



# ASX Announcement

24 December 2021

## Notice of Extraordinary General Meeting

ReNu Energy Limited (ASX: RNE) (**ReNu Energy**) advises that it will hold an Extraordinary General Meeting at 2.00pm (Melbourne time) on Tuesday, 1 February 2022.

In accordance with ASX Listing Rule 3.17, ReNu Energy **attaches** copies of the Notice of Extraordinary General Meeting and sample Proxy Form which are being sent to shareholders today.

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

For more information please contact:

**Greg Watson**  
Chief Executive Officer  
+ 61 7 3721 7500



**ReNu Energy Limited**  
**ACN 095 006 090**

**Notice of General Meeting**

**Date:** 1 February 2022  
**Time:** 2.00pm (Melbourne time)  
**Place:** Clarendon Room F  
Melbourne Exhibition Centre  
2 Clarendon Street  
South Wharf VIC 3006

**This is an important document that requires your attention**

This Notice of Meeting, Explanatory Memorandum and Independent Expert's Report should be read in its entirety. If you are in doubt about how to deal with this document, please consult your legal, financial or other professional advisor.

The Independent Expert has concluded that the Proposed Transaction as set out in the Explanatory Memorandum and Independent Expert's Report is fair and reasonable to Non-Associated Shareholders.

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## Important Information

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### Notice to persons outside of Australia

This document has been prepared in accordance with the Corporations Act, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

### Forward looking statements

Certain statements in this document relate to the future. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of ReNu Energy to be materially different from future results, performance or achievements expressed or implied by such statements. Such risks, uncertainties, assumptions and other important factors include, among other things, the risks and considerations described in Section 8 of the Explanatory Memorandum. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected.

These statements reflect views only as of the date of this document. While ReNu Energy believes that the expectations reflected in the forward looking statements are reasonable, neither ReNu Energy nor any other person gives any representation, assurance or guarantee that the occurrence of an event expressed or implied in any forward looking statements in this document will occur.

### Disclaimer

No person is authorised to give any information or make any representation in connection with the Proposed Transaction which is not contained in this document. Any information which is not contained in this document may not be relied on as having been authorised by ReNu Energy or the Board in connection with the Proposed Transaction.

### Responsibility for information

The information contained in this document (except the Independent Expert's Report and the information regarding CRH) has been prepared by ReNu Energy and is the responsibility of ReNu Energy. Information concerning CRH has been provided by CRH. ReNu Energy and none of its Associates or its advisers assumes any responsibility for the accuracy or completeness of that information.

The Independent Expert has prepared the Independent Expert's Report and has consented to the inclusion of that report in this document. The Independent Expert takes responsibility for that report but is not responsible for any other information contained within this document.

ReNu Energy Shareholders are urged to read the Independent Expert's Report carefully to understand the scope of the report, the methodology of the assessment, the sources of information and the assumptions made.

### ASX

A copy of this document has been lodged with ASX pursuant to the ASX Listing Rules. Neither ASX nor any of its officers take any responsibility for the contents of this document.

### Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this document are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this document.

### Definitions

Capitalised terms in this document are defined in Schedule 1.

### Enquiries

Enquiries in relation to this document can be directed to Greg Watson, CEO on +61 7 3721 7500.

## Chairman's letter

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Dear ReNu Energy Shareholders

I am pleased to invite you to a general meeting of ReNu Energy Limited ACN 095 006 090 (**ReNu Energy**) to consider the proposed acquisition of Countrywide Renewable Hydrogen Limited (**CRH**).

### Overview of Proposed Transaction

On 10 November 2021, ReNu Energy announced that it had entered into a Share Purchase Agreement to acquire 100% of the issued capital of Australian green hydrogen business, CRH (**Proposed Transaction**).

ReNu Energy will acquire CRH in consideration for the issue of 134,659,520 ReNu Energy Shares at an issue price of \$0.0688 per share. The issue price represents ReNu Energy's 10-day VWAP prior to entering into the Share Purchase Agreement.

If approved by ReNu Energy Shareholders, the Proposed Transaction is expected to complete in early February 2022, subject to satisfaction of various completion conditions precedent.

### CRH opportunity and investment rationale

CRH originates green hydrogen projects with a view to developing them in collaboration with project partners and governments. CRH's business model is to retain equity in each project as it moves through development, into production and revenue generation.

CRH has collaboration agreements in place with several large companies interested in providing renewable energy, land and taking green hydrogen produced by the projects for use in mobility (such as in trucks and buses), power generation, natural gas decarbonisation and materials handling. These collaboration agreements are non-binding, strategic framework documents which are intended to be converted into definitive arrangements as proposed project opportunities progress commercially.

The Proposed Transaction:

- aligns with ReNu Energy's stated focus on acquiring strategic stakes, and nurturing, renewable and clean energy technologies and projects;
- provides ReNu Energy access to the growing green hydrogen industry through three Australian onshore green hydrogen opportunities under discussion with state governments and large partners, and a pipeline of early-stage opportunities in Canada and the USA;
- recognises that the time invested and extent of the relationships the CRH Founders have developed in each of the three Australian onshore green hydrogen opportunities over several years, cannot be easily replicated by new entrants and provides a degree of first mover advantage to the opportunities;
- provides a point of differentiation with the initial focus being on domestic supply; and
- comes with no debt and positive working capital to progress the green hydrogen opportunities in the short term.

Further information on CRH's current pipeline of opportunities is set out in Section 3.2 of the Explanatory Memorandum.

### Board appointments

On completion of the Proposed Transaction, ReNu Energy will appoint two additional directors to the ReNu Energy Board nominated by CRH. CRH proposes to nominate current CRH Managing Director, Mr Geoffrey Drucker as an Executive Director and CRH's Non-Executive Chair, Ms Susan Oliver AM as a Non-Executive Director.

Mr Drucker has extensive expertise in the renewable sector including renewable project initiation experience. He commenced his career with State Electricity Commission of Victoria and has held roles with PwC and several private consultancies. Ms Oliver AM has extensive Board and governance experience with ASX-listed companies and also serves on the Investment Committee for IFM investors, was the Founding Chair of Scale Investors, and now chairs the Alice Anderson Fund investment committee for the Victorian Government. She was awarded an Order of Australia for services to business and women.

### **Proposed Transaction – commercial terms**

ReNu Energy will acquire CRH in consideration for the issue of 134,659,520 ReNu Energy Shares at an issue price of \$0.0688 per share (**Consideration Shares**).

Subject to completion, the Consideration Shares will be issued to:

- **CRH Founders** – comprising Mr Geoffrey Drucker (Managing Director), Mr Stephen Nossal (Finance and Projects Director) and Ms Inge Drucker (Operations Director) or their nominees;
- **CRH Noteholders** – comprising 42 holders of CRH Notes, who have each agreed to convert into CRH Shares immediately before completion; and
- **Peak Asset Management** – in consideration for corporate advisory and broker fees payable by CRH to Peak Asset Management.

Ten percent of the Consideration Shares to be issued to the CRH Founders will be withheld at completion and issued to the CRH Founders after completion, following preparation of completion accounts and subject to any purchase price adjustments for working capital and net debt.

Completion of the Proposed Transaction is subject to satisfaction of various conditions precedent, including ReNu Energy shareholder approval (see below), release of security interests and no material adverse change in respect of the CRH business prior to completion.

The CRH Founders and Peak Asset Management have agreed to a voluntary escrow of 100% of their Consideration Shares for 12 months from the issue date, 75% of their Consideration Shares for 18 months from the issue date, and 50% of their Consideration Shares for 24 months from the issue date. It is also a term of issue of the Consideration Shares that, if there is an agreed warranty or tax claim post completion, the shares may, at ReNu's Energy's election, be forfeited or compulsorily divested to the extent of the value of such claim.

The acquisition is otherwise on terms and conditions which are customary for transactions of comparable size, nature and type including provisions as to seller representations and warranties and qualifications, limitations and exclusions for warranty liability, tax indemnities, and restrictions on the CRH Founders competing with the business sold for up to two years from completion.

### **ReNu Energy Board unanimously recommends the Proposed Transaction**

The ReNu Energy Board unanimously recommend that **ReNu Energy Shareholders vote in favour** of Resolutions 1 and 2, which relate to the Proposed Transaction. The reasons for this conclusion are discussed in detail in the Explanatory Memorandum.

### **Independent Expert**

ReNu Energy appointed BDO Corporate Finance Ltd as the Independent Expert to assess the merits of the Proposed Transaction and to provide an opinion as to whether the Proposed Transaction is fair and reasonable to ReNu Energy Shareholders.

The Independent Expert has opined that the **Proposed Transaction is fair and reasonable** to Non-Associated ReNu Energy Shareholders.

A copy of the Independent Expert's Report is set out in Annexure A.

## ReNu Energy Shareholder approval

ReNu Energy Shareholder approval is required:

- **(takeover approval)** under item 7 of section 611 of the Corporations Act for the acquisition by the CRH Founders of a Relevant Interest in more than 20% of ReNu Energy's Shares; and
- **(change of scale approval)** under Chapter 11 of the ASX Listing Rules for the significant change in the scale of ReNu Energy's operations as a result of the Proposed Transaction.

Accordingly, this meeting has been convened (among other reasons) for the purposes of considering and, if thought fit, to approve the acquisition by the CRH Founders of up to 99,793,109 ReNu Energy Shares in consideration for the sale of their shares in CRH and the significant change in the scale of ReNu Energy's operations as a result of the Proposed Transaction.

Your vote is important and I encourage you to vote either at the meeting to be held at 2.00pm (Melbourne time) on 1 February 2022 or by completing the relevant proxy form enclosed with this Notice of Meeting.

## Other business

We are also taking this opportunity to seek resolutions from ReNu Energy Shareholders:

- **Placement capacity** – to ratify the prior issue of ReNu Energy Shares and ReNu Energy Options under the Placement announced on 6 December 2021;
- **Broker Options** – to approve the grant of 5,000,000 ReNu Energy Options to Peak Asset Management in consideration for acting as Corporate Adviser and Lead Manager to the Placement announced on 6 December 2021;
- **SPP Options** – to approve the grant up to 4,166,667 ReNu Energy Options (reserving the right to accept oversubscriptions if there is sufficient demand) in relation to the share purchase plan announced on 6 December 2021;
- **SPP Options (Chairman)** – to approve the grant of up to 83,334 ReNu Energy Options to the Chairman for his proposed participation in the share purchase plan announced on 6 December 2021;
- **CY21 Bonus Shares** – to approve the issue of ReNu Energy Shares to the current Directors and CEO as a bonus, in recognition of work completed during 2021; and
- **Loan Share Plan** – to approve the issue of ReNu Energy Shares under the ReNu Energy Loan Share Plan to the current Directors and CEO, and two additional Directors nominated by CRH to be appointed (subject to Completion of the Proposed Transaction). The Loan Share Plan is ReNu Energy's loan funded share plan pursuant to which ReNu Energy Shares are acquired by the participants using a loan made available to them by ReNu Energy. The shares will be issued to the participants at market value and will be subject to vesting conditions comprising the continued employment for a specified period and achievement of certain share price targets.

The Board of ReNu Energy believes that the Loan Share Plan helps it retain, motivate and attract the best directors and executives. The share price targets to be met for the Loan Shares to vest, link the Board and CEO's remuneration to the performance of ReNu Energy, aligning the interests of directors and executives with those of ReNu Energy Shareholders.

Further details of these resolutions are set out in the Notice of Meeting and Explanatory Memorandum.

**Further information**

If you have any questions in relation to this document or the Proposed Transaction, please contact Greg Watson, CEO on +61 7 3721 7500.

On behalf of the ReNu Energy Board, I would like to take this opportunity to thank you for your ongoing support of and commitment to ReNu Energy and its business, and I look forward to your participation at the General Meeting.

Yours sincerely

A handwritten signature in blue ink that reads "Boyd White". The signature is written in a cursive style with a large initial 'B'.

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**Boyd White**  
**Chairman**

## Notice of General Meeting

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Notice is given that an extraordinary general meeting of shareholders in ReNu Energy will be held on 1 February 2022 commencing at 2.00pm (Melbourne time) at Clarendon Room F, Melbourne Exhibition Centre, 2 Clarendon Street, South Wharf, Victoria 3006.

This Notice should be read in conjunction with the accompanying Explanatory Memorandum. Please note terms contained in this Notice of Meeting have the same meaning as set out in Schedule 1 of the Explanatory Memorandum accompanying this Notice of Meeting. A Proxy Form also accompanies this Notice of Meeting.

## Agenda

### Resolution 1 – Acquisition of Shares by CRH Founders

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That, subject to the passing of Resolution 2, for the purposes of item 7 of section 611 of the Corporations Act and for all other purposes, approval is given for the acquisition by the CRH Founders of a Relevant Interest in up to 99,793,612 fully paid ordinary shares in ReNu Energy Limited on completion of the Proposed Transaction, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'*

#### Voting exclusion

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of the CRH Founders or an Associate of any of the CRH Founders.

#### Independent Expert's Report

Shareholders should carefully consider the Independent Expert's Report prepared in respect of Resolution 1. The Independent Expert's Report comments on the fairness and reasonableness of the Proposed Transaction as a whole to Non-Associated Shareholders. The Independent Expert's Report has opined that the **Proposed Transaction is fair and reasonable** to Non-Associated Shareholders. This report is set out in Annexure A.

### Resolution 2 – Change to scale of activities

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That, subject to the passing of Resolution 1, for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, shareholders approve the Proposed Transaction and authorise ReNu Energy to make a significant change to the scale of its activities on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'*

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of person who is a counterparty to the Proposed Transaction, or who will obtain a material benefit as a result of the Proposed Transaction (except a benefit solely by reason of being a holder of ordinary securities in ReNu Energy) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
  - (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### Resolution 3 – Ratification of prior issue under Placement

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 15,840,000 fully paid ordinary shares at an issue price of \$0.09 per share (**Placement Shares**) and the grant of 3,960,000 options with an exercise price of \$0.07 per option and expiring on 31 December 2023 (**Placement Options**), issued by way of a placement to sophisticated and institutional investors and other persons to whom no disclosure was required on 9 December 2021.'*

#### Voting Exclusion

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of any person who participated in the issue or an associate of that person or those persons. However, ReNu Energy will not disregard a vote cast in favour of this resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
  - (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### Resolution 4 – Grant of Broker Options

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the grant of 5,000,000 options with an exercise price of \$0.07 per option and expiring on 31 December 2023 (**Broker Options**) to Peak Asset Management and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'*

#### Voting Exclusion Statement

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of Peak Asset Management or any of its associates. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
  - (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 5 – Grant of SPP Options**

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the grant of up to 4,166,667 options with an exercise price of \$0.07 per option and expiring on 31 December 2023 (SPP Options) and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'*

### **Voting Exclusion Statement**

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed grant of SPP Options (except a benefit solely by reason of being a holder of ordinary securities in ReNu Energy) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
  - (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Note – ReNu Energy has sought a waiver from ASX Listing Rule 7.3.9 to the extent necessary to permit this Resolution 5 not to include a voting exclusion statement that excludes the votes of persons who may participate in the SPP. ReNu Energy will provide an update to the market once this waiver is received.

## **Resolution 6 – Grant of SPP Options to Mr Boyd White**

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the grant of up to 83,334 SPP Options to Mr Boyd White (or his nominee) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'*

### **Voting Exclusion Statement**

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of Mr Boyd White (or his nominee), any other person who will obtain a material benefit as a result of the issue of the SPP Options (except a benefit solely by reason of being a holder of ordinary securities in ReNu Energy) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
  - (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 7 – Issue of CY21 Bonus Shares to Mr Boyd White**

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 250,000 ReNu Energy Shares to Mr Boyd White (or his nominee) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'*

### **Voting Exclusion Statement**

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of Mr Boyd White (or his nominee), any other person who will obtain a material benefit as a result of the issue of the CY21 Bonus Shares (except a benefit solely by reason of being a holder of ordinary securities in ReNu Energy) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
  - (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 8 – Issue of CY21 Bonus Shares to Mr Tony Louka**

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 200,000 ReNu Energy Shares to Mr Tony Louka (or his nominee) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'*

### **Voting Exclusion Statement**

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of Mr Tony Louka (or his nominee), any other person who will obtain a material benefit as a result of the issue of the CY21 Bonus Shares (except a benefit solely by reason of being a holder of ordinary securities in ReNu Energy) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
  - (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 9 – Issue of CY21 Bonus Shares to Mr Tim Scholefield**

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 675,000 ReNu Energy Shares to Mr Tim Scholefield (or his nominee) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'*

### **Voting Exclusion Statement**

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of Mr Tim Scholefield (or his nominee), any other person who will obtain a material benefit as a result of the issue of the CY21 Bonus Shares (except a benefit solely by reason of being a holder of ordinary securities in ReNu Energy) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
  - (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 10 – Issue of CY21 Bonus Shares to Mr Greg Watson**

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the grant of 675,000 ReNu Energy Shares to Mr Greg Watson (or his nominee) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'*

### **Voting Exclusion Statement**

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of Greg Watson (or his nominee) or any of their associates. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
  - (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 11 – Issue of Plan Shares to Mr Boyd White**

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That for the purposes of ASX Listing Rule 10.14, sections 200E, 259B(2) and 260C(4) of the Corporations Act 2001 (Cth), and for all other purposes, approval is given for the issue of 9,000,000 fully paid ordinary shares under the ReNu Energy Loan Share Plan (including the provisions allowing Accelerated Vesting, taking security over shares and exempted financial assistance) and at an issue price of \$0.09 per share (**Plan Shares**) to Mr Boyd White (or his nominee) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'*

### **Voting Exclusion Statement**

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of Mr Boyd White (or his nominee), any other person who will obtain a material benefit as a result of the issue of the Plan Shares (except a benefit solely by reason of being a holder of ordinary securities in ReNu Energy) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
  - (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 12 – Issue of Plan Shares to Mr Tony Louka**

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That for the purposes of ASX Listing Rule 10.14, sections 200E, 259B(2) and 260C(4) of the Corporations Act 2001 (Cth), and for all other purposes, approval is given for the issue of 6,000,000 Plan Shares to Mr Tony Louka (or his nominee) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'*

### **Voting Exclusion Statement**

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of Mr Tony Louka (or his nominee), any other person who will obtain a material benefit as a result of the issue of the Plan Shares (except a benefit solely by reason of being a holder of ordinary securities in ReNu Energy) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
  - (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 13 – Issue of Plan Shares to Mr Tim Scholefield**

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That for the purposes of ASX Listing Rule 10.14, sections 200E, 259B(2) and 260C(4) of the Corporations Act 2001 (Cth), and for all other purposes, approval is given for the issue of 6,000,000 Plan Shares to Mr Tim Scholefield (or his nominee) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'*

#### **Voting Exclusion Statement**

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of Mr Tim Scholefield (or his nominee), any other person who will obtain a material benefit as a result of the issue of the Plan Shares (except a benefit solely by reason of being a holder of ordinary securities in ReNu Energy) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
  - (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 14 – Issue of Plan Shares to Ms Susan Oliver AM**

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That, subject to Completion of the Proposed Transaction, for the purposes of ASX Listing Rule 10.14, sections 200E, 259B(2) and 260C(4) of the Corporations Act 2001 (Cth), and for all other purposes, approval is given for the issue of 6,000,000 Plan Shares to Ms Susan Oliver AM (or her nominee) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'*

#### **Voting Exclusion Statement**

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of Ms Susan Oliver AM (or her nominee), any other person who will obtain a material benefit as a result of the issue of the Plan Shares (except a benefit solely by reason of being a holder of ordinary securities in ReNu Energy) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
  - (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 15 – Issue of Plan Shares to Mr Geoffrey Drucker**

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That, subject to Completion of the Proposed Transaction, for the purposes of ASX Listing Rule 10.14, sections 200E, 259B(2) and 260C(4) of the Corporations Act 2001 (Cth), and for all other purposes, approval is given for the issue of 8,000,000 Plan Shares to Mr Geoffrey Drucker (or his nominee) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'*

### **Voting Exclusion Statement**

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of Mr Geoffrey Drucker (or his nominee), any other person who will obtain a material benefit as a result of the issue of the Plan Shares (except a benefit solely by reason of being a holder of ordinary securities in ReNu Energy) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
  - (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Resolution 16 – Issue of Plan Shares to Mr Greg Watson**

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To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That for the purposes of ASX Listing Rule 7.1, sections 200E, 259B(2) and 260C(4) of the Corporations Act 2001 (Cth), and for all other purposes, approval is given for the grant of 10,000,000 Plan Shares to Mr Greg Watson (or his nominee) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'*

### **Voting Exclusion Statement**

ReNu Energy will disregard any votes cast in favour of this resolution by or on behalf of Greg Watson (or his nominee) or any of their associates. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on this resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on this resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
  - (ii) the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**By order of the Board**



**Mr Greg Watson**  
**CEO and Company Secretary**  
**Dated 24 December 2021**

## Explanatory Memorandum

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This Explanatory Memorandum has been prepared for the assistance of ReNu Energy Shareholders in relation to business to be conducted at an extraordinary general meeting to be held on 1 February 2022 commencing at 2.00pm (Melbourne time) at Clarendon Room F, Melbourne Exhibition Centre, 2 Clarendon Street, South Wharf, Victoria 3006. This Explanatory Memorandum should be read with, and form part of, the accompanying Notice of Meeting.

