,907)
Total equity		2,033,653	2,382,712

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	6 months ended 31 December 2020	6 months ended 31 December 2019
Note	\$	\$
Cash flows from operating activities		
Receipts from customers	228,960	329,644
Net Goods and Services Tax received	(3,719)	5,604
Payments to suppliers and employees	(566,817)	(2,831,783)
Payments for rehabilitation expenditure	(219,720)	
Interest received	37,963	68,528
Interest paid	(588)	(45,519)
Net cash outflows from operating activities	(523,921)	(2,473,526)
Cash flows from investing activities		
Proceeds from sale of property, plant & equipment	-	5,775,000
Purchase of property, plant & equipment	-	(20,508)
Proceeds from disposal of investment	500,000	-
Payments for remediation expenditure	-	(139,695)
Recoupment of remediation costs	-	70,250
Net (deposits) / return of cash held as security	-	262,583
Net cash inflows / (outflows) from investing activities	500,000	5,947,630
Cash flows from financing activities		
Repayment of borrowings	-	(1,378,405)
Transaction costs of share issues	-	(4,760)
Payments of lease liabilities	(24,554)	
Transaction costs of loans and borrowings	-	(315,851)
Net cash outflows from financing activities	(24,554)	(1,699,016)
Net increase / (decrease) in cash and cash equivalents	(48,475)	1,775,088
Add: Opening cash and cash equivalents carried forward	2,448,803	1,424,915
Closing cash and cash equivalents carried forward	4 2,400,328	3,200,003

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2020	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2020	357,069,848	48,307	15,464	(354,750,907)	2,382,712
Loss for the period	-	-	-	(349,059)	(349,059)
Total comprehensive income for the period	-	-	-	(349,059)	(349,059)
Transactions with owners in their capacity as owners:					
Shares issued	-	-	-	-	-
Share issue costs	-	-	-	-	-
Share-based payment	-	-	-	-	-
At 31 December 2020	357,069,848	48,307	15,464	(355,099,966)	2,033,653

FOR THE HALF YEAR ENDED 31 DECEMBER 2019	Issued Capital	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2019	357,074,708	153,192	15,464	(350,243,316)	7,000,048
Loss for the period	-	-	-	(2,178,654)	(2,178,654)
Total comprehensive income for the period	-	-	-	(2,178,654)	(2,178,654)
Transactions with owners in their capacity as owners:					
Shares issued	-	-	-	-	-
Share issue costs	(4,860)	-	-	-	(4,860)
Share-based payment	-	(104,885)	-	-	(104,885)
At 31 December 2019	357,069,848	48,307	15,464	(352,421,970)	4,711,649

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 2020 were authorised in accordance with a resolution of the Directors on 23 February 2021.

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 2020 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. All values are rounded to the nearest \$1 (unless otherwise stated). 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 2020 and considered together with any public announcements made by ReNu Energy Limited during the half year ended 31 December 2020 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 2020.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The Group intends to commence the remediation program in March 2021 and estimates it will take approximately one month to complete with the Group's share of the cost to complete estimated at \$1,200,000. The Group has also progressed consideration of proposals in the renewable and cleantech sector beyond preliminary screening to advanced discussions and evaluation.

As disclosed in the financial statements, the Group has net operating cash outflows for the half year of \$523,921 and as at 31 December 2020 has cash and cash equivalents of \$2,400,328. The Group also generated a loss after tax for the half year of \$349,059. The ability of the Group to continue as a going concern is principally dependent upon one or more of the following conditions:

- securing appropriate projects and related funding for project investment;
- effective cash flow management; and
- raising additional capital or securing other forms of financing following completion of the remediation program to meet the levels of expenditure required for future project opportunities and to meet the Group's 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.

The Directors have assessed that COVID-19 will have no further impact on the going concern of the Group under the current conditions.

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. Comparative Figures

When required by Accounting Standards, comparative figures are adjusted to conform to changes in presentation for the current financial year. Certain comparative financial information presented in the Statement of Comprehensive Income, and Statement of Cash Flows has been reclassified in this financial report to improve the presentation of information. The reclassification results in no net change to loss or cash flows for the comparative period.

