



# ASX Announcement

30 July 2021

## June 2021 quarterly activities report

### Highlights

- In June 2021 ReNu Energy announced its clean energy incubator/accelerator strategy, wherein it intends to take strategic stakes and nurture renewable energy and clean energy projects.
- ReNu Energy continues to evaluate further investment opportunities and discussions in relation to a second strategic investment are ongoing with several parties.
- Cash holdings at 30 June 2021 are \$2.47 million following a successful \$1.46m capital raising during the quarter and with the Company holding a \$0.62 million R&D tax incentive receivable.
- Investment in Uniflow Power completes through \$0.25 million working capital loan by convertible note.
- Dr Rosie Barnes appointed as Uniflow Power's Commercialisation Lead in Canberra.

Coinciding with the release of its June 2021 quarterly cash flow report, ReNu Energy Limited (**ReNu Energy**) (**ASX: RNE**) is pleased to provide an update on its recent activities.

## **Clean Energy Incubator/Accelerator Strategy**

ReNu Energy continues to progress its clean energy incubator/accelerator strategy, wherein it intends to take strategic stakes and nurture renewable and clean energy projects. Areas of interest include but are not limited to green hydrogen, waste to energy, bioenergy and distributed energy resources. The intent is to move to either a controlling interest, support through to an IPO process or exit via trade sale.

Post completion of the well abandonments, the capital raise and the Uniflow investment, the Company remains well positioned to progress its evaluation of further investment opportunities.

Discussions with several parties in relation to a second strategic investment are ongoing. The Company's discussions with potential counterparties remain confidential and incomplete and shareholders should note there is no certainty that any agreement will be reached.

## **Strategic Investment in Uniflow Power**

ReNu Energy announced the acquisition of a strategic interest in Uniflow Power Limited (**Uniflow**) during the June quarter. Uniflow is an unlisted public company commercialising a patented externally fired steam driven mechanical microgenerator that may be powered by biomass, solar or waste – known as The Cobber.

This technology has applications in both developed and developing economies. In developing economies, it is highly suitable for rural situations with applications in micro economic development, poverty alleviation, remote health and community facilities. This includes addressing UN Sustainable Development Goals (SDG) across clean water and sanitation (SDG 6) and affordable clean energy (SDG 7). In developed economies where biomass is already used for heating, the Cobber can provide renewably fuelled space heating, electricity and hot water on demand.

ReNu Energy completed Tranche 1 of the investment on 16 July 2021 through the injection of a \$0.25 million interest free working capital loan to Uniflow (by way of convertible note maturing on 30 June 2022).

## **Commercialisation Lead Appointment at Uniflow**

Uniflow has appointed Dr Rosie Barnes as its Commercialisation Lead in Canberra. Rosie has a PhD in engineering and has spent most of her career working in the renewable and clean energy sectors in Australia and internationally.

Rosie's first task will be to become familiar with all aspects of the design and operation of the Cobber as Uniflow prepares to demonstrate the technology in Canberra later this year. Rosie also operates a successful YouTube channel, 'Engineering with Rosie'.



## **Corporate**

ReNu Energy's quarterly cash flow report shows \$2.47 million in cash and cash equivalents at 30 June 2021.

ReNu Energy received strong demand and firm commitments from professional and sophisticated investors for a capital raising of \$1.46 million by way of a placement at \$0.055 per share during the quarter. The oversubscribed capital raise successfully completed on 7 June 2021.

Revenue received in the March quarter was further expended during the June quarter for completion of the geothermal well abandonment program. As reported on 30 April 2021, abandonment of the Habanero 3 and 4 wells located in the Cooper Basin of South Australia is now complete. The Company's R&D tax incentive receivable for the 2021 financial year in respect of the program is \$0.62 million at 30 June 2021.

## **Extension of Services Agreement**

ReNu Energy has agreed to extend the term of its Services Agreement with Pacific Energy Partners Pty Ltd to 31 December 2021 on materially the same terms. Pacific Energy Partners Pty Ltd is a consultancy firm of which ReNu Energy Director, Mr Tim Scholefield, is a director and one of two principals.

With Tim's experience in assessing and recommending renewable energy opportunities and project delivery and the requirement to finalise the relinquishment of GRL3, the Board considers the extension of the Services Agreement to be of material benefit to ReNu Energy.

This market announcement has been authorised for release to the ASX by the Board of Directors.

For more information please contact:

**Greg Watson**

Chief Executive Officer

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## Appendix 4C

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

**Name of entity**

ReNu Energy Limited

**ABN**

55 095 006 090

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

30 June 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	229
1.2 Payments for		
(a) research and development	(3,352)	(4,186)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(163)	(609)
(f) administration and corporate costs	(158)	(388)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	42
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
(a) Expenditure on biogas EPC project	-	(106)
(b) Geothermal remediation	566	2,968
(c) GST received/(paid)	117	80
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,989)</b>	<b>(1,970)</b>
<i>Note: the prepayment of annual insurance premiums impacted cash used in operating activities during the quarter</i>		

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	500
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	(a) release of security deposits to cash	-	-
	(b) R&D tax incentives	-	182
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>682</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,460	1,460
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(95)	(95)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(15)	(58)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,350</b>	<b>1,307</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,107	2,449
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,989)	(1,970)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	682
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,350	1,307
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,468</b>	<b>2,468</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,468	4,107
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,468</b>	<b>4,107</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	104
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Remuneration paid to directors and their associates</p>		

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	N/A	

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,989)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,468
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,468
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.83
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No. The most significant item of expenditure in net cash used in operating activities for the quarter was in respect of the Habanero 3 and 4 well abandonments (payments for research and development). Revenue received in the March 2021 quarter to undertake well abandonments was expended during the June 2021 quarter. With the well abandonments now complete, less cash will be used in operating activities in future quarters.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes. The Company undertook and completed a capital raise on 7 June 2021 raising \$1.46m.	

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

Answer: Yes. For the reason noted above, the level of cash used in operating activities will be substantially lower in coming quarters.

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

### Compliance statement

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

Date: 30 July 2021

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

### Notes

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