The purpose of this Explanatory Memorandum is to provide ReNu Energy Shareholders with all information known to ReNu Energy which is material to a decision on how to vote on the resolutions in the accompanying Notice of Meeting.

This Explanatory Memorandum does not take into account the individual investment objectives, financial situation and needs of individual ReNu Energy Shareholders or any other person. Accordingly, it should not be relied on solely in determining how to vote on the resolutions and ReNu Energy Shareholders should seek their own financial or legal advice.

### Eligibility to vote

The Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the General Meeting will be as it appears in the register at 7pm (Sydney time) on 30 January 2022. Accordingly, those persons are entitled to vote at the General Meeting.

### How to vote

If you are eligible, you may vote by attending the General Meeting in person or by proxy or attorney. A member who is a body corporate may appoint a representative to attend and vote on its behalf.

### Voting by proxy

To vote by proxy, please complete, sign and return the enclosed proxy form in accordance with the following instructions. If you require an additional proxy form, ReNu Energy will supply it on request.

A member who is entitled to vote at the General Meeting, may appoint one proxy if the member is only entitled to one vote or one or two proxies if the member is entitled to more than one vote. A proxy need not be a member of ReNu Energy. Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.

The proxy form must be signed by the member or the member's attorney. Proxies given by a corporation must be executed in accordance with the Corporations Act and the constitution of that corporation.

To be effective, the proxy form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by ReNu Energy at least 48 hours before the time for holding of the General Meeting or any adjourned meeting (or such lesser period the Directors permit):

- **By mail** c/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235
- **Online** by logging into [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) and using the holding details as shown on the front of your proxy form.
- **By facsimile** to (02) 9287 0309 (within Australia) or +61 2 9287 0309 (outside Australia).
- **By hand** delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney, New South Wales 2000.

Any proxy form received after this deadline including at the General Meeting will be treated as invalid.

A person appointed as proxy may vote or abstain from voting as he or she thinks fit except where the proxy holds a Directed Proxy Form or the proxy is required by law or ReNu Energy's constitution to vote in a certain manner or abstain from voting.

If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your undirected Proxy Form in favour of all of the resolutions.

## 1 Background to Proposed Transaction

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On 10 November 2021, ReNu Energy announced that it had entered into a Share Purchase Agreement to acquire 100% of the issued capital of Australian green hydrogen business, CRH (**Proposed Transaction**). ReNu Energy will acquire CRH in consideration for the issue of 134,659,520 Consideration Shares to the Sellers at an issue price of \$0.0688 per share.

If approved by ReNu Energy Shareholders, the Proposed Transaction is expected to complete in early February 2022, subject to satisfaction of various completion conditions precedent.

Sections 1 to 10 of this Explanatory Memorandum provides further background and information in relation to the Proposed Transaction which is relevant to ReNu Energy Shareholders deciding how to vote on Resolutions 1 and 2.

## 2 Information about ReNu Energy

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### 2.1 Overview of ReNu Energy

ReNu Energy is an ASX listed company which is actively seeking opportunities to create value in the renewable and clean energy sector by acquiring strategic stakes and nurturing renewable and clean energy technologies and projects.

ReNu Energy seeks to add value to shareholders through asset revaluation, moving to controlling interest and consolidating revenue, supporting through to IPO or exiting via trade sale.

ReNu Energy's Board and management team have considerable sector experience to realise these stated objectives and have implemented a rigorous investment and due diligence process with a set of key investment criteria, investing in companies with:

- (a) access to a large addressable market;
- (b) a pre-money valuation that allows ReNu Energy to take a meaningful initial stake (>5%) within its financial capacity;
- (c) the option for ReNu Energy to increase participation after the investee achieves certain milestones;
- (d) an identified value creation pathway, such as initial public offering, consolidated revenue, exit via trade sale, net tangible asset revaluation;
- (e) an experienced and capable Board and management team with the ability for ReNu Energy to fill identified gaps;
- (f) intellectual property protected where relevant; and
- (g) investment occurring at a significant discount to net present value or with the potential to achieve multiples on invested capital.

### 2.2 Portfolio of investments

#### (a) Uniflow Power Limited – July 2021

On 25 June 2021, ReNu Energy announced that it had entered into a subscription agreement (amended on 14 July 2021) to acquire a cornerstone interest in Uniflow Power Limited, an unlisted public company commercialising a patented micro renewable energy generator – known as The Cobber – which is powered by agricultural waste, other biomass or solar thermal.

The Cobber has applications in developed and developing economies with multiple expressions of interests received from Southeast Asia and South America. Uniflow

Power Limited is currently focused on progressing its Canberra demonstration project to showcase the technology, including to agencies responsible for overseas aid and development, while also demonstrating the system to the diplomatic community in Canberra and providing a reference site for commercialisation opportunities.

ReNu Energy has invested \$300,000 in Uniflow Power Limited in the form of convertible notes which are convertible into approx. 5% of the company. ReNu Energy also has options to make further staged equity investments (at its discretion) to increase its stake in Uniflow Power Limited.

**(b) Enosi Australia Pty Ltd – September 2021**

On 10 September 2021, ReNu Energy announced that it had executed a subscription agreement to invest \$500,000, in two equal tranches, in Enosi Australia Pty Ltd, a renewable power trading company. ReNu Energy completed both tranches on 14 October 2021 and 30 November 2021 respectively, securing a 5.8% stake in the company.

Enosi Australia Pty Ltd has developed the PowerTracer – a grid scale, renewable energy trading and trading solution. The platform allows consumers to see where their energy is generated by matching units of energy produced by generators with units consumed by customers.

**(c) Countrywide Renewable Hydrogen Limited – November 2021**

On 10 November 2021, ReNu Energy announced that it had entered into a Share Purchase Agreement to acquire 100% of the issued capital of Australian green hydrogen business, CRH. The investment remains subject to approval by ReNu Energy Shareholders and further details are set out in this Explanatory Memorandum.

CRH is a Melbourne based unlisted public company, focused on originating renewable hydrogen projects in Australia and abroad to supply the future demand for emission-free hydrogen.

**(d) Allegro Energy Pty Ltd – December 2021**

On 7 December 2021, ReNu Energy announced that it had entered into a subscription agreement to invest \$450,000 in Allegro Energy Pty Ltd, a battery technology company focused on the commercialisation of a unique water-based electrolyte, which has competitive advantages over technology currently available in the market. ReNu Energy announced the completion of its investment on 9 December 2021, securing a 5% stake in the company.

Allegro Energy Pty Ltd has built and validated several prototypes of the battery technology in a laboratory environment. The funds raised by the company will be utilised over the next 12 months to develop and scale the technology to industry quality for use in supercapacitor and redox flow batteries, with multiple commercialisation opportunities available across large markets.

## 2.3 Board and senior management

ReNu Energy's Board comprises Boyd White (Non-Executive Chairman), Mr Tony Louka (Non-Executive Director) and Mr Tim Scholefield (Executive Director). ReNu Energy's management team includes Mr Greg Watson as CEO and Mr Tim Scholefield as Executive Director.<sup>1</sup>

Further information on ReNu Energy's Board and management team following the Proposed Transaction is set out in Section 4.2.

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<sup>1</sup> Mr Scholefield will become a Non-Executive Director with effect from 1 January 2022.

## 2.4 Securities and capital structure

### (a) ReNu Energy securities on issue

The table below summarises the capital structure of ReNu Energy as at the date of this Notice of Meeting:

Type of security	Number on issue
ReNu Energy Shares	159,162,923
ReNu Energy Options	27,376,317

### (b) Substantial ReNu Energy Shareholders

Based on filings to ASX, as at the date of this Notice of Meeting, ReNu Energy has received notifications from the following substantial holders in accordance with section 671B of the Corporations Act:<sup>2</sup>

Name <sup>3</sup>	Number of ReNu Energy Shares	Percentage holding
North Western Surveys Pty Ltd	8,480,879	5.33%

### (c) Group structure

As at the date of this Notice of Meeting, ReNu Energy does not have any material controlled entities/ subsidiaries as disclosed in its 2021 Annual Report.

## 2.5 Recent ReNu Energy Share price performance

ReNu Energy Shares are listed on the ASX under the ASX code 'RNE'. As at 20 December 2021, the closing ReNu Energy Share price on ASX was \$0.078. In the three months up to 20 December 2021:

- (a) the highest recorded daily closing price for ReNu Energy Shares on ASX was \$0.14 on 19 November 2021; and
- (b) the lowest recorded daily closing price for ReNu Energy Shares on ASX was \$0.044 on 4 October 2021.

## 2.6 Other information

Other information regarding the Board, senior management and financial position and performance of ReNu Energy as at 30 June 2021 is contained in ReNu Energy's 2021 Annual Report.

## 3 Information about CRH

### 3.1 Overview of CRH

CRH is a Melbourne based unlisted public company, focused on originating renewable ('green') hydrogen projects in Australia and abroad to supply the future demand for emission-free hydrogen.

<sup>2</sup> The percentage holding is based on the number of ReNu Energy Shares on issue as at the date of this Notice of Meeting, rounding errors may exist.

<sup>3</sup> Shareholdings are held by primary person below or their associated entities as listed in the substantial holder notices filed with ASX.

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

CRH currently has a pipeline of three green hydrogen opportunities in Australia located in northern Tasmania, Melbourne, and Portland, in southwest Victoria. Further details on these opportunities are set out in Section 3.2. CRH is also building a pipeline of offshore opportunities in Canada and the USA.

To progress the Australian opportunities, CRH has collaboration agreements in place with several large companies interested in providing renewable energy, land and taking green hydrogen produced by the projects for use in mobility (such as in trucks and buses), power generation, natural gas decarbonisation and materials handling. These collaboration agreements are non-binding, strategic framework documents which are intended to be converted into definitive arrangements as proposed project opportunities progress commercially.

As at the date of this Notice of Meeting, CRH has no debt and positive working capital to progress its business strategy and opportunities in the short term.

### 3.2 Australian pipeline of opportunities

#### (a) Hydrogen Tasmania

The proposed project is a renewable hydrogen project located in deep water port locations in northern Tasmania, Australia. The proposal involves a 10 MW pilot project producing 4.5 tonnes of hydrogen per day for domestic use, targeting the transportation sector and blending green hydrogen into the Tasmanian gas network operated by TasGas and replacing diesel as a power generation fuel.

CRH is working closely with Renewables, Climate and Future Industries Tasmania and the State Government in an effort to showcase Tasmania globally as a hydrogen state.

CRH has secured an international gas company as a project partner through a non-binding collaboration agreement.

#### (b) Melbourne Hydrogen Hub

Melbourne Hydrogen Hub has its genesis in a request from the Bus Association of Victoria for CRH to supply renewable hydrogen for up to 40 transit buses to be introduced onto Melbourne's roads progressively from the end of 2023. That proposed number is now 90 buses, with a third bus operator joining the emission-free transition.

The proposed project is to be located on one of three sites that are under consideration, each of which is in a road transport corridor. The proposed Melbourne Hydrogen Hub will comprise renewable hydrogen production, vehicle refuelling, service and maintenance, injection into the natural gas network, and a fuel cell bus fabrication plant that will supply buses to the participating companies.

Other offtake opportunities are in transitioning the waste collection sector and materials handling to emission-free hydrogen.

CRH has also secured an international gas company as a partner with this project through a non-binding collaboration agreement.

**(c) Hydrogen Portland**

CRH is also advancing a proposed renewable hydrogen project at Portland in Victoria's southwest. Stage 1 of the proposed project is a 10MW electrolyser supplying hydrogen to the local mobility and gas markets. A second stage is proposed to expand the project to supply hydrogen or hydrogen derivatives to export markets.

Portland was selected as a proposed project site because of its strong electrical infrastructure that was established to support Alcoa's aluminium smelter, the Port of Portland's infrastructure and the scale of wind projects in the area now with more planned to join the grid.

**3.3 Board and senior management**

CRH's Board comprises Ms Susan Oliver AM (Non-Executive Chair), Mr Geoffrey Drucker (Managing Director), Mr Stephen Nossal (Executive Director) and Ms Inge Drucker (Executive Director).

CRH's management team includes Mr Geoffrey Drucker as Managing Director, Mr Stephen Nossal as Finance and Projects Director, Ms Inge Drucker as Operations Director and Ms Melanie Leydin as Company Secretary and CFO.

Further information on CRH's Board and management team following the Proposed Transaction is set out in Section 4.2.

**3.4 Securities and capital structure****(a) CRH securities on issue**

The table below summarises the capital structure of CRH as at the date of this Notice of Meeting:

Type of security	Number on issue
CRH Shares	50,000,003
CRH Notes	1,405,000

ReNu Energy has entered into a separate share purchase agreement with each of the CRH Noteholders under which the CRH Noteholders have agreed to convert their CRH Notes into 15,503,889 CRH Shares and sell such shares to ReNu Energy in consideration for 30,944,235 Consideration Shares.

**(b) Substantial CRH Shareholders**

CRH's shareholders as at the date of this Notice of Meeting are as follows:

Name	Number of CRH Shares	Percentage holding
Geoffrey Charles Drucker	17,307,701	34.6%
Ingeborg Ursula Drucker	17,307,701	34.6%
Stephen Mark Nossal as trustee for the S&K Nossal Family Trust	15,384,601	30.8%

**(c) Group structure**

The following entities are subsidiaries of CRH:

Name of entity	Country of incorporation	Equity holding
Countrywide Renewable Energy Pty Ltd	Australia	100%
Melbourne Hydrogen Hub Pty Ltd	Australia	100%

**(d) Relevant interests in ReNu Energy Shares**

As at the date of this Notice of Meeting, neither CRH nor any of its directors have a relevant interest in any ReNu Energy Shares.

**3.5 Historical financial information**

CRH's 2021 Annual Report, which includes the reviewed historical consolidated statement of profit or loss for the financial year ended 30 June 2021 and the reviewed historical consolidated statement of financial position as at 30 June 2021, is attached to this Explanatory Memorandum as Annexure C.

**4 Information about Combined Group****4.1 Overview of Combined Group**

If the Proposed Transaction is implemented CRH will become a wholly owned subsidiary of ReNu Energy and the CRH Founders, CRH Noteholders and Peak Asset Management will be issued a total of 134,659,520 Consideration Shares in consideration for the sale of their shares in CRH, representing approximately 37.7% of ReNu Energy's Shares on issue immediately after Completion.<sup>4</sup>

The strategy and objective of the Combined Group will be to advance the portfolio of renewable and clean energy investments:

- (a) **ReNu Energy** – will continue to manage its portfolio of investments to create value in the renewable and clean energy sector by advancing the pipeline of green hydrogen opportunities acquired and progressing ReNu Energy's other investments in battery and energy storage, clean energy tracing and small scale biomass generator technologies; and
- (b) **CRH** – will continue to progress its strategy of originating and collaborating on the development of green hydrogen projects in Australia and abroad to supply the future demand for emission-free hydrogen.

The operations will comprise the existing operations of ReNu Energy (based in Brisbane) and CRH (based in Melbourne).

The Combined Group's immediate goals will be to progress the green hydrogen projects by securing land options, progressing project partner involvement and equity investors at the project level (each project will be structured as a special purpose vehicle to allow investment at the project level).

The Combined Group will also progress offtake opportunities in the Australian domestic hydrogen market which is expected to grow progressively as corporate Australia embraces tangible zero emissions targets. Australian project development will remain focused on

<sup>4</sup> Based on the Proposed Transaction Assumptions.

domestic supply progression (providing a point of differentiation to other entrants) with hydrogen export presenting an expansion opportunity.

Further, ReNu Energy will continue to support its other investments in battery and energy storage, clean energy tracing and small scale biomass generator technologies. The focus will be on progressing commercialisation opportunities and exploring synergies between investments. For example: (i) the battery and storage technology can be incorporated within the green hydrogen projects when wind and solar energy are unavailable; and (ii) the clean energy traceability technology in conjunction with the hydrogen projects can verify to customers that the supplied energy is 100% renewable and the projects are able to be certified as green hydrogen.

The Combined Group's work program outlined above will be funded by: (i) CRH cash on hand; (ii) ReNu Energy existing cash reserves (which includes funds received from the Placement); and (iii) the anticipated funds to be received from the SPP. The Combined Group will also explore grant funding and tax rebate opportunities for each of the investments.

## 4.2 Board and senior management

### (a) Board

On Completion of the Proposed Transaction the ReNu Energy Board will comprise:

#### (i) **Boyd White (Non-Executive Chairman)**

Mr White has an accomplished record in the energy, infrastructure and mining sectors. He has over 30 years of business experience and brings strong strategic, commercial, M&A, financing and entrepreneurial skills to the ReNu Energy Board.

Mr White has held executive roles internationally with US multinationals Halliburton Company and KBR Inc, and domestically with Tarong Energy, and Territory Generation. He was a founding partner in ARC Developments International, providing energy advisory services and developing or acquiring renewable energy projects.

Mr White is currently the Principal of New Energy Capital and, amongst other things, is developing a €300m integrated bioenergy business in Europe and involved in executive management, clean energy and capital raising activities in the small cap resources sector.

Mr White holds a Bachelor of Business (Accounting) from Queensland University of Technology and an MBA from the University of Queensland.

Mr White is Chair of the Audit and Risk Management Committee and a member of the Remuneration and Nominations Committee.

#### (ii) **Tony Louka (Non-Executive Director)**

Mr Louka has 23 years of industry experience in board, executive and management roles in the energy supply chain, clean technology solutions as well as retail & industrial property sectors.

Mr Louka is the Managing Director of Maxify Consulting a bespoke ESG & asset management advisory to various ASX corporates & innovative start-ups in the Asia Pacific. He has held previous management and executive roles at Woolworths Group, Ergon Energy and Emerson Network Power. He has also served as a Board Member of the Energy Users Association of Australia and the Transgrid Advisory Council.

Mr Louka was appointed to the Board as a Non-Executive Director on 27 September 2018. He was then appointed as interim Managing Director and Acting CEO on 20 September 2019 to oversee the company restructure. Mr

Louka returned to his previous position of Non-Executive Director effective 28 February 2020.

Mr Louka is a member of the Audit and Risk Management Committee and the Remuneration and Nominations Committee.

(iii) **Tim Scholefield (Non-Executive Director<sup>5</sup>)**

Mr Scholefield is a director and senior executive with global experience in project delivery, operations, financial, governance and risk management.

Mr Scholefield has more than 35 years' experience across the resources and energy value chain including 21 years with Origin Energy. He has experience across exploration, production and operations; conventional, unconventional and renewable fuel sources; gas storage and offtake, power generation and the link to customers.

Mr Scholefield is a Director and Principal of Pacific Energy Partners, a consultancy providing advice on renewable energy solutions and opportunities in the Pacific and South East Asia. He has served as a chair and participant on board committees evaluating and developing energy projects, managing joint venture and other stakeholder relationships and providing strategy, risk, commercial and governance support. He has experience leading small and large cross functional technical, financial, commercial, legal, project and operations teams; making recommendations and participating in acquisitions, divestments and greenfield and brownfield projects ranging in size from \$USD millions to \$USD billions.

Mr Scholefield holds a Bachelor of Applied Science from the University of South Australia, a MBA from Deakin University, a Certificate in Governance and Risk Management from the Governance Institute of Australia and is a Graduate of the Australian Institute of Company Directors.

Mr Scholefield was appointed to the board as an Executive Director on 6 December 2019 and is a member of the Audit and Risk Management Committee.

(iv) **Geoffrey Drucker (Executive Director)**

On Completion of the Proposed Transaction, CRH currently proposes to nominate Managing Director, Mr Geoffrey Drucker to be appointed to the ReNu Energy Board as an Executive Director.

Mr Drucker is an experienced senior executive with a background in the renewable energy sector spanning three decades. He has extensive expertise in the renewable sector including renewable project initiation experience.

Mr Drucker commenced his career with State Electricity Commission of Victoria and has held roles with PwC and several private consultancies.

His previous Board experience includes appointments with Methodist Ladies' College where he was Vice Chairman for five of his nine-year tenure, the Variety Club of Australia and various private companies including business development consultants Corporate Kudos Pty Ltd and DYDX Pty Ltd. Through both companies he represented ASX-listed companies and Governments.

Mr Drucker holds a Bachelor of Economics and has been admitted as a Certified Practising Accountant.

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<sup>5</sup> Mr Scholefield will become a Non-Executive Director with effect from 1 January 2022.

**(v) Susan Oliver AM (Non-Executive Director)**

On Completion of the Proposed Transaction, CRH currently proposes to nominate Non-Executive Chair, Ms Susan Oliver AM to be appointed to the ReNu Energy Board as a Non-Executive Director.

Ms Oliver is an accomplished leader and non-executive director with 25 years' experience at a director and senior executive level.

Ms Oliver has extensive Board and governance experience with listed companies including Transurban Group, Centro Group, Programmed Group, Coffey International and the Just Group. She serves on the Investment Committee for IFM Investors and is founding Chair of Scale Investors.

Previously, Ms Oliver had a career in technology and futures consulting with pioneer technology strategy company Invetech and leading the Commission for the Future for the Australian Government. Her Order of Australia was awarded for services to business and women.