Comparative figures for the prior period have been re-presented to reclassify results from the sale of the bioenergy assets as discontinued. Refer to note 15.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 3A – INCOME

	6 months ended 31 December 2020 \$	6 months ended 31 December 2019 \$
Other income		
Recoupment of remediation costs	98,569	70,250
R&D tax incentive received	182,188	-
Grant income	95,900	-
Other income	201	70,902
	376,858	141,152

NOTE 3B – PERSONNEL EXPENSES

Employee expenses	342,793	827,686
Termination and redundancy expenses	-	518,062
Share based payments expense	-	(104,884)
	342,793	1,240,864

NOTE 3C – OTHER OPERATING EXPENSES

Business development costs	-	20,719
Facility operating costs	2,836	98,305
Project rectification costs	65,563	-
Remediation costs	92,445	8,897
	160,844	127,921

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 3D – GENERAL AND ADMINISTRATIVE EXPENSES

	6 months ended 31 December 2020 \$	6 months ended 31 December 2019 \$
Governance and investor relations	59,186	62,458
External advisory	127,021	203,910
Facility, IT and communications	32,839	79,782
Travel	751	35,057
Insurance	97,217	140,914
Depreciation of plant and equipment	24,554	60,125
Other	10,656	11,411
	352,224	593,657

NOTE 4 – CASH AND CASH EQUIVALENTS

	31 December 2020 \$	30 June 2020 \$
Cash at bank	2,400,328	2,448,803
Total cash - excluding cash held by disposal group held for sale	2,400,328	2,448,803

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 5 – TRADE AND OTHER RECEIVABLES	31 December 2020 \$	30 June 2020 \$
Current		
Cash held as security	150,000	150,000
Trade receivables	-	228,960
GST receivable	16,135	27,966
Interest receivable	105	14,777
R&D tax incentive receivable	876,773	-
Other receivables and deposits	11,702	55,837
Total current trade and other receivables	1,054,715	477,540
Non-current		
R&D tax incentive receivable	-	694,585
Total non-current trade and other receivables	-	694,585

Current trade receivables, GST receivable, interest receivable 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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 6 – PROPERTY, PLANT & EQUIPMENT

	31 December 2020 \$	30 June 2020 \$
Plant and Equipment at cost	20,057,836	20,057,836
Less: accumulated depreciation and impairment	(20,045,575)	(20,042,740)
Right of use assets at cost	14,380	41,150
Less: accumulated depreciation and impairment	-	(16,596)
Total Property, Plant and Equipment	26,641	39,650
Reconciliation of Plant & Equipment		
Carrying amount at beginning of the period	39,650	6,789,543
Additions	14,380	82,008
Disposals	-	(6,421,331)
Impairment ⁽¹⁾	-	(261,399)
Depreciation/Amortisation expense	(27,389)	(149,171)
Carrying amount at the end of the period	26,641	39,650

(1) Impairment of property, plant and equipment as result of the sale of the Bioenergy investment on 5 August 2020.

NOTE 7 – INVESTMENT IN ASSOCIATES

Interest in associates

Name of entity	Ownership interest		Carrying amount	
	31 December 2020	30 June 2020	31 December 2020 \$	30 June 2020 \$
RE Holding Company One Pty Ltd	-	30%	-	-

RE Holding Company One Pty Ltd, in its capacity as trustee for the RE Holding Trust One, acts as holding company for entities which own bioenergy projects in Australia.

On 5 August 2020, the Company sold the remaining 30% interest in the Goulburn and AJ Bush bioenergy projects to its former Alliance Partner, Resonance Industrial Water Infrastructure fund for consideration of \$500,000.

