

12 January 2023

ReNu Energy Expands Investment Portfolio With Second Battery Technology Company

Highlights

- Subscription Agreement signed with **Australian battery casing technology** company, **Vaulta**, for an investment of up to \$1 million in stages to acquire up to a 20% interest.
- Investment in **revenue generating battery tech**. Funds will be directed to **scaling manufacturing capability** and **expanding domestic and offshore sales**.
- Australia produces around 3,300 tonnes of lithium-ion battery waste each year (estimated to increase by 20% annually)¹ and 2 million tonnes predicted globally by 2030² – **Vaulta has the technology solution needed to reduce the creation of battery waste**.
- **Current battery packing** involves welding, screwing and gluing of cells which makes disassembly for repair, reuse or recycling complex and expensive leading to **battery waste and increased landfill**.
- **Vaulta's patented no-weld design** means modules can be easily assembled and disassembled, cells replaced, reused and recycled.
- **Global battery energy storage market** projected to grow from USD \$10.9 billion in 2022 to **USD \$31.2 billion** by 2029.³
- ReNu Energy entitled to nominate a **Non-executive Director to the Board of Vaulta** once \$500,000 has been invested, expected in mid-April 2023.

ReNu Energy Limited (**ReNu Energy**) (**ASX: RNE**) is pleased to announce that it has entered into a Subscription Agreement with Australian battery casing technology company, Vaulta Holdings Pty Ltd (**Vaulta**). Under the agreement, ReNu Energy will invest up to \$1 million to acquire up to a 20% post money interest in Vaulta.

The investment is the fifth in ReNu Energy's portfolio of renewable & clean energy investments and provides the company with exposure to a technology solution that reduces the creation of battery waste – Vaulta batteries are designed for disassembly, enabling replacement or re-purposing of individual cells leading to less battery waste and reduced landfill.

¹ <https://www.csiro.au/en/research/technology-space/energy/Energy-in-the-circular-economy/Battery-recycling>

² <https://cen.acs.org/materials/energy-storage/time-serious-recycling-lithium/97/i28>,

³ <https://www.fortunebusinessinsights.com/industry-reports/battery-energy-storage-market-100489>

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Vaulta's battery casing technology

Vaulta has developed and patented a battery casing technology for Battery Energy Storage Systems (**BESS**). Current battery packing involves welding, screwing and gluing of cells which makes disassembly complex and expensive leading to battery waste and increased landfill. Vaulta's patented no-weld design means modules can be easily assembled and disassembled, cells replaced, reused and recycled.

Using advanced composite and thermally conductive materials and a smart, streamlined design, Vaulta's battery case is lighter and smaller with fewer parts, creating scalable efficiencies and opportunities for manufacturers. The ability to mould the material also provides opportunities in the wearable battery market.

Vaulta generated initial revenues from its battery casing technology in FY2022. With further revenue expected, Vaulta is aiming to scale demand for its products both in Australia and internationally during CY2023 as the investment funds from ReNu Energy are deployed to scale manufacturing capability and expand domestic and offshore sales.

ReNu Energy Chairman Mr Boyd White said:

This investment opportunity is simply one we could not ignore – it is an excellent and complementary addition to our portfolio and is structured to gain a strong foothold in a company that has developed and owns an exciting battery casing solution with a very large addressable market. Its streamlined no-weld design is unique, enabling second life and recycling leading to reduced battery waste. Vaulta's battery case technology works wherever batteries do – from stationary storage and electric vehicles to defence, aerospace, wearable batteries and beyond.

ReNu Energy CEO Mr Greg Watson said:

We are very pleased with our fifth investment in Australian renewable & clean energy ingenuity. We see tremendous potential in Vaulta's battery casing technology as the world looks to ways to reduce battery waste. We are pleased to be able to reach an interest of up to 20% in a revenue generating company. Our investment will provide Vaulta the capital required to scale its manufacturing capability and expand domestic and offshore sales.

Vaulta CEO Dominic Spooner said:

We welcome ReNu Energy's investment. Like us, ReNu Energy believes batteries will have an important role in a renewable energy future. However, with 3,300 tons of lithium-ion battery waste per year in Australia (estimated to increase by 20% annually) and 2 million tonnes predicted globally by 2030, a technology solution was needed to reduce the creation of battery waste. Vaulta's patented casing design and composite materials are designed for battery repair, re-use and recycling, leading to less battery waste and landfill. ReNu Energy's investment will enable us to scale our manufacturing capability and target further sales domestically and into the APAC and North America markets.

Investment structure

Under the Subscription Agreement, the investment will be staged as follows:

- A \$500,000 equity investment in Vaulta in two equal tranches of \$250,000 on 13 January 2023 and 13 April 2023.
- 1:1 free attaching Vaulta options with a total exercise price of \$500,000 – 50% expiring on 13 July 2023 and 50% expiring on 13 October 2023.
- The entitlement for a nominee Director once the first \$500,000 has been invested, which the Board of ReNu Energy intends to exercise.

On completion of ReNu Energy's proposed investment, ReNu Energy will hold 20% of Vaulta's issued share, assuming all Vaulta options are exercised and no additional shares are issued by Vaulta. ReNu Energy will accede to a Shareholders Agreement, which is on terms and conditions customary for an entity of the size, nature and type of Vaulta.

The proposed investment will be funded from ReNu Energy's existing cash reserves.

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

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

ReNu Energy's purpose is to strategically drive the transition to a low carbon future. It does this by investing in renewable and clean energy technologies and identifying and developing hydrogen projects to create stakeholder value, enabling the transformation to a low carbon future through collaboration and innovation. ReNu Energy's vision is to be a leader in the renewable and clean energy sector in Australia striving for a sustainable future, producing hydrogen for domestic use and with a portfolio of domestic and international projects.

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

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