Ms Oliver holds a Bachelor of Property and Construction and a Certificate in Financial Management.

**(b) Senior management**

On Completion of the Proposed Transaction, the senior management of the Combined Group in addition to the Executive Directors listed above will comprise:

**(i) Greg Watson – CEO and Company Secretary (ReNu Energy)**

Mr Watson joined ReNu Energy as CFO and Company Secretary in September 2019 and was appointed as CEO in February 2020. He has a strong background in finance, tax, legal and company secretarial disciplines.

Mr Watson has 13 years' experience with listed and private companies in the resources sector. Mr Watson previously worked as CFO and Company Secretary at Capricorn Copper and has also held corporate roles at Anglo American, Barrick Gold, Equinox Minerals and Fortescue Metals. Mr Watson commenced his career at KPMG where he worked for 9 years.

Mr Watson is a Chartered Accountant and holds a Bachelor of Laws and Bachelor of Commerce degrees, as well as a Graduate Diploma in Legal Practice.

**(ii) Stephen Nossal – Development Director (CRH)**

Mr Nossal has over 25 years' experience in corporate finance and investment banking, consulting, with senior executive roles with ASX-listed companies.

His experience includes 15 years at Macquarie Bank and Goldman Sachs JBWere embracing project management, transaction identification, modelling and marketing.

Mr Nossal holds a Bachelor of Science.

**(iii) Inge Drucker – Operations Director (CRH)**

Ms Drucker has almost 30 years' extensive business development experience and has been responsible for initiating and delivering major corporate and national initiatives. Her experience embraces stakeholder management, community consultation, issues management and project delivery.

Ms Drucker has extensive business administration experience and has mentored several young entrepreneurs. She is a co-founder of CRH.

Prior to migrating to Australia, Ms Drucker studied Classics and Latin in South Africa.

#### 4.3 Securities and capital structure of Combined Group

On Completion of the Proposed Transaction, the capital structure of the Combined Group based on the Proposed Transaction Assumptions will be as follows:

##### (a) Securities on issue

##### (i) Shares<sup>6</sup>

ReNu Energy Shares – undiluted	Number	Percentage
<b>ReNu Energy Shares on issue at date of this Notice of Meeting</b>	<b>159,162,923</b>	<b>44.5%</b>
Plus: SPP Shares to be issued to ReNu Energy Shareholders under SPP	16,666,667	4.7%
Plus: Consideration Shares to be issued to Sellers	134,659,520	37.7%
Plus: CY21 Bonus Shares to be issued to Directors and management <sup>7</sup>	1,800,000	0.5%
Plus: Plan Shares to be issued to Directors and management <sup>8</sup>	45,000,000	12.6%
<b>Total on Completion</b>	<b>357,289,110</b>	<b>100.0%</b>

##### (ii) Options<sup>9</sup>

ReNu Energy Options	Number	Expiry Date	Exercise price
ReNu Energy Options on issue at date of this Notice of Meeting	27,376,317	31 December 2023	\$0.07
Plus: Broker Options to be issued to Peak Asset Management	5,000,000	31 December 2023	\$0.07
Plus: SPP Options to be issued to ReNu Energy Shareholders under SPP	4,166,667	31 December 2023	\$0.07

<sup>6</sup> Based on the Proposed Transaction Assumptions.

<sup>7</sup> See Resolutions 7 to 10.

<sup>8</sup> See Resolutions 11 to 16.

<sup>9</sup> Based on the Proposed Transaction Assumptions.

**(b) Substantial shareholders**

On Completion of the Proposed Transaction, the substantial shareholders of the Combined Group based on the Proposed Transaction Assumptions will comprise:

Name	Number of ReNu Energy Shares <sup>10</sup>	Percentage holding
Geoffrey Charles Drucker and Ingeborg Ursula Drucker <sup>11</sup>	69,087,916	19.3%
Stephen Mark Nossal as trustee for the S&K Nossal Family Trust	30,705,696	8.6%

Although ReNu Energy presently considers each of the CRH Founders to be Associates for the purposes of implementing the Proposed Transaction, the CRH Founders have advised ReNu Energy that Geoffrey Drucker and Inge Drucker will disassociate with Stephen Nossal immediately following Completion.

**(c) Group structure**

If ReNu Energy Shareholders approve Resolutions 1 and 2, and Completion occurs, the corporate structure of the Combined Group at Completion will be as set out in Schedule 2.

**4.4 Directors' interests in ReNu Energy securities in Combined Group**

If ReNu Energy Shareholders approve Resolutions 1 and 2, and Completion occurs, the interests of the ReNu Energy Directors immediately after Completion in the share capital of ReNu Energy is expected to be:

Name	Position	Relevant interest in ReNu Energy securities <sup>12</sup>
Boyd White	Non-Executive Chairman	1,083,334 ReNu Energy Shares 9,000,000 Plan Shares 83,334 ReNu Energy Options
Tony Louka	Non-Executive Director	200,000 ReNu Energy Shares 6,000,000 Plan Shares
Tim Scholefield	Non-Executive Director	901,931 ReNu Energy Shares 6,000,000 Plan Shares
Geoffrey Drucker	Executive Director	69,087,916 ReNu Energy Shares <sup>13</sup> 8,000,000 Plan Shares
Susan Oliver AM	Non-Executive Director	2,906,610 ReNu Energy Shares <sup>14</sup> 6,000,000 Plan Shares

<sup>10</sup> Subject to any purchase price adjustments for CRH working capital and net debt at Completion.

<sup>11</sup> The shares held by Geoffrey Charles Drucker and Ingeborg Ursula Drucker have been combined because they will be Associates following Completion of the Proposed Transaction for the purposes of section 671B of the Corporations Act.

<sup>12</sup> Based on the Proposed Transaction Assumptions.

<sup>13</sup> Geoffrey Charles Drucker has a Relevant Interest in the ReNu Energy Shares held by Ingeborg Ursula Drucker because they will be associates following Completion of the Proposed Transaction.

<sup>14</sup> Susan Oliver has a Relevant Interest in 2,906,610 ReNu Energy Shares by virtue of her interest under the Call Option Agreement with the CRH Founders – see Section 6.7 for further details.

#### 4.5 Intentions of CRH Founders in relation to ReNu Energy

The CRH Founders have advised ReNu Energy of their intentions in relation to ReNu Energy as follows, if the Proposed Transaction is completed and they acquire an aggregate Relevant Interest in 27.9% of ReNu Energy's Shares on issue immediately after Completion.<sup>15</sup>

The statements in this Section 4.5 reflect the present intentions of the CRH Founders at the date of this Notice of Meeting only:

- (a) **ReNu Energy business** – the objectives, strategy and operations of the Combined Group will be as set out in Section 4.1.
- (b) **Board** – the ReNu Energy Board will be reconstituted so that it is constituted as described in Section 4.2.
- (c) **Head office** – ReNu Energy's corporate headquarters will continue to be based in Brisbane, Queensland, Australia.
- (d) **No further equity funding** – the CRH Founders have no current intention to inject further capital into ReNu Energy.
- (e) **Financial or dividend policies** – the CRH Founders have no current intention to change ReNu Energy's financial or dividend policies.
- (f) **Reporting** – the Combined Group will continue to lodge its annual and half yearly reports in accordance with the timetable required under Australian law for a listed public company.
- (g) **Other intentions in relation to ReNu Energy** – the CRH Founders have no current intention to transfer any property between ReNu Energy and CRH (or its respective associates), redeploy ReNu Energy's fixed assets, or discontinue the employment of ReNu Energy's present employees.

#### 4.6 Effect of Proposed Transaction on capital structure (fully diluted)

The table below sets out ReNu Energy's current capital structure and its fully diluted capital structure immediately after the Proposed Transaction, on the basis that:

- (a) all of the resolutions set out in the Notice of Meeting are approved
  - (b) the Proposed Transaction is completed and the Consideration Shares are issued to the Sellers;
  - (c) the Broker Options are granted to Peak Asset Management;
  - (d) the SPP is fully subscribed and completes and the SPP Shares and SPP Options are issued to ReNu Energy Shareholders;
  - (e) the CY21 Bonus Shares set out in Resolutions 7 to 10 and the Plan Shares set out in Resolutions 11 to 16 are issued;
  - (f) no ReNu Energy Options are exercised prior to Completion; and
  - (g) no new securities in ReNu Energy are issued before Completion,
- (together the **Proposed Transaction Assumptions**).

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<sup>15</sup> Based on the Proposed Transaction Assumptions.

ReNu Energy Share capital – fully diluted	Before Proposed Transaction Assumptions		After Proposed Transaction Assumptions	
	Number	Percentage	Number	Percentage
<b>Shares on issue at the date of this Notice of Meeting</b>	<b>159,162,923</b>	<b>85.3%</b>	<b>159,162,923</b>	<b>40.4%</b>
Plus: SPP Shares to be issued to ReNu Energy Shareholders	-	-	16,666,667	4.2%
Plus: Consideration Shares to be issued to Sellers	-	-	134,659,520	34.2%
Plus: CY21 Bonus Shares to be issued to Directors/management <sup>16</sup>	-	-	1,800,000	0.5%
Plus: Plan Shares to be issued to Directors/management <sup>17</sup>	-	-	45,000,000	11.4%
<b>Total Shares on issue at Completion (undiluted)</b>	<b>159,162,923</b>	<b>85.3%</b>	<b>357,289,110</b>	<b>90.7%</b>
Options on issue at the date of this Notice of Meeting	27,376,317	14.7%	27,376,317	7.0%
Plus: Broker Options to be issued to Peak Asset Management	-	-	5,000,000	1.3%
Plus: SPP Options to be issued to ReNu Energy Shareholders	-	-	4,166,667	1.1%
<b>Total issued share capital on Completion (fully diluted)</b>	<b>186,539,240</b>	<b>100.0%</b>	<b>393,832,094</b>	<b>100.0%</b>

ReNu Energy's actual position on Completion of the Proposed Transaction may differ from the positions illustrated in the pro-forma capital structure table above.

#### 4.7 Financial effect of the Proposed Transaction

Information regarding the valuation of the Combined Group following Completion of the Proposed Transaction is set out in Section 11 of the Independent Expert's Report. A pro-forma balance sheet of ReNu Energy as at 30 June 2021 adjusted to reflect the Proposed Transaction Assumptions is set out in Annexure B.

## 5 Rationale for the Proposed Transaction

The rationale for the Proposed Transaction is as follows:

- (a) **(business opportunity)** it provides ReNu Energy with access to the growing green hydrogen industry through three Australian onshore green hydrogen opportunities under discussion with state governments and large partners, and a pipeline of early-stage opportunities in Canada and the USA;

<sup>16</sup> See Resolutions 7 to 10.

<sup>17</sup> See Resolutions 11 to 16.

- (b) **(accelerator/ incubator strategy)** the Proposed Transaction is consistent with ReNu Energy's renewable and clean energy accelerator/ incubator strategy and key investment criteria and is complementary to ReNu Energy's existing portfolio of investments with potential synergies and commercialisation opportunities;
- (c) **(established sector participant)** the Proposed Transaction recognises that the time invested and extent of the relationships the CRH Founders have developed over several years, cannot be easily replicated by new entrants;
- (d) **(experienced team with strong capability)** CRH's Board and management team have considerable sector experience and strong capability, allowing ReNu Energy's management team to continue to manage its portfolio of renewable and clean energy investments and actively seek opportunities to create value in accordance with its stated business strategy; and
- (e) **(capital management)** CRH has no debt and positive working capital, and the Proposed Transaction will be funded through the issue of ReNu Energy Shares without the need for significant upfront cash investment.

## 6 Overview of Share Purchase Agreement

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### 6.1 Background

ReNu Energy has entered into a Share Purchase Agreement with the CRH Founders to acquire 100% of the shares in CRH in consideration for the issue of 134,659,520 Consideration Shares at an issue price \$0.0688 per Consideration Share.

### 6.2 Conditions precedent

The Share Purchase Agreement is subject to satisfaction of the following remaining completion conditions precedent which must be satisfied or (if permitted) waived before the Proposed Transaction can be implemented:

- (a) **(ReNu Energy Shareholder approval)** ReNu Energy Shareholders approve the Proposed Transaction by the requisite majority for the purposes of item 7 of section 611 of the *Corporations Act 2001* (Cth) for various aspects of the acquisition where CRH Founders will acquire a Relevant Interest in over 20% of ReNu Energy's Shares on issue, Chapter 11 of the ASX Listing Rules, and for all other purposes;
- (b) **(Escrow Deed)** each of the CRH Founders and Peak Asset Management entering into an Escrow Deed with ReNu Energy in respect of the Consideration Shares for a period of 24 months;
- (c) **(key personnel)** each of the CRH Founders entering into new employment agreements or contracting arrangements with CRH or ReNu Energy;
- (d) **(discharge of security interests)** each of the Sellers delivering to ReNu Energy evidence of the release of all security interests in relation to CRH; and
- (e) **(other)** no breach of any of the CRH Founders' obligations or warranties under the Share Purchase Agreement in a material respect, no material adverse change in respect of CRH prior to Completion, and satisfaction of any conditions imposed by any government agency in respect of the Proposed Transaction.

### 6.3 Completion

The Directors anticipate that Completion of the Share Purchase Agreement will occur 5 Business Days after the date on which Resolutions 1 and 2 are passed (expected to be 8 February 2022). Completion of the Share Purchase Agreement will not occur unless and until these resolutions are passed by the requisite majorities.

Subject to Completion, the Consideration Shares will be issued to:

- (a) **CRH Founders** – comprising Mr Geoffrey Drucker (Managing Director), Mr Stephen Nossal (Finance and Projects Director) and Ms Inge Drucker (Operations Director) or their nominees;
- (b) **CRH Noteholders** – comprising 42 holders of CRH Notes, who have each agreed to convert into CRH Shares immediately before Completion; and
- (c) **Peak Asset Management** – in consideration for corporate advisory and broker fees payable by CRH to Peak Asset Management.

Ten percent of the Consideration Shares to be issued to the CRH Founders will be withheld at completion and issued to the CRH Founders after completion, following preparation of completion accounts and subject to any purchase price adjustments for working capital and net debt.

#### 6.4 **CRH Noteholders**

ReNu Energy has entered into a separate share purchase agreement with each of the CRH Noteholders under which the CRH Noteholders have agreed to convert their CRH Notes into CRH Shares and sell such shares to ReNu Energy in consideration for Consideration Shares.

Under the agreement, the CRH Noteholders have given representations and warranties to ReNu Energy as to their title to the CRH Notes and CRH Shares, no security interests, and authority to contract. CRH Noteholders have also appointed Peak Asset Management as their agent and attorney to act on their behalf in relation to the Proposed Transaction.

#### 6.5 **Escrow of Consideration Shares**

The CRH Founders and Peak Asset Management have agreed to a voluntary escrow of:

- (a) 100% of their Consideration Shares for 12 months from the issue date;
- (b) 75% of their Consideration Shares for 18 months from the issue date; and
- (c) 50% of their Consideration Shares for 24 months from the issue date.

It is also a term of issue of the Consideration Shares that, if there is an agreed warranty or tax claim post completion, the shares may, at ReNu's Energy's election, be forfeited or compulsorily divested to the extent of the value of such claim.

#### 6.6 **Board appointments**

On Completion of the Proposed Transaction, ReNu Energy will appoint two additional directors to the ReNu Energy Board nominated by CRH. CRH proposes to nominate current Managing Director, Mr Geoffrey Drucker as an Executive Director and CRH's Non-Executive Chair, Ms Susan Oliver AM as a Non-Executive Director. Further information on Mr Drucker and Ms Oliver is set out in Section 4.2.

#### 6.7 **Call Option between CRH Founders and Ms Oliver**

The CRH Founders and Ms Susan Oliver AM have entered into a separate Call Option Agreement in respect of ReNu Energy Shares. Under the Call Option Agreement, the CRH Founders have granted Ms Oliver the option to acquire up to 2,906,610 ReNu Energy Shares from the CRH Founders at the same price as the Consideration Shares, as follows:

Tranche	No. of ReNu Energy Shares	Exercise Price	Exercise Period
1	968,869	\$0.0688	1 month, commencing on the date which is 12 months after Completion

Tranche	No. of ReNu Energy Shares	Exercise Price	Exercise Period
2	968,869	\$0.0688	1 month, commencing on the date which is 24 months after Completion
3	968,872	\$0.0688	1 month, commencing on the date which is 36 months after Completion

## 6.8 Other

The acquisition is otherwise on terms and conditions which are customary for transactions of comparable size, nature and type including provisions as to seller representations and warranties and qualifications, limitations and exclusions for warranty liability, tax indemnities, and restrictions on the CRH Founders competing with the business sold for up to two years from Completion.

## 7 Disadvantages of Proposed Transaction

The Proposed Transaction has the following disadvantages:

- (a) **(dilution)** current ReNu Energy Shareholders will have their interests in ReNu Energy significantly diluted by the Proposed Transaction – refer to Sections 4.3 and 4.6 of this Explanatory Memorandum for further information;
- (b) **(significant influence of CRH Shareholders)** after the Proposed Transaction, the Sellers will hold a significant stake in ReNu Energy with up to approximately 37.7% of the voting power in ReNu Energy and have a significant ability to influence decisions of ReNu Energy. For example, pursuant to the Share Purchase Agreement, CRH is entitled to nominate two additional directors to the ReNu Energy Board. Each of the CRH Founders will also be entitled to requisition a general meeting of ReNu Energy Shareholders under section 249D of the Corporations Act;
- (c) **(lower share market liquidity)** the presence of cornerstone shareholders could result in a lower level of liquidity in ReNu Energy Shares than exists today, which could result in a lower price for ReNu Energy Shares should existing ReNu Energy Shareholders wish to sell them in the future; and
- (d) **(takeover target)** ReNu Energy may be less attractive as a takeover target. Any bidder for the Combined Group under a takeover proposal would require the CRH Founders to support their bid in order to achieve a full takeover of ReNu Energy. This may be a deterrent to future bidders or commercial collaboration partners.

## 8 Risk factors

### 8.1 General

There are a number of factors, both specific to ReNu Energy and of a general nature, which may affect the future operating and financial performance of ReNu Energy, its business, the industry in which it operates and the outcome of an investment in ReNu Energy. There can be no guarantee that ReNu Energy will achieve its stated objectives or that forward-looking statements will be realised.

This section describes certain, but not all, risks associated with the Proposed Transaction and an investment in ReNu Energy. Each of the risks set out below could, if it eventuates, have a materially adverse impact on ReNu Energy's operating performance, financial performance, financial position, liquidity and the value of ReNu Energy Shares.

ReNu Energy Shareholders should carefully consider these factors in light of their personal circumstances and seek professional advice from their accountant, stockbroker, lawyer or other professional adviser if they are unclear about any matter mentioned in this Notice of Meeting and Explanatory Memorandum.

## 8.2 Specific Risk Factors

In addition to the general risks set out in section 8.3, there are a number of business-specific risks associated with your current investment in ReNu Energy Shares, as set out below. Each of these factors could have a materially adverse impact on ReNu Energy, its expansion plans and operating strategies and its financial performance and position.

These include:

### (a) Completion risk

The Proposed Transaction is subject to the fulfilment of certain conditions, including each of Resolutions 1 and 2 being passed at the General Meeting. Even if the Resolutions are approved, the Proposed Transaction will only be implemented if all of the other conditions precedent set out in the Share Purchase Agreement are satisfied or (if permitted) waived. Refer to Section 6.2 for further details relating to the Share Purchase Agreement and in particular the conditions precedent which must be satisfied for the Proposed Transaction to proceed.

If any of the conditions precedent set out in the Share Purchase Agreement are not satisfied or (if permitted) waived, or the Share Purchase Agreement is otherwise terminated, the Proposed Transaction will not proceed. The Directors are not currently aware of any information which may cause the conditions precedent to be breached or unfulfilled, however there is a risk that these conditions precedent will be unfulfilled due to circumstances outside of ReNu Energy's control.

### (b) Dilution risk

ReNu Energy currently has 159,162,923 Shares on issue. If the Proposed Transaction proceeds, ReNu Energy will issue up to a further 134,659,520 Shares. The issue of these ReNu Energy Shares, along with the issue of the SPP Shares, CY21 Bonus Shares and Plan Shares in accordance with the resolutions set out in the Notice of Meeting will dilute the existing ReNu Energy Shares from 100% to approximately 44.5% ownership (assuming that there are no other changes to the share capital of ReNu Energy before Completion of the Proposed Transaction).

There is also a risk that the interests of ReNu Energy Shareholders may be further diluted if future capital raisings are required in order to fund its activities.

Accordingly, the Proposed Transaction will significantly dilute existing ReNu Energy Shareholders. Refer to Sections 4.3 and 4.6 of this Explanatory Memorandum for further details on the impact of the Proposed Transaction to ReNu Energy's capital structure.

### (c) Impact of COVID-19

The ongoing COVID-19 pandemic has had a significant impact on the global and Australian economy and the ability of businesses, individuals and governments to operate. Emergency powers and restrictions have been enacted on an international, Federal and State level in Australia which, amongst other things, has restricted travel and the ability of individuals to leave their homes and travel to places of work.

Given the high degree of uncertainty surrounding the extent and duration of COVID-19, it is not currently possible to assess the full impact of COVID-19 on ReNu Energy's business.