As a result the investment in associate carrying value was nil at 30 June 2020 as it had been reclassified as an asset held for sale (refer to note 15(d)).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 7 – INVESTMENT IN ASSOCIATES (Continued)

Summarised financial information for associates	31 December 2020 \$	30 June 2020 \$
Summarised Balance Sheet		
Current assets	-	421,377
Non-current assets	-	5,443,848
Total assets	-	5,865,225
Current liabilities	-	(628,367)
Non-current liabilities	-	(3,570,062)
Total liabilities	-	(4,198,429)
Net assets	-	1,666,796
Reconciliation to carrying amount		
Group's interest	-	30%
Group's interest in net assets	-	500,039
Elimination of Group interest in (profits)/losses arising from transactions with associates	-	(168,476)
Reclassification as asset held for sale	-	(331,563)
Carrying amount of investments in associates	-	-

	31 December 2020 ⁽¹⁾ \$	31 December 2019 \$
Summarised statement of profit and loss and other comprehensive income		
Revenue	113,966	536,049
Loss for the period	(71,421)	(148,882)
Total comprehensive loss	(71,421)	(148,882)
Reclassification as discontinued operations	21,426	44,665
Group's share of loss of associates at 30%	-	-

(1) For the period 1 July 2020 to date of completion of disposal 5 August 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 8 – TRADE AND OTHER PAYABLES

	31 December 2020 \$	30 June 2020 \$
Current		
Trade creditors	101,757	301,816
Accrued and other liabilities	186,252	106,168
GST payable	-	15,551
	288,009	423,535

The fair values of trade and other payables approximate their carrying values due to their short-term nature.

NOTE 9 – BORROWINGS

	31 December 2020 \$	30 June 2020 \$
Current borrowings		
Lease liability	14,381	27,358
Total current borrowings	14,381	27,358

NOTE 10 – PROVISIONS

	Employee Entitlements \$	Remediation Provision \$	Total Provisions \$
At 1 July 2020	6,739	1,425,201	1,431,940
Arising during the year	6,009	-	6,009
Utilised	-	(217,020)	(217,020)
Unutilised cash call	-	30,056	30,056
Reduction in provision	-	(8,181)	(8,181)
Divestment of solar operations	-	-	-
At 31 December 2020	12,748	1,230,056	1,242,804
Current - December 2020	12,748	1,230,056	1,242,804
Non current - December 2020	-	-	-
At 31 December 2020	12,748	1,230,056	1,242,804
Current - June 2020	6,739	1,425,201	1,431,940
Non current - June 2020	-	-	-
At 30 June 2020	6,739	1,425,201	1,431,940

The remediation provision relates to the remaining remediation of the Cooper Basin site including the wells and surface rehabilitation.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 11 – ISSUED CAPITAL

	31 December 2020 \$	30 June 2020 \$
Authorised Shares		
106,210,341 (June 2020 – 120,634,341) fully paid ordinary shares	357,069,848	357,069,848

MOVEMENT IN ORDINARY SHARE CAPITAL:		NUMBER OF SHARES	\$
30/06/19	Balance	122,068,491	357,074,708
10/09/19	Share issue costs		(4,860)
17/09/19	Share cancellation ⁽¹⁾	(1,434,150)	-
30/06/20	Balance	120,634,341	357,069,848
3/12/20	Share cancellation ⁽²⁾	(14,424,000)	-
31/12/20	Balance	106 210 341	357,069 848

1. Employee share scheme buyback.
2. Cancellation of shares issued pursuant to an employee loan share plan for failure to satisfy vesting conditions.

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 – OTHER RESERVES	31 December 2020 \$	30 June 2020 \$
Share based payments reserve	48,307	48,307
Foreign currency translation reserve	15,464	15,464
	63,771	63,771
Reconciliation of Reserves		
Carrying amount at beginning of period	63,771	168,656
Net share based payments expense	-	(104,885)
	63,771	63,771

Nature and purpose of reserves

Share based payments reserve

The employee share based payment reserve is used to record the value of loan share plan shares granted to employees, including key management personnel, as part of their remuneration.

Foreign currency translation reserve

This reserve records the differences arising as a result of translating the financial statements of subsidiaries recorded in foreign currencies to the presentational currency.

NOTE 13 – EARNINGS PER SHARE	6 months ended 31 December 2020	6 months ended 31 December 2019
Basic and diluted earnings/(loss) per share attributable to the equity holders (cents per share):		
From continuing operations	(0.39)	(1.48)
From discontinued operations	0.10	(0.33)
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 (\$'000):		
From continuing operations	(459,384)	(1,781,869)
From discontinued operations	110,325	(396,785)
Weighted average number of ordinary shares used in calculation of basic earnings per share (number of shares)	118,427,390	120,586,414

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 14 – SEGMENT INFORMATION

The Group operates in two segments, being bioenergy and geothermal exploration and evaluation. The geothermal segment exists only to complete remediation activities. All operations are located in Australia. Compared to those disclosed in the annual financial statements for year ended 30 June 2020, the difference for the half year ended 31 December 2020 is the discontinuation of the bioenergy segment.

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 (including proportionate consolidation of associates' results) as a measure to assess performance. Group assets and liabilities are not presented by segment to the chief operating decision makers.

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.

Segment Information

The following table represents financial information for the Group's operating segments for the six months ended 31 December 2020.

Half Year Ended 31 December 2020	Bioenergy \$	Geothermal \$	Corporate \$	Segment totals \$	Reconciliation to loss from continuing operations after tax	
					Discontinued operations ⁽¹⁾ \$	Consolidated \$
Revenue and income						
From external customers						
- Other	-	-	278,289	278,289	-	278,289
- Recoupment of rehabilitation costs	-	98,569	-	98,569	-	98,569
- Interest income	-	-	20,207	20,207	-	20,207
Expenses	-	(94,098)	(734,374)	(828,472)	-	(828,472)
EBITDA	-	4,471	(435,878)	(431,407)		(431,407)
Gain on sale of associate	131,751	-	-	131,751	(131,751)	-
Statutory EBITDA	131,751	4,471	(435,878)	(299,656)	(131,751)	(431,407)
Share of loss from associate	(21,426)	-	-	(21,426)	21,426	-
Depreciation	-	-	(27,389)	(27,389)	-	(27,389)
Interest expense	-	-	(588)	(588)	-	(588)
Loss after tax	110,325	4,471	(463,855)	(349,059)	(110,325)	(459,384)
Loss from continuing operations after tax						(459,384)

(1) Discontinued operations relate to the bioenergy assets.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 14 - SEGMENT INFORMATION (Continued)

	Half Year Ended 31 December 2019				Segment totals	Reconciliation to loss from continuing operations after tax	
	Bioenergy	Solar	Geothermal	Corporate		Discontinued operations ⁽¹⁾	Consolidated
	\$	\$	\$	\$	\$	\$	\$
Revenue and income							
- From external customers	129,924	225,685	-	-	355,609	(355,609)	-
- Other	-	15,189	70,250	68,724	154,163	(15,189)	138,974
- Interest income	-	-	-	46,390	46,390	-	46,390
Expenses	(56,506)	(252,209)	(126,214)	(1,776,103)	(2,211,032)	308,715	(1,902,317)
EBITDA	73,418	(11,335)	(55,964)	(1,660,989)	(1,654,870)	(62,083)	(1,716,953)
Gain on sale of fixed assets	-	-	-	2,178	2,178	-	2,178
Gain on sale of subsidiary	-	(17,517)	-	-	(17,517)	17,517	-
Statutory EBITDA	73,418	(28,852)	(55,964)	(1,658,811)	(1,670,209)	(44,566)	(1,714,775)
Share of loss from associate	(44,665)	-	-	-	(44,665)	44,665	-
Depreciation	-	(61,332)	-	(60,125)	(121,457)	61,332	(60,125)
Borrowing transaction costs	-	(306,851)	-	-	(306,851)	306,851	-
Interest expense	-	(28,503)	-	(6,969)	(35,472)	28,503	(6,969)
Loss after tax	28,753	(425,538)	(55,964)	(1,725,905)	(2,178,654)	396,785	(1,781,869)
Loss from continuing operations after tax							(1,781,869)

(1) Discontinued operations relate to the bioenergy and solar segments.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 15 – DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

During the half year ended 31 December 2020, the Group disposed of its 30% interest in the Goulburn and AJ Bush bioenergy projects for a consideration of \$500,000 to its Alliance Partner, Resonance Industrial Water Infrastructure Fund.

During the half year ended 31 December 2019, the Group disposed of its 100% interest in its solar projects. On 4 September 2019, the Company completed the sale of a 100% interest in RE Holding Company Two Pty Ltd, RE Holding Company Three Pty Ltd and ReNu Energy Retail Pty Ltd, recognising a loss of \$18,000. The results from the solar operations up until the date of sale have been classified as discontinued operations.