However, a number of aspects of ReNu Energy's business may be directly or indirectly affected by government, regulatory or health authority actions, including without limitation work stoppages, lockdowns, quarantines and travel restrictions associated with COVID-19.

There is a risk that if the duration of events surrounding COVID-19 are prolonged, ReNu Energy may need to take additional measures in order to respond appropriately (eg restructuring to reduce further costs from its business and raising additional funding).

There are also other changes in the domestic and global macroeconomic environment associated with the events relating to COVID-19 that are beyond the control of ReNu Energy and may be exacerbated in an economic recession or downturn. These include but are not limited to (i) changes in inflation, interest rates and foreign currency exchange rates; (ii) changes in employment levels and labour costs; (iii) changes in aggregate investment and economic output (iv) supply chain challenges; and (v) other changes in economic condition which may affect the revenue or costs of ReNu Energy.

(d) **Business development risk**

ReNu Energy is advancing its renewable and clean energy incubator/ accelerator strategy which involves acquiring strategic stakes and nurturing renewable and clean energy projects and technologies. Accordingly, there is a risk that ReNu Energy may not be able to convert opportunities into commercial outcomes. Establishing and converting opportunities into commercial outcomes is vital in order for ReNu Energy to achieve its stated objectives in owning a portfolio of renewable energy projects and assets which produce long term revenue streams or achieve profits for ReNu Energy (whether via IPO, sale of the projects or distribution of profits).

(e) **Commercialisation risk**

ReNu Energy has announced a series of investments during 2021, including investments in Uniflow Power Limited on 25 June 2021 (amended on 14 July 2021), Enosi Australia Pty Ltd on 10 September 2021 and Allegro Energy Pty Ltd on 7 December 2021. See Section 2.2 for further details of these investments.

These entities are in the early stages of commercialising different products or technology in the renewable and clean energy sector and are each subject to the business risks and uncertainty which are associated with entities of this nature. Government policy or regulation change in target markets or advances in other forms of technology could impact the competitiveness of the products or technology being developed by these entities, and challenges identified during commercialisation could impact their profitability. These and other risks could adversely impact ReNu Energy's investments in Uniflow Power Limited, Enosi Australia Pty Ltd and Allegro Energy Pty Ltd.

(f) **Funding risk**

ReNu Energy currently operates on a negative cash operating basis in that its operating expenses exceed its revenue. ReNu Energy's revenue depends on its ability to advance its renewable and clean energy incubator/ accelerator strategy and achieve revenue streams either by moving to a controlling interest in its targets, supporting targets through to an IPO process or exiting via trade sale. There is a risk that opportunities identified may take longer than expected to materialise or not be realised at all. There is no guarantee that the current cash on hand will be adequate or sufficient to meet the ongoing funding requirements of ReNu Energy under its current business plan.

If ReNu Energy requires access to further funding at any stage in the future, there can be no assurance that additional funds will be available either at all or on terms and conditions which are commercially acceptable to ReNu Energy. If ReNu Energy is

unable to obtain such additional capital, it may be required to reduce the scope of its anticipated activities, which could adversely affect its business, financial condition and operating results.

(g) **Integration and synergies**

The Combined Group's success will depend on ReNu Energy's ability to integrate CRH (and its subsidiaries) without disruption to the existing businesses. There is a risk that implementation and other one-off costs may be substantial or greater than reasonably anticipated. This could have a material adverse impact on the Combined Group's financial position and performance.

The transition of information systems and data, technical, financial and legal information and resources may not proceed smoothly and may divert management's attention from managing the Combined Group's business.

There is also a risk that operations could be disrupted or that costs associated with the transition may be greater than expected, which could adversely affect the Combined Group's financial position and performance.

(h) **Geothermal asset remediation risk**

ReNu Energy has completed abandonment of the two remaining geothermal wells located in the Cooper Basin of South Australia. In order to dispose of the sole remaining geothermal licence, surface remediation activities may need to be completed. Remediation activities are strictly regulated by legislation and enforced by government authorities. It is possible that the time to complete the remaining surface remediation may take longer than currently anticipated and may incur additional costs, delaying the closing out and exiting of the project.

(i) **Other specific risks**

(i) **Key person risk** – the successful operation of ReNu Energy's business relies on its ability to retain experienced and high-performing key Board, management and operating personnel. ReNu Energy may not successfully retain existing, and/or attract new, key personnel. The unexpected loss of any key personnel, or the inability on the part of ReNu Energy to attract experienced personnel, may adversely affect ReNu Energy's ability to develop and implement its business strategies.

(ii) **Government policy and regulation may change** – ReNu Energy operates in the energy industry which is subject to extensive laws and regulations. Changes in law or regulatory policy could adversely affect ReNu Energy's business.

The risk relating to changes in legislation include:

(A) changes in the incentives available to support the production of renewable energy; and

(B) changes to the laws and regulations applicable to the energy industry sector.

(iii) **Dividends** – there is no guarantee as to future earnings of ReNu Energy, or that ReNu Energy will be profitable at any time in the future and there is no guarantee that ReNu Energy will be in a financial position to pay dividends at any time in the future.

### 8.3 General Risk Factors

#### (a) Share market

On completion of the Proposed Transaction, the Shares may trade on the ASX at higher or lower prices. The price at which the Shares trade on the ASX may be affected by the financial performance of ReNu Energy and by external factors over which the Directors and ReNu Energy have no control.

These factors include movements on international share and commodity markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

#### (b) Dependence on general economic conditions

The operating and financial performance of ReNu Energy is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, access to debt and capital markets, government fiscal, monetary and regulatory policies.

A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a materially adverse impact on ReNu Energy's business or financial condition. Changes to laws and regulations or accounting standards which apply to ReNu Energy from time to time could adversely impact ReNu Energy's earnings and financial performance.

#### (c) Tax risk

Any change to the company income tax rate in jurisdictions in which ReNu Energy operates will impact on shareholder returns, as will any change to the income tax rates applying to individuals or trusts. Any change to the tax arrangements between Australia and other jurisdictions could have an adverse impact on future earnings and the level of dividend franking.

#### (d) Legislative and regulatory changes

Legislative or regulatory changes in jurisdictions in which ReNu Energy operates, including property or environmental regulations or regulatory changes in relation to the business conducted by ReNu Energy, could have an adverse impact on ReNu Energy.

## 9 Resolution 1 – acquisition of Shares by CRH Founders

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### 9.1 Background

The background to the Proposed Transaction is set out in Sections 1 – 8 of the Explanatory Memorandum.

### 9.2 Approval sought

This resolution seeks ReNu Energy Shareholder approval pursuant to item 7 of section 611 of the Corporations Act for the acquisition by the CRH Founders of a Relevant Interest in up to 99,793,612 ReNu Energy Shares through the acquisition at Completion of their respective Consideration Shares in consideration for the sale of their shares in CRH, representing approximately 27.9% of ReNu Energy's Shares after Completion.<sup>18</sup>

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<sup>18</sup> Based on the Proposed Transaction Assumptions.

### 9.3 Section 606 prohibition

Without the ReNu Energy Shareholder approval sought in this resolution, the acquisition by the CRH Founders of the Consideration Shares under the Share Purchase Agreement would be prohibited by section 606(1) of the Corporations Act.

Under section 606 of the Corporations Act, subject to limited specified exemptions, a person must not acquire a 'Relevant Interest' in issued voting shares in a public company, if as a result of the acquisition, any person's voting power in the company would increase:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%.

In broad terms, a person has a 'Relevant Interest' in shares if that person holds shares or has the power to control the right to vote or dispose of shares. A person's voting power in a company is the number of voting shares in which the person (and its Associates) has a Relevant Interest compared with the total number of voting shares in a company.

A person is only an Associate for the purpose of Chapters 6 to 6C (takeover provisions) of the Corporations Act if they are an Associate under section 12 of the Corporations Act. Under section 12(2) of the Corporations Act, a person (second person) will be an Associate of the other person (first person) if:

- (a) the first person is a body corporate and the second person is:
  - (i) a body corporate the first person controls;
  - (ii) a body corporate that controls the first person; or
  - (iii) a body corporate that is controlled by an entity that controls the first person;
- (b) the second person has entered or proposed to enter in a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; and
- (c) the second person is a person with whom the first person is acting or proposed to act, in concert in relation to the company's affairs.

### 9.4 Exception to the section 606 prohibition

Item 7 of section 611 of the Corporations Act provides an exception to the prohibition under section 606 of the Corporations Act. This exception provides that a person may acquire a Relevant Interest in a company's voting shares with shareholder approval.

In order for the exception in item 7 of section 611 of the Corporations Act to apply, the following must be satisfied:

- (a) approval must be given by a simple majority of ReNu Energy Shareholders present at the General Meeting at which no votes are cast in favour of Resolution 1 by the CRH Founders or any of their Associates; and
- (b) ReNu Energy Shareholders must be given all information known to the person making the acquisition or their Associates, or known to ReNu Energy, that was material to the decision on how to vote on Resolution 1, including:
  - (i) the identity of the person proposed to make the acquisition and their Associates;
  - (ii) the maximum extent of the increase in that person's voting power in ReNu Energy that would result from the acquisition;
  - (iii) the voting power that person would have as a result of the acquisition;

- (iv) the maximum extent of the increase in the voting power of each of that person's Associates that would result from the acquisition; and
- (v) the voting power that each of that person's Associates would have as a result of the acquisition.

Accordingly, ReNu Energy Shareholder approval is being sought by ReNu Energy for the issue of the Consideration Shares which will result in the CRH Founders acquiring a Relevant Interest and increasing their voting power in ReNu Energy to more than 20%.

#### 9.5 Information required under item 7 of section 611 of the Corporations Act

The following information is provided in compliance with item 7 of section 611 of the Corporations Act:

Item 7 of section 611	Disclosure
<b>Identity of acquirer and their Associates</b>	Each CRH Founder is a proposed acquirer of the Consideration Shares. For more detail on the CRH Founders see sections 3 and 4 above.  No Associates of the CRH Founders will be issued any ReNu Energy Shares comprising the Consideration Shares.
<b>Maximum extent of the increase in the CRH Founders' voting power in ReNu Energy that would result from the acquisition of the Consideration Shares</b>	As at the date of this Notice of Meeting, the CRH Founders' aggregate voting power in ReNu Energy is nil. If the CRH Founders acquired the Consideration Shares, their aggregate voting power in ReNu Energy would increase to up to 27.9% <sup>19</sup> – see Section 4.6 for basis of calculation.
<b>The CRH Founders' aggregate voting power as a result of the acquisition of the Consideration Shares</b>	If Resolutions 1 and 2 are passed and the Proposed Transaction completes, the CRH Founders will acquire voting power in ReNu Energy of up to 27.9% <sup>20</sup> – see Section 4.6 for basis of calculation.
<b>The maximum extent of the increase in the voting power of each of the CRH Founders' Associates that would result from the acquisition of the Consideration Shares</b>	No Associates of the CRH Founders will be issued any ReNu Energy Shares comprising the Consideration Shares or acquire any voting power in ReNu Energy.  Accordingly, no Associate of the CRH Founders will increase its voting power in ReNu Energy as a result of the acquisition of the Consideration Shares.
<b>The voting power that each of the CRH Founders' Associates would have as a result of the acquisition of the Consideration Shares</b>	No Associates of the CRH Founders will be issued any ReNu Energy Shares comprising the Consideration Shares or acquire any voting power in ReNu Energy.  Accordingly, the voting power of the CRH Founders' Associates on the completion of the acquisition of the Consideration Shares will be nil.

<sup>19</sup> Based on the Proposed Transaction Assumptions.

<sup>20</sup> Based on the Proposed Transaction Assumptions.

## 9.6 Information required under ASIC Regulatory Guide 74

The following information is provided in compliance with ASIC Regulatory Guide 74:

ASIC Regulatory Guide 74	Disclosure
<b>When the Proposed Transaction is to be completed</b>	5 Business Days after the date on which Resolutions 1 and 2 are passed (expected to be 8 February 2021).
<b>Material terms of the Proposed Transaction</b>	See Section 6.
<b>Particulars of any other contract or proposed contract between the CRH Founders, or any of their Associates, and ReNu Energy or any of its Associates which is conditional upon, or directly or indirectly dependent on, shareholder approval</b>	Completion of the Proposed Transaction under the Share Purchase Agreement is conditional on ReNu Energy Shareholder approval – see Section 6.
<b>Intentions of CRH Founders regarding the future of ReNu Energy</b>	See Section 4.5.
<b>Intention of CRH Founders to change significantly the financial or dividend policies of ReNu Energy</b>	See Section 4.5(e).
<b>The interests that any Director of ReNu Energy has in the acquisition of the Consideration Shares or any agreement disclosed in section 6 of the Explanatory Memorandum</b>	None of the Directors have an interest in the proposed issue of Consideration Shares to the CRH Founders or under the Share Purchase Agreement generally.
<b>The identity, associations (with CRH) and qualifications of any person who is intended to or will become a Director of ReNu Energy if Shareholders approve the Proposed Transaction</b>	See Section 4.2.
<b>Reasons for the Proposed Transaction</b>	See Section 5.

## 9.7 Independent Expert's Report

In accordance with the requirements of ASIC Regulatory Guide 74, ReNu Energy appointed BDO Corporate Finance Ltd as the Independent Expert to assess the merits of the Proposed Transaction and to provide an opinion as to whether the Proposed Transaction is fair and reasonable to ReNu Energy Shareholders.

The Independent Expert has opined that the **Proposed Transaction is fair and reasonable** to Non-Associated ReNu Energy Shareholders.

A copy of the Independent Expert's Report is set out in Annexure A.

## 9.8 Recommendation of the Directors

The Board unanimously recommend that shareholders vote in favour of Resolution 1.

Neither ReNu Energy nor the Directors are aware of any additional information that is not set out in this Explanatory Memorandum that would be relevant to ReNu Energy Shareholders in deciding how to vote on this Resolution.

## **10 Resolution 2 – Change to scale of activities**

### **10.1 Background**

The Proposed Transaction will have a significant impact on the scale of activities undertaken by ReNu Energy for the purposes of the ASX Listing Rules. Accordingly, Resolution 2 seeks ReNu Energy Shareholder approval of the Proposed Transaction for the purposes of ASX Listing Rule 11.1.2.

A detailed description of the Proposed Transaction is set out in Sections 1 to 10 and the material terms of the Share Purchase Agreement through which the Proposed Transaction will be effected are set out in Section 6 of this Explanatory Memorandum.

### **10.2 ASX Listing Rules**

ASX Listing Rule 11.1.2 empowers ASX to require a listed company to obtain the approval of its shareholders for a significant change to the nature or scale of its activities. The Proposed Transaction will involve a significant change to the nature or scale of ReNu Energy's activities for these purposes and, as is its usual practice, ASX has imposed a requirement under ASX Listing Rule 11.1.2 that ReNu Energy obtain shareholder approval of the Proposed Transaction.

Resolution 2 seeks the required shareholder approval of the Proposed Transaction under and for the purposes of ASX Listing Rule 11.1.2.

### **10.3 Effect of shareholder approval (information required under ASX Listing Rule 14.1A)**

If Resolution 2 is passed, ReNu Energy will be able to proceed with the Proposed Transaction (provided the other relevant conditions precedent contemplated in the Share Purchase Agreement have been satisfied or waived).

If Resolution 2 is not passed, ReNu Energy will not be able to proceed with the Proposed Transaction and ReNu Energy will continue to manage its portfolio of investments and actively seek opportunities to create value in the clean energy sector in accordance with its stated strategy, without the CRH investment.

### **10.4 Information required for the purposes of Listing Rule 11.1.2**

Pursuant to ASX Listing Rule 11.1.2 and section 7.2 of ASX Guidance Note 12, the following information is provided to inform ReNu Energy Shareholders about the Proposed Transaction:

<b>Listing Rule 11.1.2</b>	<b>Disclosure</b>
<b>Parties to and material terms of the Proposed Transaction</b>	See Section 6.
<b>Financial effect of the Proposed Transaction</b>	See Section 4.7 and the Independent Expert's Report set out in Annexure A.
<b>Proposed changes to ReNu Energy's business model</b>	See Section 4.
<b>Payment for Proposed Transaction</b>	134,659,520 ReNu Energy Shares to be issued and allotted to the Sellers subject to Completion. See Sections 4 and 6 for further details.

Listing Rule 11.1.2	Disclosure
<b>Proposed changes to the ReNu Energy Board and management</b>	See Section 4.2.
<b>Timetable of the Proposed Transaction</b>	Completion of the Share Purchase Agreement will occur 5 Business Days after the date on which Resolutions 1 and 2 are passed (expected to be 8 February 2022).
<b>ASX Statement</b>	ASX takes no responsibility for the contents of this Notice of Meeting.

## 10.5 Recommendation of the Directors

The Board unanimously recommend that shareholders vote in favour of Resolution 2.

## 11 Resolution 3 – Ratification of prior issue under Placement

### 11.1 Background to Placement

On 6 December 2021, ReNu Energy announced a share placement of 26,400,000 ReNu Energy Shares at an issue price of \$0.09 per share (**Placement Shares**) to sophisticated, professional and other investors to whom no disclosure is required under the Corporations Act to raise up to \$2,376,000 (before cost) (**Placement**).

Subscribers will receive one attaching ReNu Energy Option for every four Placement Shares subscribed for with an exercise price of \$0.07 per share and an expiry date of 31 December 2023 (**Placement Options**). The terms and conditions of the Placement Options are set out in Schedule 3.

The Placement completed on 9 December 2021 and the Placement Shares and Placement Options were issued to subscribers as follows:

- (a) 15,840,000 Placement Shares and 3,960,000 Placement Options – under ReNu Energy's 15% placement capacity pursuant to ASX Listing Rule 7.1 (**15% Placement Capacity**); and
- (b) 10,560,000 Placement Shares and 2,640,000 Placement Options – under ReNu Energy's 10% enhanced placement capacity pursuant to ASX Listing Rule 7.1A (**Enhanced Placement Capacity**).

ReNu Energy also intends to issue additional ReNu Energy Options to Peak Asset Management in consideration for acting as Corporate Adviser and Lead Manager to the Placement.

### 11.2 ASX Listing Rules

In general terms and subject to a number of exceptions, ASX Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by ReNu Energy without shareholder approval in any 12 month period.

As the Placement Shares and Placement Options do not fit within any of exceptions and were issued without prior shareholder approval, they reduce ReNu Energy's 15% Placement Capacity and Enhanced Placement Capacity.

ASX Listing Rule 7.4 provides that an issue of securities made by a company without the prior approval of shareholders may be treated as having been made with shareholder approval if:

- (a) at the time the issue took place, it did not breach ASX Listing Rule 7.1 (and ASX Listing Rule 7.1A); and

- (b) the shareholders of the company, in a general meeting, subsequently ratify the issue of the securities.

The issue of Placement Shares and Placement Options was made in accordance with ASX Listing Rules 7.1 and 7.1A. Accordingly, ReNu Energy seeks shareholder ratification for the portion of Placement Shares and Placement Options issued under ASX Listing Rule 7.1, in accordance with ASX Listing Rule 7.4.

#### 11.3 Effect of shareholder approval (information required under ASX Listing Rule 14.1A)

If Resolution 3 is passed, the issue of the Placement Shares and Placement Options will not reduce ReNu Energy's 15% Placement Capacity, essentially resetting ReNu Energy's 15% Placement Capacity.

If Resolution 3 is not passed, the issue of the Placement Shares and Placement Options will be included in calculating ReNu Energy's 15% Placement Capacity, effectively reducing the number of securities it can issue without shareholder approval over the 12 month period following the issue date.

#### 11.4 Information required by ASX Listing Rule 7.5

The following information is required by ASX Listing Rule 7.5 for the purposes of shareholder ratification under ASX Listing Rule 7.4:

ASX Listing Rule 7.5	Disclosure
<b>Number of securities allotted</b>	26,400,000 Placement Shares <sup>21</sup> and 6,600,000 Placement Options. <sup>22</sup>
<b>Price at which securities were issued</b>	The Placement Shares were issued for \$0.09 per share. The Placement Options were issued for nil cash consideration (subscribers received one attaching Placement Option for every four Placement Shares subscribed for). ReNu Energy will not receive any cash consideration for the grant of the Placement Options (other than in respect of funds received on exercise of the Placement Options).
<b>The basis on which allottees were determined</b>	The Placement Shares and Placement Options were issued to institutional and sophisticated investors (in accordance with sections 708(8) of the Corporations Act) and other persons to whom no disclosure is required.  In conducting the Placement, ReNu Energy and its Lead Manager looked to identify new investors based on their alignment to ReNu Energy's renewable and clean energy accelerator/ incubator strategy and ReNu Energy's understanding of each investor's relevant investment strategies, networks and risk profile.
<b>The terms of the securities issued</b>	All Placement Shares issued under the Placement are fully paid ordinary shares in ReNu Energy that rank pari passu and form one class with all other ordinary shares of ReNu Energy.  All Placement Options were issued on the terms and conditions set out in Schedule 3.

<sup>21</sup> Comprising 15,840,000 shares issued under ReNu Energy's 15% Placement Capacity and 10,560,000 shares issued under ReNu Energy's Enhanced Placement Capacity.

<sup>22</sup> Comprising 3,960,000 options issued under ReNu Energy's 15% Placement Capacity and 2,640,000 options issued under ReNu Energy's Enhanced Placement Capacity.

<b>ASX Listing Rule 7.5</b>	<b>Disclosure</b>
<b>The date the securities were issued</b>	The Placement Shares and Placement Options were issued on 9 December 2021.
<b>The use (or intended use) of the funds raised</b>	Funds raised will be used to progress ReNu Energy's portfolio of renewable and clean energy investments, and for general corporate costs and additional working capital requirements.
<b>Voting exclusion statement</b>	A voting exclusion applies to this resolution – please see the notes to Resolution 3.

### 11.5 Directors' Recommendation

The Board unanimously recommend that shareholders vote in favour of Resolution 3.

## 12 Resolution 4 – Grant of Broker Options

### 12.1 Background to Broker Options

The background to the Placement is set out in Section 11.1 of the Explanatory Memorandum.

Peak Asset Management acted as Corporate Adviser and Lead Manager to the Placement. Subject to shareholder approval, ReNu Energy proposes to grant 5,000,000 Broker Options to Peak Asset Management exercisable at \$0.07 with an expiry date of 31 December 2023 on the same terms as the Placement Options, under the terms of its mandate for the Placement. ReNu Energy will, subject to the ASX Listing Rules, apply for the grant of quotation of the Broker Options.

### 12.2 ASX Listing Rules

In general terms and subject to a number of exceptions, ASX Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by ReNu Energy without shareholder approval in any 12 month period. As the grant of the Broker Options will exceed ReNu Energy's 15% Placement Capacity and none of the exceptions apply, ReNu Energy is seeking shareholder approval under ASX Listing Rule 7.1 for the grant of the Broker Options.

### 12.3 Effect of shareholder approval (information required under ASX Listing Rule 14.1A)

If Resolution 4 is passed, ReNu Energy will be able to proceed with the grant of the Broker Options and the Broker Options will be excluded from the calculation of the number of equity securities that ReNu Energy can issue without shareholder approval under ASX Listing Rule 7.1.

If Resolution 4 is not passed, ReNu Energy will not be able to proceed with the grant of the Broker Options or may not be able to proceed to the extent originally anticipated.

### 12.4 Information required by ASX Listing Rule 7.3

The following information is required by ASX Listing Rule 7.3 for the purposes of shareholder approval under ASX Listing Rule 7.1:

<b>ASX Listing Rule 7.3</b>	<b>Disclosure</b>
<b>Number of Broker Options</b>	5,000,000 Broker Options.
<b>Material terms of the Broker Options</b>	All Broker Options were issued on the terms and conditions set out in Schedule 3.

ASX Listing Rule 7.3	Disclosure
The names of the persons to whom the entity will issue the securities	Peak Asset Management.
The date the Broker Options will be issued	The Broker Options will be issued no later than 3 months after the date of the General Meeting.
The price or other consideration the entity will receive for the Broker Options	The issue price is nil per Broker Option. The Broker Options are being granted in consideration for Peak Asset Management acting as Corporate Adviser and Lead Manager to the Placement. ReNu Energy will not receive any cash consideration for the grant of the Broker Options (other than in respect of funds received on exercise of the Broker Options).
The purpose of the issue and the use (or intended use) of the funds raised	No funds will be raised from the grant of the Broker Options. The Broker Options are being issued under the terms of Peak Asset Management's mandate for acting as Corporate Adviser and Lead Manager to the Placement.
Summary of material terms of agreement	<p>The Broker Options are being issued under the terms of the broker mandate. The material terms are as follows:</p> <ul style="list-style-type: none"> <li>• ReNu Energy appointed Peak Asset Management to act as Corporate Adviser and Lead Manager to the Placement.</li> <li>• Peak Asset Management to be paid 6% capital raising fee on all funds raised under the Placement and, subject to shareholder approval, 5,000,000 Broker Options.</li> <li>• Engagement may be terminated by either party on written notice.</li> </ul>
No reverse takeover	The Broker Options are not being issued under, or to fund, a reverse takeover.
Voting exclusion statement	A voting exclusion applies to this resolution – please see the notes to Resolution 4.

## 12.5 Directors' Recommendation

The Board unanimously recommend that shareholders vote in favour of Resolution 4.

## 13 Resolution 5 – Grant of SPP Options

### 13.1 Background to SPP

On 6 December 2021, ReNu Energy announced that it would present Eligible Shareholders who were not able to take part in the Placement, with an opportunity to invest on the same terms as the Placement through a share purchase plan (**SPP**).

Eligible Shareholders will have the right to apply for up to \$30,000 worth of new ReNu Energy Shares (**SPP Shares**) under the SPP at an issue price of \$0.09 per share to raise up to approximately \$1,500,000 (before costs).

Each participant in the SPP will, subject to receipt of ReNu Energy Shareholder approval, receive one attaching ReNu Energy Option for every four SPP Shares subscribed for with an exercise price of \$0.07 per share and an expiry date of 31 December 2023 (**SPP Options**). The terms and conditions of the SPP Options are set out in Schedule 3. ReNu Energy will, subject to the ASX Listing Rules, apply for the grant of quotation of the SPP Options.

Further details of the SPP are set out in the prospectus to be lodged with ASIC and uploaded to ASX on 24 December 2021.

### 13.2 ASX Listing Rules

In general terms and subject to a number of exceptions, ASX Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by ReNu Energy without shareholder approval in any 12 month period. As the grant of the SPP Options will exceed ReNu Energy's 15% Placement Capacity and none of the exceptions apply, ReNu Energy is seeking shareholder approval under ASX Listing Rule 7.1 for the grant of the SPP Options.

### 13.3 Effect of shareholder approval (information required under ASX Listing Rule 14.1A)

If Resolution 5 is passed, ReNu Energy will be able to proceed with the grant of the SPP Options and the SPP Options will be excluded from the calculation of the number of equity securities that ReNu Energy can issue without shareholder approval under ASX Listing Rule 7.1.

If Resolution 5 is not passed, ReNu Energy will not be able to proceed with the grant of the SPP Options or may not be able to proceed to the extent originally anticipated.

### 13.4 Information required by ASX Listing Rule 7.3

The following information is required by ASX Listing Rule 7.3 for the purposes of shareholder approval under ASX Listing Rule 7.1:

ASX Listing Rule 7.3	Disclosure
<b>Number of SPP Options</b>	Up to 4,166,667 SPP Options (reserving the right to accept oversubscriptions if there is sufficient demand).
<b>Material terms of the SPP Options</b>	All SPP Options will be issued on the terms and conditions set out in Schedule 3.
<b>The names of the persons to whom the entity will grant the SPP Options</b>	The SPP Options will be granted to all Eligible Shareholders who elect to participate in the SPP on the basis of one SPP Option for every four SPP Shares subscribed for under the SPP.  The SPP Options proposed to be granted to Mr Boyd White (or his nominee) are also subject to ReNu Energy Shareholder approval under ASX Listing Rule 10.11 under Resolution 6.
<b>The date the SPP Options will be issued</b>	The SPP Options will be issued no later than 3 months after the date of the General Meeting.
<b>The price or other consideration the entity will receive for the SPP Options</b>	The issue price is nil per SPP Option and ReNu Energy will not receive any cash consideration for the grant of the SPP Options (other than in respect of funds received on exercise of the SPP Options).
<b>The purpose of the issue and the use (or intended use) of the funds raised</b>	No funds will be raised from the grant of the SPP Options (subscribers received one attaching SPP Option for every four SPP Shares subscribed for).

ASX Listing Rule 7.3	Disclosure
<b>Summary of material terms of agreement</b>	Not issued under an agreement.
<b>No reverse takeover</b>	The SPP Options are not being issued under, or to fund, a reverse takeover.
<b>Voting exclusion statement</b>	<p>A voting exclusion applies to this resolution – please see the notes to Resolution 5.</p> <p>Note – ReNu Energy has sought a waiver from ASX Listing Rule 7.3.9 to the extent necessary to permit this Resolution 5 not to include a voting exclusion statement that excludes the votes of persons who may participate in the SPP. ReNu Energy will provide an update to the market once this waiver is received.</p>

### 13.5 Directors' Recommendation

The Board unanimously recommend that shareholders vote in favour of Resolution 5.

## 14 Resolution 6 – Grant of SPP Options to Mr Boyd White

### 14.1 Background

Under the SPP, ReNu Energy proposes to grant up to 4,166,667 SPP Options (reserving the right to accept oversubscriptions if there is sufficient demand), subject to ReNu Energy Shareholder approval which is being sought under Resolution 5.

ReNu Energy's Chairman, Mr Boyd White (or his nominee), wishes to participate in the SPP by subscribing for up to the maximum \$30,000 worth of ReNu Energy Shares under the SPP, being 333,334 SPP Shares and 83,334 attaching SPP Options. Mr White's participation will be by way of cash investment.

Further details of the SPP are set out in the prospectus to be lodged with ASIC and uploaded to ASX on 24 December 2021.

### 14.2 ASX Listing Rules

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The proposed issue of SPP Options to Mr White does not fall within any of these exceptions and accordingly, ReNu Energy seeks shareholder approval pursuant to ASX Listing Rule 10.11 to issue the SPP Options to Mr White.

### 14.3 Corporations Act

For a public company to give a financial benefit to a related party of the public company, the public company must obtain the approval of the public company's members and give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of SPP Options to Mr White as part of the SPP will constitute giving a financial benefit to a related party of ReNu Energy by virtue of him being a Director. However, the Directors (other than Mr White who has a personal interest in Resolution 6) consider that ReNu Energy Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 6 because the SPP Options will be issued to Mr White on

the same terms as SPP Options issued to non-related parties participating in the SPP and as such the giving of the financial benefit is on arm's length terms.

#### 14.4 Effect of shareholder approval (information required under ASX Listing Rule 14.1A)

If Resolution 6 is passed, ReNu Energy will be able to proceed with the grant of the SPP Options to Mr White and the SPP Options will be excluded from the calculation of the number of equity securities that ReNu Energy can issue without shareholder approval under ASX Listing Rule 7.1.

If Resolution 6 is not passed, the proposed issue of SPP Options to Mr White will not proceed.

#### 14.5 Information required by ASX Listing Rule 10.13

The following information is required by ASX Listing Rule 10.13 for the purposes of shareholder approval under ASX Listing Rule 10.11:

ASX Listing Rule 10.13	Disclosure
The name of the person to whom the entity will grant the SPP Options	Mr Boyd White (or his nominee).
Which category in ASX Listing Rule 10.11.1 – 10.11.5 does the person fall within and why	Mr White is a Director of ReNu Energy and therefore a related party under ASX Listing Rule 10.11.1.
Number and class of securities to be issued to the person	Up to 83,334 SPP Options.
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities	All SPP Options will be issued on the terms and conditions set out in Schedule 3.
The date the SPP Options will be issued	The SPP Options will be issued no later than 1 month after the date of the General Meeting.
The price or other consideration the entity will receive for the SPP Options	The issue price is nil per SPP Option and ReNu Energy will not receive any cash consideration for the grant of the SPP Options (other than in respect of funds received on exercise of the SPP Options).
The purpose of the issue and the use (or intended use) of the funds raised	No funds will be raised from the grant of the SPP Options (subscribers received one attaching SPP Option for every four SPP Shares subscribed for). The funds raised from the SPP will be used to: <ul style="list-style-type: none"> <li>• advance ReNu Energy's pipeline of green hydrogen opportunities on Completion of the Proposed Transaction;</li> <li>• progress ReNu Energy's other renewable and clean energy investments;</li> <li>• meet the costs of the SPP; and</li> <li>• provide funds for general corporate costs and working capital.</li> </ul>

ASX Listing Rule 10.13	Disclosure
If the person is a Director and the issue of securities is intended to remunerate or incentivise the director, details (including the amount) of the Director's current total remuneration package	The SPP Options are being issued to Mr White in his capacity as a ReNu Energy Shareholder. The SPP Options are not intended to remunerate or incentivise Mr White.
Summary of material terms of agreement	Not issued under an agreement.
Voting exclusion statement	<p>A voting exclusion applies to this resolution – please see the notes to Resolution 6.</p> <p>Note – ReNu Energy has sought a waiver from ASX Listing Rule 7.3.9 to the extent necessary to permit this Resolution 5 not to include a voting exclusion statement that excludes the votes of persons who may participate in the SPP. ReNu Energy will provide an update to the market once this waiver is received.</p>

#### 14.6 Directors' Recommendation

The Board (other than Mr White who has a personal interest in Resolution 6) unanimously recommend that shareholders vote in favour of Resolution 6.

## 15 Resolutions 7 – 9 – Issue of CY21 Bonus Shares (Directors)

### 15.1 Background to CY21 Bonus Shares

During the 2021 calendar year, the ReNu Energy Board and executives addressed long standing liabilities from previous operations, reduced costs and implemented a strategy to position it as a renewable and clean energy incubator/ accelerator.

ReNu Energy is now one of the only ASX listed companies focussed on acquiring strategic stakes in and nurturing renewable and clean energy projects and technologies. ReNu Energy has invested in Australian ingenuity and compiled a compelling renewable and clean energy portfolio in 2021.

Board and executive achievements during 2021 include:

- (a) successful abandonment of the two remaining geothermal wells in the Cooper Basin in April;
- (b) completion of an oversubscribed \$1.46 million capital raising in June at \$0.055 per share with strong demand received from professional and sophisticated investors;
- (c) redefining ReNu Energy's strategy in June to become one of the only ASX listed companies focusing on a renewable and clean energy incubator/ accelerator strategy, by taking strategic stakes in and nurturing renewable and clean energy projects and technologies;
- (d) maiden investment in July in Uniflow Power Limited, an Australian company advancing The Cobber, a small-scale biomass generator technology;
- (e) second investment in October in Enosi Australia Pty Limited, an Australian company that has developed Powertracer, a leading grid-scale renewable energy trading and tracing solution;

- (f) entering into a Share Purchase Agreement in November to acquire 100% of Countrywide Renewable Hydrogen Limited, an Australian company with three Australian onshore green hydrogen opportunities under initiation with state governments and large partners and a pipeline of opportunities in Canada and USA;
- (g) third investment in December in Allegro Energy Pty Ltd, an Australian battery technology company focused on the commercialisation of a unique water-based electrolyte, which can be used in redox flow batteries and supercapacitors;
- (h) completion of an oversubscribed \$2.376 million capital raising in December at \$0.09 per share with strong demand received from professional and sophisticated investors;
- (i) announcing a Share Purchase Plan in December to present eligible shareholders with an opportunity to invest on the same terms as the December capital raising;
- (j) achieving a substantial improvement in financial results due to the divestment of underperforming assets and corporate cost reductions following completion of the strategic review of ReNu Energy's assets and cost base.

These achievements resulted in substantial share price and market capitalisation growth during 2021.

ReNu Energy is seeking ReNu Energy shareholder approval for the issue of a total of 1,125,000 CY21 Bonus Shares to the Directors as a bonus, in recognition of work completed during 2021.

## 15.2 Remuneration policy

The performance of ReNu Energy depends partly upon the quality of its Board and executives. Their compensation structure is designed to strike an appropriate balance between fixed and variable remuneration, rewarding capability and experience and providing recognition for contribution to ReNu Energy's overall goals and objectives.

In deciding the remuneration and incentives of the Board and executives, the ReNu Energy Remuneration Committee considered that there should be an appropriate mix of remuneration comprising cash and securities to link the Board and CEO's remuneration to the financial performance of ReNu Energy.

Equity-based incentives consistent with ReNu Energy's remuneration policy better aligns the performance of the Board and executives with ReNu Energy's financial performance. The ReNu Energy Remuneration Committee also believes that an equity-based remuneration component helps it to attract and retain the best directors and executives.

The ReNu Energy Remuneration Committee considers the remuneration policy to be a sensible and well-balanced policy which allows them to adjust the remuneration mix appropriately to ReNu Energy's changing circumstances.

## 15.3 ASX Listing Rules

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The proposed issue of CY21 Bonus Shares to the Directors does not fall within any of these exceptions and accordingly, ReNu Energy seeks shareholder approval pursuant to ASX Listing Rule 10.11 to issue the CY21 Bonus Shares to the Directors as follows:

- (a) Mr Boyd White (Chairman) – 250,000 CY21 Bonus Shares;
- (b) Mr Tony Louka (Non-Executive Director) – 200,000 CY21 Bonus Shares; and

(c) Mr Tim Scholefield (Executive Director<sup>23</sup>) – 675,000 CY21 Bonus Shares.

#### 15.4 Corporations Act

For a public company to give a financial benefit to a related party of the public company, the public company must obtain the approval of the public company's members and give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of CY21 Bonus Shares to the Directors will constitute giving a financial benefit to a related party of ReNu Energy by virtue of each participant being a Director. However, ReNu Energy Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because as the issue of ReNu Energy Shares is considered to be reasonable remuneration and falls within the exception to the requirement for shareholder approval.

#### 15.5 Effect of shareholder approval (information required under ASX Listing Rule 14.1A)

If Resolutions 7 to 9 are passed, ReNu Energy will be able to proceed with the issue of the CY21 Bonus Shares to each of the Directors and the CY21 Bonus Shares will be excluded from the calculation of the number of equity securities that ReNu Energy can issue without shareholder approval under ASX Listing Rule 7.1.

If any of Resolutions 7 to 9 are not passed, the proposed issue of the CY21 Bonus Shares to the Director under such resolution will not proceed.

#### 15.6 Information required by ASX Listing Rule 10.13

The following information is required by ASX Listing Rule 10.13 for the purposes of shareholder approval under ASX Listing Rule 10.11:

ASX Listing Rule 10.13	Disclosure
<b>The name of the persons to whom the entity will grant the CY21 Bonus Shares</b>	Mr Boyd White (or his nominee), Mr Tony Louka (or his nominee), and Mr Tim Scholefield (or his nominee).
<b>Which category in ASX Listing Rule 10.11.1 – 10.11.5 does each person fall within and why</b>	Each person is a Director of ReNu Energy and therefore a related party under ASX Listing Rule 10.11.1.
<b>Number and class of securities to be issued to the persons</b>	See Section 15.3.
<b>If the securities are not fully paid ordinary securities, a summary of the material terms of the securities</b>	The CY21 Bonus Shares are fully paid ordinary shares in ReNu Energy.
<b>The date the CY21 Bonus Shares will be issued</b>	The CY21 Bonus Shares will be issued no later than 1 month after the date of the General Meeting.

<sup>23</sup> Mr Scholefield will become a Non-Executive Director with effect from 1 January 2022.

ASX Listing Rule 10.13	Disclosure
<p><b>The price or other consideration the entity will receive for the CY21 Bonus Shares</b></p>	<p>The CY21 Bonus Shares will be issued at the deemed issue price equal to the issue price of the Placement Shares and SPP Shares, being \$0.09 per share.</p> <p>Accordingly, the CY21 Bonus Shares represents the issue of:</p> <ul style="list-style-type: none"> <li>• \$22,500 worth of shares to Mr White;</li> <li>• \$18,000 worth of shares to Mr Louka; and</li> <li>• \$60,750 worth of shares to Mr Scholefield.</li> </ul> <p>No funds will be raised from the issue of the CY21 Bonus Shares as the shares are being issued for nil cash consideration.</p>
<p><b>The purpose of the issue and the use (or intended use) of the funds raised</b></p>	<p>See Section 15.1. No funds will be raised from the issue of the CY21 Bonus Shares as the shares are being issued for nil cash consideration.</p>
<p><b>If the person is a Director and the issue of securities is intended to remunerate or incentivise the director, details (including the amount) of the Director's current total remuneration package</b></p>	<p>See Section 17.5.</p>
<p><b>Summary of material terms of agreement</b></p>	<p>Not issued under an agreement.</p>
<p><b>Voting exclusion statement</b></p>	<p>A voting exclusion applies to Resolutions 7 to 9 – please see the notes to the resolutions</p>

## 15.7 Directors' Recommendation

As the Directors have a personal interest in Resolutions 7 to 9, they make no recommendation as to how ReNu Energy Shareholders should vote on the Resolution.

## 16 Resolution 10 – Issue of CY21 Bonus Shares (CEO)

### 16.1 Background to CY21 Bonus Shares

The background to the CY21 Bonus Shares and achievements by the ReNu Energy Board and executives during the 2021 calendar year are set out in Section 15.1 of the Explanatory Memorandum, including addressing long standing liabilities from previous operations, reducing costs and implementing a strategy to position it as a renewable and clean energy incubator/accelerator.

These achievements have resulted in substantial share price and market capitalisation growth during 2021.

ReNu Energy is seeking ReNu Energy shareholder approval for the issue of a total of 675,000 CY21 Bonus Shares to CEO, Mr Greg Watson as a bonus, in recognition of work completed during 2021.

## 16.2 ASX Listing Rules

In general terms and subject to a number of exceptions, ASX Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by ReNu Energy without shareholder approval in any 12 month period. As the issue of the CY21 Bonus Shares to Mr Watson will exceed ReNu Energy's 15% Placement Capacity and none of the exceptions apply, ReNu Energy is seeking shareholder approval under ASX Listing Rule 7.1 for the issue of the CY21 Bonus Shares.