The results from these two bioenergy projects and the solar projects up until the date of sale have been classified as discontinued operations.

(a) Profit from discontinued operations after tax	6 months ended 31 December 2020 \$	6 months ended 31 December 2019 \$
Revenue	-	370,798
Expenses	-	(308,715)
Depreciation	-	(61,332)
Borrowing costs	-	(306,851)
Interest	-	(28,503)
Share of associated companies profit/(loss)	(21,426)	
Gain/(loss) on disposal of subsidiary	131,751	(17,517)
Gain on sale of property, plant and equipment	-	(44,665)
Net profit/(loss) from discontinued operations	110,325	(396,785)
Income tax expense	-	-
Net profit from discontinued operations after tax	110,325	(396,785)
Net cash flows from discontinued operations		
Net cash inflow / (outflow) from operating activities	25,000	(54,024)
Net cash inflow from investing activities	500,000	-
Net cash inflow / (outflow) from financing activities	-	(1,699,015)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 15 – DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (Continued)

(b) Details of the sale of the discontinued operations	31 December 2020⁽¹⁾	31 December 2019⁽²⁾
	\$	\$
Consideration received or receivable		
Cash consideration received or receivable	500,000	5,775,000
Net assets sold / de-recognised	(368,249)	(5,757,032)
Transaction costs	-	(35,484)
Gain/(loss) on sale	131,751	(17,516)

(1) Relates to the disposal of the 30% interest in the bioenergy projects on 5 August 2020.

(2) Relates to the disposal of the solar projects on 4 September 2020.

(c) Assets and liabilities of discontinued operation	31 December 2020	31 December 2019⁽¹⁾
	\$	\$
Assets		
Trade and other receivables	-	319,681
Property, plant & equipment	-	5,756,266
Right of use assets	-	638,513
Total assets		6,714,460
Liabilities		
Trade and other payables	-	(162,624)
Lease liability	-	(986,045)
Provisions	-	(105,759)
Total liabilities	-	(957,428)
Net assets	-	5,757,032

(1) Relates to the carrying amount of the net assets and liabilities of the solar projects as at the date of sale, 4 September 2019.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 15 – DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (Continued)

(d) Assets held for sale	31 December 2020	30 June 2020
	\$	\$
Investment in Bioenergy Alliance ⁽¹⁾	-	331,563
Inventories	-	59,300
Assets held for sale	-	390,863

(1) Relates to the carrying amount of the 30% investment in the bioenergy projects as at the date of sale.

NOTE 16 – CONTINGENT ASSETS AND LIABILITIES

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

NOTE 17 – RELATED PARTY DISCLOSURES

Transactions with Key Management Personnel

The Group engaged Maxify Pty Ltd to provide consulting services. The key resource from Maxify is T. Louka (Non-executive Director). Consulting fees of \$25,000 (2019: \$205,756) were paid during the period.

The Group engaged Pacific Energy Partners Pty Ltd to provide consulting services. The key resource from Pacific Energy Partners Pty Ltd is T. Scholefield (Executive Director). Consulting fees of \$132,625 (2019: nil) were paid during the period.

Transactions with associates

	6 months ended 31 December 2020	6 months ended 31 December 2019
	\$	\$
Sales of goods and services to associates	157,625	205,756

NOTE 18 – EVENTS AFTER REPORTING PERIOD

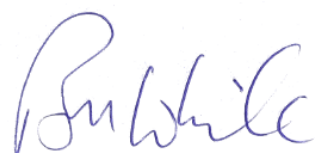
There have been no material events since the end of the reporting period.

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 2020 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.

A handwritten signature in blue ink that reads "Boyd White".

Boyd White
Chairman
Brisbane
25 February 2021



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DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF RENU ENERGY LIMITED

As lead auditor for the review of ReNu Energy Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of 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 period.

A handwritten signature in black ink, appearing to read "R M Swaby".

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 25 February 2021

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ReNu Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of ReNu Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) 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*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2(B) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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Responsibility of the directors for the 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 is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the 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 Company's financial position as at 31 December 2020 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.

BDO Audit Pty Ltd



R M Swaby
Director

Brisbane, 25 February 2021

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