ReNu Energy Shareholder approval is not required under ASX Listing Rule 10.11, as Mr Watson is not a Director and does not fall under any category set out in ASX Listing Rule 10.11.1 – 10.11.5.

## 16.3 Effect of shareholder approval (information required under ASX Listing Rule 14.1A)

If Resolution 10 is passed, ReNu Energy will be able to proceed with the issue of the CY21 Bonus Shares to Mr Watson and the CY21 Bonus Shares will be excluded from the calculation of the number of equity securities that ReNu Energy can issue without shareholder approval under ASX Listing Rule 7.1.

If Resolution 10 is not passed, ReNu Energy will not be able to proceed with the issue of the CY21 Bonus Shares or may not be able to proceed to the extent originally anticipated.

## 16.4 Information required by ASX Listing Rule 7.3

The following information is required by ASX Listing Rule 7.3 for the purposes of shareholder approval under ASX Listing Rule 7.1:

ASX Listing Rule 7.3	Disclosure
<b>Number of CY21 Bonus Shares</b>	675,000 CY21 Bonus Shares.
<b>Material terms of the CY21 Bonus Shares</b>	The CY21 Bonus Shares are fully paid ordinary shares in ReNu Energy.
<b>The names of the persons to whom the entity will issue the CY21 Bonus Shares</b>	Mr Greg Watson (or his nominee).
<b>The date the CY21 Bonus Shares will be issued</b>	The CY21 Bonus Shares will be issued no later than 3 months after the date of the General Meeting.
<b>The price or other consideration the entity will receive for the CY21 Bonus Shares</b>	The CY21 Bonus Shares will be issued at the deemed issue price equal to the issue price of the Placement Shares and SPP Shares, being \$0.09 per share. Accordingly, the CY21 Bonus Shares represents the issue of \$60,750 worth of shares to Mr Watson. No funds will be raised from the issue of the CY21 Bonus Shares as the shares are being issued for nil cash consideration.
<b>The purpose of the issue and the use (or intended use) of the funds raised</b>	See Sections 15.1 and 16.1. No funds will be raised from the issue of the CY21 Bonus Shares as the shares are being issued for nil cash consideration.
<b>Summary of material terms of agreement</b>	Not issued under an agreement.
<b>No reverse takeover</b>	The CY21 Bonus Shares are not being issued under, or to fund, a reverse takeover.

**ASX Listing Rule 7.3****Disclosure****Voting exclusion statement**

A voting exclusion applies to this resolution – please see the notes to Resolution 10.

**16.5 Directors' Recommendation**

The Board unanimously recommend that shareholders vote in favour of Resolution 10.

**17 Resolutions 11 – 15 – Issue of Plan Shares (Directors)****17.1 Background to Resolutions 11 – 15**

The Board adopted the ReNu Energy Loan Share Plan in November 2017, and sought approval for the issue of ReNu Energy Shares under the Loan Share Plan at the 2017 Annual General Meeting.

The Board adopted the Loan Share Plan to retain, motivate and attract directors and executives and to better align the interests of employees with those of ReNu Energy and its shareholders by providing an opportunity for eligible senior executives and directors to acquire shares subject to the terms and conditions of the Loan Share Plan (**Plan Shares**).

The Plan Shares will be issued or transferred to the participants in the Loan Share Plan at market value, determined by the Board in its absolute discretion. ReNu Energy may provide a limited recourse loan to senior executives and directors who are invited to participate in the Loan Share Plan to assist them to purchase Plan Shares (**Loan**).

ReNu Energy is seeking ReNu Energy shareholder approval for the issue of a total of 35,000,000 Plan Shares to the Directors and, subject to Completion of the Proposed Transaction, the two additional Directors nominated by CRH to be appointed to the Board.

**17.2 Remuneration policy**

The performance of ReNu Energy depends partly upon the quality of its Board and executives. Their compensation structure is designed to strike an appropriate balance between fixed and variable remuneration, rewarding capability and experience and providing recognition for contribution to ReNu Energy's overall goals and objectives.

In deciding the remuneration and incentives of the Board and executives, the ReNu Energy Remuneration Committee considered that there should be an appropriate mix of remuneration comprising cash and securities to link the Board and CEO's remuneration to the financial performance of ReNu Energy.

Equity-based incentives consistent with ReNu Energy's remuneration policy better aligns the performance of the Board and executives with ReNu Energy's financial performance. The ReNu Energy Remuneration Committee also believes that an equity-based remuneration component helps it to attract and retain the best directors and executives.

The ReNu Energy Remuneration Committee considers the remuneration policy to be a sensible and well-balanced policy which allows them to adjust the remuneration mix appropriately to ReNu Energy's changing circumstances.

**17.3 ASX Listing Rules**

Listing Rule 10.14 provides that a listed company must not permit a director to acquire securities under an employee incentive scheme without shareholder approval. Accordingly, approval is sought under Listing Rule 10.14 for the proposed grant of 35,000,000 Plan Shares as follows (each a **Participant**):

- (a) Mr Boyd White (Chairman) – 9,000,000 Plan Shares;

- (b) Mr Tony Louka (Non-Executive Director) – 6,000,000 Plan Shares;
- (c) Mr Tim Scholefield (Executive Director<sup>24</sup>) – 6,000,000 Plan Shares;
- (d) Ms Susan Oliver AM (Non-Executive Director) – 6,000,000 Plan Shares;<sup>25</sup> and
- (e) Mr Geoffrey Drucker (Executive Director) – 8,000,000 Plan Shares.<sup>26</sup>

The Plan Shares being issued are fully paid ordinary shares in ReNu Energy. If approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

#### 17.4 Corporations Act

##### (a) **Section 208 – Related party benefits**

For a public company to give a financial benefit to a related party of the public company, the public company must obtain the approval of the public company's members and give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Plan Shares to the Directors will constitute giving a financial benefit to a related party of ReNu Energy by virtue of each Participant being a Director. However, ReNu Energy Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because as the issue of ReNu Energy Shares is considered to be reasonable remuneration and falls within the exception to the requirement for shareholder approval.

##### (b) **Section 259B – Taking security over company shares**

Under the Corporations Act, subject to certain exceptions, a company must not take security over shares in itself. However, a company is permitted to take security over shares in itself under an employee share scheme that has been approved by shareholders under section 259B(2) of the Corporations Act.

The Loan Share Plan was approved by ReNu Energy Shareholders at the 2017 Annual General Meeting. Accordingly, ReNu Energy is permitted to take security over shares in itself where those shares (or rights or interests in them) are acquired by participants under the Loan Share Plan, including in respect of the Plan Shares.

##### (c) **Section 260C – Exempted financial assistance**

The provision of loans by ReNu Energy to enable Loan Share Plan participants to acquire shares in ReNu Energy is considered the provision of financial assistance by ReNu Energy for the acquisition of shares in ReNu Energy.

Unless an exemption applies, under section 260A of the Corporations Act a company may only financially assist a person to acquire shares in the company if the giving of the assistance will not materially prejudice the interests of shareholders or the company's ability to pay its creditors or shareholder approval has been granted.

However, an exemption to section 260A of the Corporations Act applies to financial assistance given under an employee share scheme that has been approved by a resolution passed by shareholders.

<sup>24</sup> Mr Scholefield will become a Non-Executive Director with effect from 1 January 2022.

<sup>25</sup> Subject to Completion of the Proposed Transaction.

<sup>26</sup> Subject to Completion of the Proposed Transaction.

The Loan Share Plan was approved by ReNu Energy Shareholders at the 2017 Annual General Meeting. Accordingly, ReNu Energy is permitted to give financial assistance for the acquisition of shares under an employee share scheme pursuant to section 260C(4) of the Corporations Act, including in respect of the Plan Shares.

(d) **Section 200E – retirement benefits**

Section 200B of the Corporations Act requires shareholder approval by ordinary resolution, and in accordance with the provisions of section 200E of the Corporations Act, in order to access the exemption from the prohibition on a company giving a person a benefit in connection with that person's retirement from an office or employment in that company where that person is, or was in the three years prior to his or her retirement, in a managerial or executive office in that company.

The Loan Share Plan allows the Board, in its discretion to, determine that some or all of the Plan Shares are deemed to have vested in the event a participant's employment ceases (**Accelerated Vesting**).

In the circumstance of Accelerated Vesting, the value of the termination benefits that the Board may give under the Loan Share Plan cannot be determined in advance, as many of the factors that will or are likely to affect that value will not be known until the benefit is decided to be given (if at all). The Board has not determined whether it will exercise discretion to grant any Accelerated Vesting or, in what circumstances, it will exercise its discretion.

Specifically, the value of an Accelerated Vesting will depend on a number of factors, including ReNu Energy's share price at the time of vesting of the Plan Shares and the number of Plan Shares that the Board determines to vest early (if any).

## 17.5 Current director remuneration

Each Director's remuneration for CY22 is expected to be as follows:

Director	Salary and Fees	Superannuation	Equity based remuneration <sup>27</sup>
Boyd White	\$59,091	\$5,909	250,000 CY21 Bonus Shares 9,000,000 Plan Shares
Tony Louka	\$50,000	-	200,000 CY21 Bonus Shares 6,000,000 Plan Shares
Tim Scholefield	\$50,000	-	675,000 CY21 Bonus Shares 6,000,000 Plan Shares
Susan Oliver <sup>28</sup>	\$45,455	\$4,545	6,000,000 Plan Shares
Geoffrey Drucker <sup>29</sup>	\$390,000 <sup>30</sup>	\$24,000	8,000,000 Plan Shares

## 17.6 Details of the proposed issue of Plan Shares

(a) **Background**

The Loan Share Plan allows eligible employees to be issued or transferred ReNu Energy Shares at market value, determined by the Board in its absolute discretion.

<sup>27</sup> Subject to approval of Resolutions 7 to 9 and 11 to 15.

<sup>28</sup> Subject to Completion of the Proposed Transaction.

<sup>29</sup> Subject to Completion of the Proposed Transaction.

<sup>30</sup> Comprises \$240,000 fixed base remuneration, \$60,000 conditional remuneration payable in cash and \$90,000 STI payable in ReNu Energy Shares, each subject to achieving key milestones to be agreed between the parties prior to Completion of the Proposed Transaction.

ReNu Energy may provide a limited recourse loan to participants in the Loan Share Plan to assist them to purchase the Plan Shares.

35,000,000 Plan Shares are proposed to be issued to the Participants, as set out in the table in Section 17.5.

(b) **Performance conditions and performance period**

The Plan Shares will vest if the following conditions are satisfied:

- (i) **Earliest Vesting Date:** the Participant has been continuously employed by ReNu Energy from the issue date to 1 August 2022, being the date that is 6 months after the General Meeting; and
- (ii) **Target Price:** for each tranche, the VWAP of ReNu Energy's Shares over any 15 trading day period is at least the Target Price (see table below):

Tranche	No. of Plan Shares	Target Price <sup>31</sup>	Earliest Vesting Date
1	1/3 x total Plan Shares held by the Participant	\$0.15 per share	1 August 2022
2	1/3 x total Plan Shares held by the Participant	\$0.25 per share	1 August 2022
3	1/3 x total Plan Shares held by the Participant	\$0.35 per share	1 August 2022

If a change of control event occurs all unvested Plan Shares will vest immediately.

(c) **Key terms of the Loan**

Each Participant will be provided a non-recourse Loan to assist them to purchase the Plan Shares. The total amount of the loan will be calculated in accordance with the following formula: *Loan Amount = Issue Price x Plan Shares*.

The Loan is repayable on the earlier of: the date the Plan Shares are forfeited under the Loan Share Plan; the date the Plan Shares are sold; the expiry of the loan; or any other date agreed between ReNu Energy and the Participant. Where the performance conditions are not met, or a portion of Plan Shares do not vest for any other reason, the Plan Shares will be forfeited and surrendered in satisfaction of the corresponding portion of the loan.

The Participant can repay the Loan at any time from the date of vesting until 10 years after the issue date, through application of dividend payments, their own funds or by applying the proceeds from the sale of some or all of their Plan Shares.

The loan is 'interest free' in that there is no annual interest charge to the participant on the loan. However, the notional value of this interest is taken into account in the overall structure of the program.

As this is a non-recourse Loan, if the value of the Plan Shares is less than the outstanding loan balance at the end of the loan repayment period, the Plan Shares will be surrendered and forfeited in full settlement of the loan balance and no benefit would accrue to the Participant.

<sup>31</sup> Or equivalent share price if capital reconstruction occurs.

Any dividends paid on the shares while the Plan Shares are unvested are applied (on a notional after-tax basis) towards repaying the Loan. The balance of the dividend is paid directly to the Participants to fund their tax liability on the dividends received.

(d) **Other terms of grant**

In addition to the terms outlined above, the issue of the Plan Shares to the Participants will be subject to the terms of the Loan Share Plan, the key terms of which are summarised in Schedule 4. A copy of the Loan Share Plan is available from the Company Secretary on request.

**17.7 Effect of shareholder approval (information required under ASX Listing Rule 14.1A)**

If Resolutions 11 to 15 are passed, ReNu Energy will be able to issue of a total of 35,000,000 Plan Shares to the Participants and such Plan Shares will be excluded from the calculation of the number of equity securities that ReNu Energy can issue without shareholder approval under ASX Listing Rule 7.1. The Board will also be permitted to determine whether any Accelerated Vesting should occur in respect of the Loan Share Plan, give financial assistance to Participants and take security over the Plan Shares, in accordance with the rules of the Loan Share Plan.

If any of Resolutions 11 to 15 are not passed, the proposed issue of Plan Shares to the Participant under such resolution will not proceed. In that circumstance, the Board would then need to consider alternative remuneration arrangements for those Participants.

**17.8 Other information required under ASX Listing Rule 10.15**

<b>ASX Listing Rule 10.15</b>	<b>Disclosure</b>
<b>The number of securities that have previously been issued to the Participants under the ReNu Energy Loan Share Plan and the average acquisition price (if any) paid by each Participant for those securities</b>	No securities have previously been issued to the Participants under the ReNu Energy Loan Share Plan.
<b>Date by which Plan Shares will be issued</b>	Within 1 month after the date of the General Meeting.
<b>Issue Price</b>	\$0.09 per Plan Share.
<b>Material terms of the Loan Share Plan</b>	The terms of the Loan Share Plan are summarised in Schedule 4.
<b>Terms of Loan in relation to the Plan Shares</b>	See Section 17.6(c).
<b>Required Statements</b>	<p>Details of any securities issued under the Loan Share Plan will be published in the annual report relating to a period in which securities have been issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.</p> <p>Any additional persons (covered by ASX Listing Rule 10.14) who become entitled to participate in the Loan Share Plan after these Resolutions 11 to 15 are approved and who are not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.</p>

ASX Listing Rule 10.15	Disclosure
Voting exclusion statement	A voting exclusion applies to this resolution – please see the notes to Resolutions 11 to 15.

#### 17.9 Directors' Recommendation

As the Directors have a personal interest in Resolutions 11 to 15, they make no recommendation as to how ReNu Energy Shareholders should vote on those Resolutions.

### 18 Resolution 16 – Issue of Plan Shares (CEO)

#### 18.1 Background

The background to the ReNu Energy Loan Share Plan is set out in Section 17.1 and a summary of the key terms is set out in Schedule 4 of the Explanatory Memorandum.

The issue of Plan Shares under Resolutions 11 to 15 relate only to the Directors of ReNu Energy and, subject to Completion of the Proposed Transaction, the two additional Directors nominated by CRH to be appointed to the Board.

ReNu Energy is also seeking shareholder approval for the issue of a total of 10,000,000 Plan Shares to CEO, Mr Greg Watson.

ReNu Energy's remuneration policy is summarised in Section 17.2 and the ReNu Energy Remuneration Committee considers that the proposed issue of Plan Shares to the CEO appropriately reflects this policy.

#### 18.2 ASX Listing Rules

In general terms and subject to a number of exceptions, ASX Listing Rule 7.1 imposes a 15% cap on the number of equity securities that can be issued by ReNu Energy without shareholder approval in any 12 month period. As the issue of the Plan Shares to Mr Watson will exceed ReNu Energy's 15% Placement Capacity and none of the exceptions apply, ReNu Energy is seeking shareholder approval under ASX Listing Rule 7.1 for the issue of the Plan Shares.

ReNu Energy Shareholder approval is not required under ASX Listing Rule 10.14, as Mr Watson is not a Director and does not fall under any category set out in ASX Listing Rule 10.11.1 – 10.11.5.

#### 18.3 Corporations Act

Further information on sections 208 (Related party benefits), 259B (Taking security over company shares), 260C (Exempted financial assistance) and 200E (retirement benefits) is set out in Section 17.4 of this Explanatory Memorandum and also apply to Resolution 16.

#### 18.4 Details of the proposed issue of Plan Shares

##### (a) Background

10,000,000 Plan Shares are proposed to be issued to the CEO, Mr Greg Watson.

##### (b) Performance conditions and performance period

The Plan Shares will vest if the following conditions are satisfied:

- (i) **Earliest Vesting Date:** Mr Watson has been continuously employed by ReNu Energy from the issue date to 1 August 2022, being the date that is 6 months after the General Meeting; and

- (ii) **Target Price:** for each tranche, the VWAP of ReNu Energy's Shares over any 15 trading day period is at least the Target Price (see table below):

Tranche	No. of Plan Shares	Target Price <sup>32</sup>	Earliest Vesting Date
1	3,333,333 Plan Shares	\$0.15 per share	1 August 2022
2	3,333,333 Plan Shares	\$0.25 per share	1 August 2022
3	3,333,334 Plan Shares	\$0.35 per share	1 August 2022

If a change of control event occurs all unvested Plan Shares will vest immediately.

(c) **Key terms of the Loan**

Mr Watson will be provided a non-recourse Loan to assist him to purchase the Plan Shares. The total amount of the loan will be calculated in accordance with the following formula: *Loan Amount = Issue Price x Plan Shares*. The Loan will be on the same terms as those set out in Section 17.6(c).

(d) **Other terms of grant**

In addition to the terms outlined above, the issue of the Plan Shares to Mr Watson will be subject to the terms of the Loan Share Plan, the key terms of which are summarised in Schedule 4.

18.5 **Effect of shareholder approval (information required under ASX Listing Rule 14.1A)**

If Resolution 16 is passed, ReNu Energy will be able to proceed with the issue of the Plan Shares to Mr Watson and the Plan Shares will be excluded from the calculation of the number of equity securities that ReNu Energy can issue without shareholder approval under ASX Listing Rule 7.1. The Board will also be permitted to determine whether any Accelerated Vesting should occur in respect of the Loan Share Plan, give financial assistance to Mr Watson and take security over the Plan Shares, in accordance with the rules of the Loan Share Plan.

If Resolution 16 is not passed, ReNu Energy will not be able to proceed with the issue of the Plan Shares or may not be able to proceed to the extent originally anticipated.

18.6 **Information required by ASX Listing Rule 7.3**

The following information is required by ASX Listing Rule 7.3 for the purposes of shareholder approval under ASX Listing Rule 7.1:

ASX Listing Rule 7.3	Disclosure
<b>Number of Plan Shares</b>	10,000,000 Plan Shares.
<b>Material terms of the Plan Shares</b>	The Plan Shares are fully paid ordinary shares in ReNu Energy.
<b>The names of the persons to whom the entity will issue the Plan Shares</b>	Mr Greg Watson (or his nominee).
<b>The date the Plan Shares will be issued</b>	The Plan Shares will be issued no later than 3 months after the date of the General Meeting.

<sup>32</sup> Or equivalent share price if capital reconstruction occurs.

ASX Listing Rule 7.3	Disclosure
<b>The price or other consideration the entity will receive for the Plan Shares</b>	\$0.09 per Plan Share.
<b>The purpose of the issue and the use (or intended use) of the funds raised</b>	The purpose of the issue of Plan Shares is set out in Sections 17.1, 17.2 and 18.1. The issue price of the Plan Shares will be funded by a limited recourse loan from ReNu Energy to Mr Watson and, accordingly, there will be no net funds raised from the issue of the Plan Shares by ReNu Energy.
<b>Summary of material terms of agreement</b>	ReNu Energy and Mr Watson will enter into a limited recourse loan agreement to fund the issue price of the Plan Shares on the same terms as those set out in Section 17.6(c).
<b>No reverse takeover</b>	The Plan Shares are not being issued under, or to fund, a reverse takeover.
<b>Voting exclusion statement</b>	A voting exclusion applies to this resolution – please see the notes to Resolution 16.

#### 18.7 Directors' Recommendation

The Board unanimously recommend that shareholders vote in favour of Resolution 16.

## Schedule 1 - Definitions

Term	Meaning
<b>15% Placement Capacity</b>	has the meaning given in Section 11.1.
<b>ASIC</b>	means Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ABN 98 008 624 691 or, as the context requires, the securities market operated by ASX Limited.
<b>ASX Listing Rules</b>	means the listing rules of ASX as in force from time to time.
<b>Associate</b>	has the meaning given to that term in the Corporations Act and <b>associated</b> has a corresponding meaning.
<b>Board</b>	means the board of Directors of ReNu Energy from time to time.
<b>Broker Options</b>	means
<b>Business Day</b>	means a day that banks in Brisbane, Queensland, Australia, are open for business.
<b>Call Option Agreement</b>	means the Call Option Agreement (Shares) between the Founders and Susan Mary Oliver AM in respect of ReNu Energy Shares.
<b>CEO</b>	means Chief Executive Officer.
<b>CFO</b>	means Chief Financial Officer.
<b>Combined Group</b>	means ReNu Energy and its subsidiaries (including CRH) following Completion of the Proposed Transaction.
<b>Completion</b>	means completion of the sale and purchase of the shares in CRH under the Share Purchase Agreement.
<b>Consideration Shares</b>	means up to 134,659,520 ReNu Energy Shares to be issued and allotted to the Sellers in accordance with the Share Purchase Agreement and other transaction documents.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) as amended from time to time.
<b>CRH</b>	means Countrywide Renewable Hydrogen Limited ACN
<b>CRH Founders</b>	means Mr Geoffrey Drucker, Ms Inge Drucker and Mr Stephen Nossal in his personal capacity and as trustee for the S&K Nossal Family Trust.
<b>CRH Note</b>	means a convertible note issued by CRH under the Secured Convertible Note Deed Poll between CRH and CoPeak Corporate Pty Ltd ACN 632 277 144 ATF Peak Asset Management Unit Trust dated 18 December 2020.
<b>CRH Noteholder</b>	means each person who from time to time holds CRH Notes or has nominated its professional custodian (on its behalf) to hold CRH Notes
<b>CRH Share</b>	means a fully paid ordinary share in the capital of CRH.
<b>CY21 Bonus Shares</b>	means ReNu Energy Shares to be issued to the current ReNu Energy Directors and CEO in accordance with Resolutions 7 to 10.
<b>Directed Proxy Form</b>	means a proxy form which specifies how the proxy is to vote.

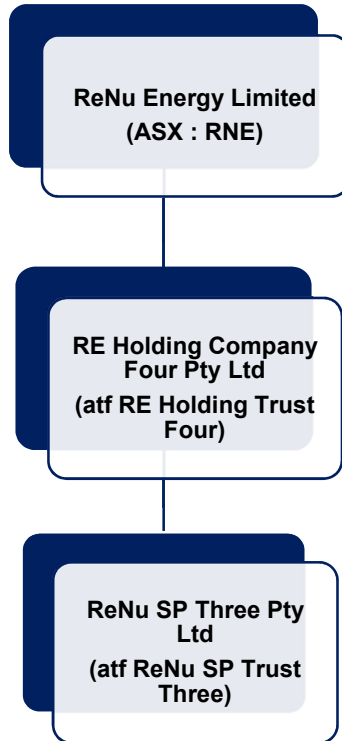
<b>Term</b>	<b>Meaning</b>
<b>Directors</b>	means the directors of ReNu Energy from time to time.
<b>Earliest Vesting Date</b>	means 1 August 2022, being the earliest date on which the Plan Shares issued to the Participants and CEO can vest.
<b>Eligible Shareholder</b>	means ReNu Energy Shareholders who are entitled to participate in the SPP in accordance with the terms and conditions set out in the SPP offer booklet to be sent to ReNu Energy Shareholders.
<b>Enhanced Placement Capacity</b>	has the meaning given in Section 11.1.
<b>Explanatory Memorandum</b>	means the Explanatory Memorandum accompanying the Notice of Meeting.
<b>General Meeting</b>	means the extraordinary general meeting of ReNu Energy Shareholders to be held on 1 February 2022.
<b>Independent Expert</b>	means BDO Corporate Finance Ltd.
<b>Independent Expert's Report</b>	means the report by the Independent Expert set out in Annexure A.
<b>Loan</b>	means has the meaning given in Section 17.1.
<b>Loan Share Plan</b>	means the ReNu Energy Loan Share Plan approved by ReNu Energy Shareholders at the 2017 Annual General Meeting.
<b>Non-Associated Shareholder</b>	means a ReNu Energy Shareholder who is not a Seller or associated with a Seller.
<b>Notice of Meeting</b>	means the notice convening the General Meeting, which accompanies this Explanatory Memorandum.
<b>Peak Asset Management</b>	means Copeak Pty Ltd ACN 607 161 900 or its nominee.
<b>Participant</b>	means the persons listed in Section 17.3.
<b>Placement</b>	means the placement of the Placement Shares and Placement Options to sophisticated, professional and other investors to whom no disclosure is required under the Corporations Act which raised approximately \$2,376,000 (before costs) announced on 6 December 2021.
<b>Placement Options</b>	means 3,960,000 ReNu Energy Options with an exercise price of \$0.07 per option and expiring on 31 December 2023 granted as part of the Placement.
<b>Placement Shares</b>	means 15,840,000 ReNu Energy Shares with an issue price of \$0.09 per share issued as part of the Placement.
<b>Plan Shares</b>	means ReNu Energy Shares to be issued to the Participants and ReNu Energy CEO under the Loan Share Plan (including the provisions allowing Accelerated Vesting, taking security over shares and exempted financial assistance) in accordance with Resolutions 11 to 16.
<b>Proposed Transaction</b>	means the acquisition by ReNu Energy of 100% of the issued capital of CRH in accordance with the Share Purchase Agreement and other transaction documents.

<b>Term</b>	<b>Meaning</b>
<b>Proposed Transaction Assumptions</b>	means the assumptions set out in Section 4.6(a)-(g).
<b>Proxy Form</b>	means the proxy form attached to the Notice of Meeting.
<b>Relevant Interest</b>	has the meaning given to that term in sections 608 and 609 of the Corporations Act.
<b>ReNu Energy</b>	means ReNu Energy Limited ACN .
<b>Share</b>	means a fully paid ordinary share in the capital of ReNu Energy.
<b>Shareholder</b>	means the registered holder of a Share.
<b>Sellers</b>	means each person who has agreed to sell their CRH Shares to ReNu Energy under the Share Purchase Agreement and other transaction documents, including the CRH Founders, CRH Noteholders and Peak Asset Management.
<b>Share Purchase Agreement</b>	means the Share Sale and Purchase Deed between the ReNu Energy, the CRH Founders and others in relation to the acquisition of 100% of the issued capital of CRH, as amended from time to time.
<b>SPP</b>	means the share purchase plan which was announced on ASX by ReNu Energy on 6 December 2021.
<b>SPP Options</b>	means ReNu Energy Options with an exercise price of \$0.07 per option and expiring on 31 December 2023 to be granted as part of the SPP.
<b>SPP Shares</b>	means ReNu Energy Shares with an issue price of \$0.09 per share to be issued as part of the SPP.
<b>Target Price</b>	in relation to Plan Shares, has the meaning given in Sections 17.6(b) and 18.4(b) in respect of those Plan Shares.
<b>VWAP</b>	means volume weighted average price.

### Schedule 2 - Corporate structure before and after Proposed Transaction

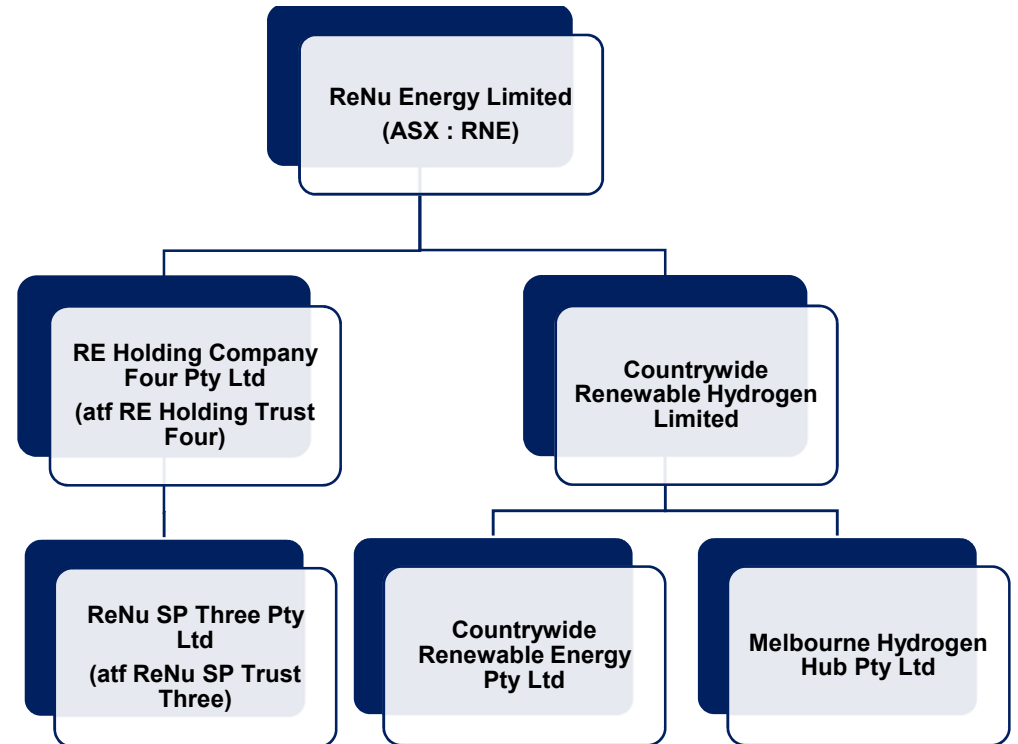
#### 1 Corporate Structure before Proposed Transaction

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#### 2 Corporate Structure after Proposed Transaction

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### Schedule 3 - Terms and conditions of issue (Options)

#### Entitlement

- 1 Subject to and conditional upon any adjustment in accordance with these conditions, each Placement Option, Broker Option and SPP Option (**Option**) entitles the holder to subscribe for one fully paid ordinary share in ReNu Energy (**Share**) upon payment of the Exercise Price.

#### Exercise Price

- 2 The Exercise Price of each Option is \$0.07 (**Exercise Price**).

#### Exercise Period

- 3 An Option is exercisable at any time on or before 5.00pm (Brisbane time) on 31 December 2023 (the **Expiry Date**). Options not exercised by the Expiry Date lapse.

#### Manner of exercise of Options

- 4 Each Option may be exercised by notice in writing addressed to ReNu Energy's registered office. The minimum number of Options that may be exercised at any one time is 100,000 or the balance of any Options held by the Option holder. Payment of the Exercise Price for each Option must accompany each notice of exercise of option. All cheques must be payable to ReNu Energy and be crossed 'not negotiable'.

#### Ranking of Shares

- 5 Shares issued on the exercise of Options will rank equally with all existing Shares on and from the date of issue in respect of all rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of those Shares.

#### Timing of issue of Shares

- 6 After an Option is validly exercised, ReNu Energy must as soon as possible:
  - (a) issue and allot the Share within 10 business days; and
  - (b) do all such acts matters and things to obtain the grant of quotation for the Shares on ASX no later than 10 business days from the date of exercise of the Option.

#### Options transferrable

- 7 Options may be transferred in the same manner as Shares and may be exercised by any other person or body corporate.

#### Participation in new issues

- 8 An Option holder may participate in new issues of securities to holders of Shares only if and to the extent that:
  - (a) an Option has been exercised; and
  - (b) a Share has been issued in respect of the exercise before the record date for determining entitlements to the new issue.

#### Reconstructions

- 9 If there is any reconstruction of the issued share capital of ReNu Energy, the number of Shares to which the Option holder is entitled, and/or the Exercise Price, must be reconstructed in a manner which complies with the ASX Listing Rules (which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders and subject to the provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital), but in all other respects, the terms for the exercise of an Option will remain unchanged.

**Adjustment for bonus issues of Shares**

- 10 If ReNu Energy makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
  - (b) no change will be made to the Exercise Price.

### Schedule 4 - Summary of Loan Share Plan terms

Set out below is a summary of the key terms of the ReNu Energy Loan Share Plan, for which shareholder approval is sought under Resolution 10.

Term	Description
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>• A person is eligible to participate in the Loan Share Plan if he or she is a Director, officer or employee of a group company (<b>Eligible Person</b>).</li> <li>• The Board may at any time make invitations to Eligible Persons to participate in the Loan Share Plan specifying the total number of Plan Shares being offered or the manner for determining that number, the closing date for applications, the issue price, vesting conditions and any other specific terms and conditions of issue (<b>Invitation</b>).</li> </ul>
<b>Plan Shares</b>	<ul style="list-style-type: none"> <li>• Each Plan Share entitles the participant to one fully paid ordinary Share in ReNu Energy.</li> <li>• Unless otherwise specified in an Invitation, Plan Shares issued or transferred to a participant will rank equally with all existing shares from the date of issue or transfer.</li> <li>• Unless the Board resolves otherwise, ReNu Energy will apply for official quotation of Plan Shares issued.</li> </ul>
<b>Loan</b>	<ul style="list-style-type: none"> <li>• ReNu Energy may provide a limited recourse loan to a participant to allow them to fund the full consideration for the Plan Shares (<b>Loan</b>). The terms of the Loan will be set out in a separate loan agreement.</li> <li>• A participant's obligation to repay the Loan will be the lesser of the Loan balance or the market value of the relevant Plan Shares.</li> <li>• ReNu Energy has discretion to waive repayment of all, or part of, the Loan (with or without conditions).</li> <li>• Any after-tax value of cash distributions (including dividends) received in respect of Plan Shares must be applied to repayment of the Loan.</li> <li>• ReNu Energy is permitted to take security over shares in itself where those shares (or rights or interests in them) are acquired by participants under the Loan Share Plan, including in respect of the Plan Shares.</li> <li>• The Loan is permitted financial assistance for the acquisition of shares under an employee share scheme pursuant to section 260C(4) of the Corporations Act, including in respect of the Plan Shares.</li> </ul>
<b>Vesting</b>	<p>The Plan Shares will vest on the satisfaction of any applicable performance condition, service requirement or other conditions specified in an Invitation.</p> <p>The Loan Share Plan also allows the Board, in its discretion to, determine that some or all of the Plan Shares are deemed to have vested in the event a participant's employment ceases (ie Accelerated Vesting).</p>
<b>Change of Control</b>	<p>In the event of a change of control of ReNu Energy, the Board may in its absolute discretion, determine the manner in which any or all of the participant's unvested Plan Shares will be dealt with.</p>
<b>Disposal restrictions</b>	<ul style="list-style-type: none"> <li>• A participant must not dispose of a Plan Share until the Plan Share has vested, the loan balance relating to that Plan Share has been repaid or discharged or any other disposal restrictions set out in the Invitation have expired.</li> <li>• ReNu Energy may implement any procedure it deems appropriate to ensure the compliance by the Participant with the disposal restrictions (ie. may implement a holding lock in respect of the Plan Shares).</li> </ul>

Term	Description
<b>Compulsory divestment</b>	<ul style="list-style-type: none"> <li>Plan Shares may be compulsorily divested in a number of circumstances, including non-satisfaction of vesting conditions, fraudulent or dishonest actions, insolvency, termination of employment, non-repayment of a Loan or any other circumstances expressly set out in an Invitation.</li> <li>Where in the reasonable opinion of the Board, a Plan Share has vested in fraudulent or dishonest circumstances, the Board may take any action to ensure no unfair benefit is obtained by the participant as a result of those circumstances.</li> </ul>
<b>Capital events</b>	<ul style="list-style-type: none"> <li><b>Bonus issues</b> - If ReNu Energy undertakes a pro-rata bonus issue of shares to shareholders and shares are issued to a participant in respect of Plan Shares, those shares are deemed to be Plan Shares for the purposes of the Loan Share Plan, and will be subject to the same vesting conditions as the Plan Shares to which they relate.</li> <li><b>Rights issues</b> – Participants may elect to take up their rights at their cost. However, for so long as there is a loan balance, any proceeds arising from the sale of such rights or disposal of shares issued under the rights issue, must be applied to the loan balance.</li> <li><b>Other variations of capital</b> - If there is a variation of capital, including a capitalisation, sub-division, consolidation or reduction in share capital. The Board may, subject to the Corporations Act and ASX Listing Rules, make such adjustments as it considers appropriate to ensure that the consequences of application are fair as between the participants and other shareholders.</li> </ul>
<b>Administration</b>	<p>The Loan Share Plan is administered by the Board. The Board may make regulations and determine procedures to administer and implement the Loan Share Plan and may also terminate or suspend the operation of the Loan Share Plan at its discretion.</p>
<b>Amendment</b>	<ul style="list-style-type: none"> <li>The Board may at any time amend any rules governing the operation of the Loan Share Plan or waive or modify the application of the rules in relation to any participant.</li> <li>However, the Board may not amend the rules in a way that would decrease a participant's rights in respect of Shares acquired by them, other than amendments required to comply or conform to legislation or listing rules, to correct any manifest error or mistake or to take into account any possible adverse tax implications.</li> </ul>
<b>Termination</b>	<p>The Loan Share Plan may be terminated or suspended at any time by a resolution of the Board, provided the termination or suspension does not materially adversely affect the rights of persons holding shares or options issued under the plan at that time.</p>
<b>Other terms and conditions</b>	<p>The Loan Share Plan contains other customary terms and conditions relating to the operation and administration of the Loan Share Plan.</p>

**Annexure A - Independent Expert's Report**

See attached



## RENU ENERGY LIMITED

Independent Expert's Report and Financial Services Guide  
Opinion: The Proposed Transaction is Fair and Reasonable

17 DECEMBER 2021

## FINANCIAL SERVICES GUIDE

Dated: 17 December 2021

The Financial Services Guide ('FSG') is provided to comply with the legal requirements imposed by the Corporations Act 2001 and includes important information regarding the general financial product advice contained in this report ('this Report'). The FSG also includes general information about BDO Corporate Finance Ltd ABN 54 010 185 725, Australian Financial Services Licence No. 245513 ('BDOCF' or 'we', 'us' or 'our'), including the financial services we are authorised to provide, our remuneration and our dispute resolution.

BDOCF holds an Australian Financial Services Licence to provide the following services:

- a) Financial product advice in relation to deposit and payment products (limited to basic deposit products and deposit products other than basic deposit products), securities, and interests in managed investment schemes excluding investor directed portfolio services; and
- b) Arranging to deal in financial products in relation to securities; and
- c) Applying for, acquiring, varying or disposing of a financial product in relation to interests in managed investment schemes excluding investor directed portfolio services, and securities.

### *General Financial Product Advice*

This Report sets out what is described as general financial product advice. This Report does not consider personal objectives, individual financial position or needs and therefore does not represent personal financial product advice. Consequently, any person using this Report must consider their own objectives, financial situation and needs. They may wish to obtain professional advice to assist in this assessment.

### *The Assignment*

BDOCF has been engaged to provide general financial product advice in the form of a report in relation to a financial product. Specifically, BDOCF has been engaged to provide an independent expert's report to the shareholders of ReNu Energy Limited ('ReNu' or 'the Company') in relation to the proposed acquisition of 100% of Countrywide Renewable Hydrogen Limited ('Countrywide') via the issue of approximately 135 million ReNu ordinary shares ('the Proposed Transaction'). Upon completion of the Proposed Transaction, Countrywide's founding shareholders' will increase their relevant interest in ReNu's undiluted share capital from 0% to 34.0% and Countrywide's convertible noteholders will increase their interest by 10.5%.

Further details of the Proposed Transaction are set out in Section 4. The scope of this Report is set out in detail in Section 3.3. This Report provides an opinion on whether or not the Proposed Transaction is 'fair and reasonable' to the ordinary shareholders ('the Shareholders') and has been prepared to provide information to the Shareholders to assist them to make an informed decision on whether to vote in favour of or against the Proposed Transaction. Other important information relating to this Report is set out in more detail in Section 3.

This Report cannot be relied upon for any purpose other than the purpose mentioned above and cannot be relied upon by any person or entity other than those mentioned above, unless we have provided our express consent in writing to do so. A shareholder's decision to vote in favour of or against the Proposed Transaction is likely to be influenced by their particular circumstances, for example, their taxation considerations and risk profile. Each shareholder should obtain their own professional advice in relation to their own circumstances.

### *Fees, Commissions and Other Benefits we may Receive*

We charge a fee for providing reports. The fees are negotiated with the party who engages us to provide a report. We estimate the fee for the preparation of this Report will be approximately \$90,000 plus GST. Fees are usually charged as a fixed amount or on an hourly basis depending on the terms of the agreement with the engaging party. Our fees for this Report are not contingent on the outcome of the Proposed Transaction.

Except for the fees referred to above, neither BDOCF, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of this Report.

Directors of BDOCF may receive a share in the profits of BDO Group Holdings Limited, a parent entity of BDOCF. All directors and employees of BDO Group Holdings Limited and its subsidiaries (including BDOCF) are entitled to receive a salary. Where a director of BDOCF is a shareholder of BDO Group Holdings Limited, the person is entitled to share in the profits of BDO Group Holdings Limited.

### *Associations and relationships*

From time to time BDOCF or its related entities may provide professional services to issuers of financial products in the ordinary course of its business. These services may include audit, tax and business advisory services. While BDOCF has not provided any professional services to ReNu or Countrywide in the last two years, we note that related entities have provided professional services. Specifically, we note BDO Services Pty Ltd provides tax compliance services to Countrywide and BDO Audit Pty Ltd is the external auditor of both ReNu and Countrywide.

The signatories to this Report do not hold any shares in ReNu and no such shares have ever been held by the signatories.

To prepare our reports, including this Report, we may use researched information provided by research facilities to which we subscribe or which are publicly available. Reference has been made to the sources of information in this Report, where applicable. Research fees are not included in the fee details provided in this Report.

#### *Complaints Resolution*

##### ► Internal Complaints Resolution Process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. Complaints can be in writing, addressed to the Complaints Officer, BDO Corporate Finance Ltd, GPO Box 457, Brisbane QLD 4001 or by telephone or email, using the details at the end of this FSG.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 24 hours (or one business day) or, if that timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

#### *Referral to External Dispute Resolution Scheme*

If a complaint is made and the complainant is dissatisfied with the outcome of the above process, or our determination, the complainant has the right to refer the matter to the Australian Financial Complaints Authority Limited ('AFCA'). AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

BDO Corporate Finance is a member of AFCA (Member Number 10236).

Further details about AFCA are available at the AFCA website [www.afca.org.au](http://www.afca.org.au) or by contacting them directly via the details set out below.

Australian Financial Complaints Authority Limited  
GPO Box 3  
Melbourne VIC 3001  
Toll free: 1800 931 678  
Email: [info@afca.org](mailto:info@afca.org)

#### *Compensation Arrangements*

BDOCF and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDOCF or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDOCF satisfy the requirements of section 912B of the Corporations Act 2001.

#### *Contact Details*

BDO Corporate Finance Ltd

Location Address:	Postal Address:
Level 10 12 Creek Street BRISBANE QLD 4000	GPO Box 457 BRISBANE QLD 4001
Phone: (07) 3237 5999	Email: <a href="mailto:cf.brisbane@bdo.com.au">cf.brisbane@bdo.com.au</a>
Fax: (07) 3221 9227	

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## GLOSSARY

Reference	Definition
\$	Australian dollars
ABV	Asset-based valuation
AFGA	Australian Financial Complaints Authority Limited
AGM	Annual general meeting
Allegro	Allegro Energy Pty Ltd
APES 225	Accounting Professional and Ethical Standards Board professional standard APES 225 <i>Valuation Services</i>
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
BDO Persons	The partners, directors, agents or associates of BDO
BDOCF	BDO Corporate Finance Ltd
Board, the	The board of directors of the Company
CAPM	Capital asset pricing model
CME	Capitalisation of Maintainable Earnings
Combined Entity	The Entity which exists after the Proposed Transaction has been completed
Company, the	ReNu Energy Limited
Corporations Act, the	The Corporations Act 2001
Countrywide	Countrywide Renewable Hydrogen Limited
DCF	Discounted cash flow
Directors, the	The Directors of the Company
EaaS	Energy as a Service
EAC	Energy Attributes Certificates
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
Enosi	Enosi Australia Pty Ltd
EV	Enterprise value
FiT	Feed-in tariff
FSG	Financial Services Guide
FY18	The financial year or 12-month period ended on 30 June 2018
FY19	The financial year or 12-month period ended on 30 June 2019
FY20	The financial year or 12-month period ended on 30 June 2020
FY21	The financial year or 12-month period ended on 30 June 2021
HOA	Heads of Agreement
HPP	The Hydrogen Portland Project
HTP	The Hydrogen Tasmania Project
MBV	Market-based valuation
Meeting, the	General meeting to be held on or around 1 February 2022
MoU	Memorandum of Understanding
MHH	The Melbourne Hydrogen Hub
Notice of Meeting, the	The Notice of Meeting and Explanatory memorandum dated 24 December 2021 prepared by ReNu
NPAT	Net profit after tax
NPV	Net present value

Reference	Definition
Proposed Transaction, the	The acquisition of 100% of Countrywide Renewable Hydrogen Limited via the issue of approximately 135 million ReNu ordinary shares
Regulations, the	The Corporation Regulations 2001
ReNu	ReNu Energy Limited
Report, this	This independent expert's report prepared by BDOCF and dated 17 December 2021
RET	Australian Government's Renewable Energy Target
RG 111	Regulatory Guide 111: <i>Content of Expert Report</i> , issued by ASIC
RGs	Regulatory guides published by ASIC
Shareholders, the	The holders of fully paid ordinary shares in the Company
Share Sale and Purchase Deed	The purchase agreement between Countrywide Renewable Hydrogen Limited and ReNu Energy Limited
SPV	Special purpose vehicle
SOP	Sum-of-parts
Uniflow	Uniflow Power Ltd
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
We, us, our	BDO Corporate Finance Ltd

# PART I: ASSESSMENT OF THE PROPOSED TRANSACTION

The Shareholders  
C/- The Directors  
ReNu Energy Limited  
Level 2, 52 McDougall Street  
Milton QLD 4064

17 December 2021

Dear Shareholders,

## 1.0 Introduction

BDO Corporate Finance Ltd ('BDOCF', 'we', 'us' or 'our') has been engaged to provide an independent expert's report ('this Report') to the shareholders ('the Shareholders') of ReNu Energy Limited ('ReNu' or 'the Company') in relation to the proposed acquisition of Countrywide Renewable Hydrogen Limited ('Countrywide') ('the Proposed Transaction').

On 10 November 2021, ReNu announced the signing of a share purchase agreement with the founders and shareholders of Countrywide. Specifically, the share purchase agreement related to the proposed acquisition of 100% of Countrywide through the issue of 134,659,520 fully paid ordinary shares as follows:

- ▶ Countrywide founders - comprising Mr Geoffrey Drucker (Managing Director), Mr Stephen Nossal (Finance and Projects Director) and Ms Inge Drucker (Operations Director). The Countrywide founders will be issued approximately 99.8 million shares which equates to a relevant interest of 34.0% in the undiluted share capital of the post-merger entity ('the Combined Entity');
- ▶ Countrywide noteholders - comprising 42 holders of Countrywide convertible notes who have each agreed to convert into Countrywide shares immediately before completion. The Countrywide convertible note holders will be issued approximately 30.9 million shares which equates to a relevant interest of 10.5% in the undiluted share capital of the Combined Entity; and
- ▶ Peak Asset Management - in consideration for corporate advisory and broker fees payable by Countrywide to Peak Asset Management. Peak Asset Management will be issued approximately 3.9 million shares which equates to a relevant interest of 1.3% in the undiluted share capital of the Combined Entity.

In aggregate, the shares to be issued under the Proposed Transaction will equate to 45.8% of the undiluted share capital of the Combined Entity.

A more detailed description of the Proposed Transaction is set out in Section 4.

This Report is prepared pursuant to item 7 of section 611 of the Corporations Act 2001 Cth ('the Corporations Act') and is to be included in the Notice of Meeting and Explanatory Memorandum dated 24 December 2021 ('Notice of Meeting') prepared by ReNu in order to assist the Shareholders to form a view on whether to vote in favour of or against the Proposed Transaction.

In this Report, BDOCF has expressed an opinion as to whether or not the Proposed Transaction is 'fair and reasonable' to the Shareholders. This Report has been prepared solely for use by the Shareholders to provide them with information relating to the Proposed Transaction. The scope and purpose of this Report are detailed in Sections 3.3 and 3.4 respectively.

This Report, including Part I and Part II, should be read in full along with all other documentation provided to the Shareholders including the Notice of Meeting in relation to the general meeting to be held on or around 1 February 2022 ('the Meeting').

## 2.0 Assessment of the Proposed Transaction

This section is set out as follows:

- ▶ Section 2.1 sets out the methodology for our assessment of the Proposed Transaction;
- ▶ Section 2.2 sets out our assessment of the fairness of the Proposed Transaction;
- ▶ Section 2.3 sets out our assessment of the reasonableness of the Proposed Transaction; and
- ▶ Section 2.4 provides our assessment of whether the Proposed Transaction is fair and reasonable to the Shareholders.

### 2.1 Basis of Evaluation

ASIC have issued Regulatory Guide 111: *Content of Expert Reports* ('RG 111'), which provides guidance in relation to independent expert's reports. RG 111 relates to the provision of independent expert's reports in a range of circumstances, including those where the expert is required to provide an opinion in relation to a takeover transaction. RG 111 states that the independent expert's report should explain the particulars of how the transaction was examined and evaluated as well as the results of the examination and evaluation.

Under RG 111, a transaction will be considered 'fair' if the value of the consideration to be received by the shareholders is equal to or greater than the value of the shares that are the subject of the transaction. To assess whether a transaction is 'reasonable', an expert should examine other significant factors to which shareholders may give consideration prior to accepting or approving the transaction. This includes comparing the likely advantages and disadvantages if the transaction is approved with the position of the shareholders if the transaction is not approved.

RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept an offer in the absence of a higher bid. Our assessment concludes by providing our opinion as to whether or not the Proposed Transaction is 'fair and reasonable'. While all relevant issues need to be considered before drawing an overall conclusion, we will assess the fairness and reasonableness issues separately for clarity.

We have assessed the fairness and reasonableness of the Proposed Transaction in Sections 2.2 and 2.3 below and provide an opinion on whether the Proposed Transaction is 'fair and reasonable' to the Shareholders in Section 2.4 below.

### 2.2 Assessment of Fairness

#### 2.2.1 Basis of Assessment

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject to the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

Under RG 111.30, if the bidder is offering non-cash consideration in a control transaction, the expert should examine the value of that consideration and compare it with the valuation of the target's securities, whether the transaction is effected by a takeover bid, a scheme of arrangement or an issue of shares.

Under RG 111.31, the comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale. This comparison reflects the fact that:

- a) the acquirer is obtaining or increasing control of the target; and
- b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.

However, the expert may need to assess whether a scrip takeover is in effect a merger of entities of equivalent value when control of the merged entity will be shared equally between the 'bidder' and the 'target'. In this case, the expert may be justified in using an equivalent approach to valuing the securities of the 'bidder' and the 'target'.

In the circumstances of the Proposed Transaction, we note:

- ▶ Countrywide's founding shareholders' will increase their relevant interest in ReNu's undiluted share capital from 0% to 34.0% and Countrywide's convertible noteholders will increase their interest by 10.5%;
- ▶ Following the Proposed Transaction, it is our understanding that the Countrywide founders in aggregate will no longer be considered associates. Rather, Geoffrey and Inge Drucker will continue to be associates with a relevant interest in 23.5% of ReNu's undiluted share capital while Stephen Nossal will have a relevant interest of 10.5% of ReNu's undiluted share capital;
- ▶ The Proposed Transaction has been structured as an acquisition by ReNu that aligns with ReNu's renewable and clean energy incubator/accelerator strategy to take strategic stakes in and nurture renewable energy technologies and projects. There is no intention for the Proposed Transaction to deliver a control premium to the shareholders of either ReNu or Countrywide;

- ▶ The consideration under the Proposed Transaction comprises scrip only and the Countrywide founders have agreed to a voluntary escrow of 100% of their ReNu shares for 12 months from issue date, 75% of their ReNu shares for 18 months from issue date and 50% of their ReNu shares for 24 months from issue date;
- ▶ ReNu's Chief Executive Officer, Greg Watson, will continue in this role following the Proposed Transaction; and
- ▶ The three existing ReNu directors will comprise the majority of the Board following the Proposed Transaction (they will be joined by two directors appointed by Countrywide).

In our view, having regard to the above points, it is appropriate to assess the Proposed Transaction as a merger of entities of equivalent value. Our assessment of the fairness of the Proposed Transaction to the Shareholders is as follows:

- Determine the value of a ReNu share on a minority interest basis prior to the Proposed Transaction;
- Determine the value of a share in the post-transaction entity ('the Combined Entity') on a minority interest basis; and
- Compare the value determined in a) above with the value of b) to determine if the Proposed Transaction is fair.

In accordance with the requirements of RG 111, the Proposed Transaction can be considered 'fair' to the Shareholders if the value determined in b) above is equal to or greater than the value determined in a) above.

#### 2.2.2 Value of a ReNu Share Prior to the Proposed Transaction

In our view, for the purposes of the analysis set out in this Report, it is appropriate to adopt a value in the range of \$0.026 to \$0.075 per ReNu share. In forming this view, we considered:

- ▶ Our Sum-of-Parts ('SOP') approach to value the net assets of ReNu. This provided a value of a ReNu share of approximately \$0.026 per share (refer Section 10.2.5) on a controlling interest basis. We believe that the SOP is relevant to our valuation range and have incorporated it at the lower end; and
- ▶ Our adopted Market-Based Valuation ('MBV') methodology of a ReNu share is within the range of \$0.05 to \$0.075 per share (refer Section 10.3.3) on a minority interest basis. We believe that the MBV is relevant to our valuation range and, in determining a high end of our valuation range, have placed more weight on the three month VWAP and capital raising price.

The valuation range adopted above is a relatively wide range. It is our view that it is appropriate to adopt a relatively wide range having regard to the relatively early stage of development of ReNu's portfolio of investments and the premium that the market is currently applying to ReNu above its SOP value.

Given the reliance on the MBV methodology, we consider our valuation range to be reflective of a minority interest in ReNu. For completeness, we note that we consider that any control premium applied to our valuation range for a controlling interest would be minimal (e.g. we consider the SOP valuation methodology to be reflective of a controlling interest and the MBV exceeds the SOP valuation methodology).

Our valuation of ReNu is set out in Section 8.

#### 2.2.3 Value of a Share in the Combined Entity Post the Proposed Transaction on a Minority Interest Basis

In our view, for the purposes of the analysis set out in this Report, it is appropriate to adopt a value in the range of \$0.080 to \$0.110 per share in the Combined Entity post the Proposed Transaction on a minority interest basis. This view is based on our MBV for the period post the announcement of the Proposed Transaction. While the range is wide, we consider that greater weighting should be placed on the lower end of the MBV range as this is reflective of the capital raisings completed by ReNu post the announcement of the Proposed Transaction and the share trading of ReNu following the announcement of these capital raisings.

To provide additional information to the Shareholders, we completed an analysis in Section 11.3 of the implied value of Countrywide based on our SOP value of ReNu prior to the Proposed Transaction.

Our valuation of a share in the Combined Entity post the Proposed Transaction is set out in Section 11 of this Report.

#### 2.2.4 Assessment of the Fairness of the Proposed Transaction

In order to assess the fairness of the Proposed Transaction, it is appropriate to compare the value of a ReNu share prior to the Proposed Transaction with the value of a share in the Combined Entity after the Proposed Transaction. Pursuant to RG 111, the Proposed Transaction is considered to be fair if the value of the share in the Combined Entity consideration is equal to or greater than the value of per ReNu share prior to the Proposed Transaction.

Table 2.1 below summarises our assessment of the fairness of the Proposed Transaction.

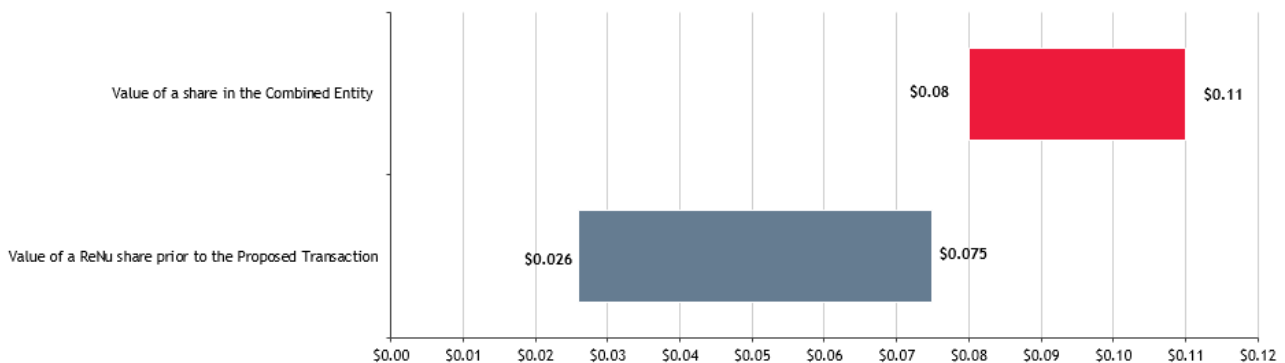
**Table 2.1: Assessment of the Fairness of the Proposed Transaction**

	Low (\$)	High (\$)
Value of a ReNu share prior to the Proposed Transaction	\$0.026	\$0.075
Value of a share in the Combined Entity	\$0.08	\$0.11

Source: BDOCF Analysis

Figure 2.1 summarises our assessment of the fairness of the Proposed Transaction, setting out a graphical comparison of our valuation of a ReNu share prior to the Proposed Transaction and our valuation of a share in the Combined Entity.

**Figure 2.1: Fairness of the Proposed Transaction**



Source: BDOCF analysis

With reference to Table 2.1 and Figure 2.1, we note that the value of a share in the Combined Entity exceeds our value range of a ReNu share prior to the Proposed Transaction. We reiterate our view that we consider the lower end of the Combined Entity valuation range more relevant as this is reflective of the capital raisings completed by ReNu post the announcement of the Proposed Transaction and the share trading of ReNu following the announcement of these capital raisings.

After considering the information summarised above and set out in detail in the balance of this Report, it is our view that, in the absence of any other information, the Proposed Transaction is Fair to the Shareholders as at the date of this Report.

## 2.3 Assessment of Reasonableness

### 2.3.1 Basis of Assessment

Under RG 111, a transaction is considered reasonable if it is fair. It may also be reasonable, despite not being fair, if after considering other significant factors the interests of the shareholders are reasonably balanced.

In addition to our fairness assessment set out in Section 2.2 above, to assess whether the Proposed Transaction is 'reasonable' we consider it appropriate to examine other significant factors to which the Shareholders may give consideration prior to forming a view on whether to vote in favour of or against the Proposed Transaction. This includes comparing the likely advantages and disadvantages of approving the Proposed Transaction with the position of a Shareholder if the Proposed Transaction is not approved, as well as a consideration of other significant factors.

Our assessment of the reasonableness of the Proposed Transaction is set out as follows:

- ▶ Section 2.3.2 sets out the potential advantages of the Proposed Transaction to the Shareholders;
- ▶ Section 2.3.3 sets out the potential disadvantages of the Proposed Transaction to the Shareholders;
- ▶ Section 2.3.4 sets out the position of the Shareholders if the Proposed Transaction is not approved; and
- ▶ Section 2.3.5 provides our opinion on the reasonableness of the Proposed Transaction to the Shareholders.

### 2.3.2 Advantages of the Proposed Transaction

Table 2.2 below outlines the potential advantages of the Proposed Transaction.

**Table 2.2: Potential Advantages of the Proposed Transaction**

Advantage	Explanation
The Proposed Transaction is fair	As set out in Section 2.2 above, the Proposed Transaction is fair to the Shareholders as at the date of this Report. RG 111 states that an offer is reasonable if it is fair.
Exposure to the green hydrogen industry	The Proposed Transaction provides ReNu with access to the green hydrogen industry through three Australian onshore green hydrogen opportunities, which will diversify ReNu's renewable energy portfolio. The transaction also introduces a pipeline of early-stage opportunities in Canada and the USA.
Transaction involves scrip consideration	The Proposed Transaction involves scrip issuance to Countrywide shareholders allowing ReNu to maintain their cash reserves.
A superior opportunity has not emerged	The Directors have advised that a large range of opportunities have been considered, however they consider the Proposed Transaction is the most advantageous.
Board and senior management	The Proposed Transaction will result in two experienced Countrywide Directors being appointed to the ReNu Board of Directors, namely Susan Oliver and Geoffrey Drucker. Both have extensive experience and are well regarded within the renewable energy industry having previous dealings with prospective investors, suppliers and government officials. Further information on Susan's and Geoffrey's qualifications and experience is provided in Section 6.1.2.
Larger market capitalisation and potentially higher liquidity on the ASX	<p>Based on our MBV prior to the Proposed Transaction in the range of \$0.050 to \$0.075 and assuming 159 million shares on issue, ReNu would have a market capitalisation in the range of \$8.0 million to \$11.9 million.</p> <p>If the Proposed Transaction is approved and implemented, the Combined Entity will have a market capitalisation of between \$23.5 million and \$32.3 million (calculated assuming 294 million shares on issue with a share price of between \$0.080 and \$0.11 based on our valuation of the Combined Entity set out in Section 11.2 of this Report. This is a significantly higher market capitalisation than ReNu prior to the Proposed Transaction which may lead to greater market awareness and higher liquidity in the Combined Entity's shares.</p> <p>For completeness, we note that Countrywide's founders will hold 34.0% of the shares in the Combined Entity on an undiluted basis which may limit some of the potential liquidity increases.</p>

Source: BDOCF analysis

### 2.3.3 Disadvantages of the Proposed Transaction

Table 2.3 below outlines the potential disadvantages of the Proposed Transaction.

**Table 2.3: Potential Disadvantages of the Proposed Transaction**

Disadvantage	Explanation
Dilution of existing Shareholders' interests	<p>The issue of shares to Countrywide Shareholders as part of the Proposed Transaction will have a dilutive effect on the current interests of ReNu Shareholders.</p> <p>If the proposed transaction is approved and implemented, Countrywide's founding shareholders' will increase their relevant interest in ReNu's undiluted share capital from 0% to 34.0% and Countrywide's convertible noteholders will increase their interest by 10.5%. As a result, ReNu shareholders will be diluted.</p> <p>Following the completion of the transaction, Countrywide's three founding partners will become the largest shareholders of ReNu (a combined interest of 34.0% on an undiluted basis) and have a significant influence including the ability to block special resolutions.</p>
Any future takeover offer may require support of Countrywide founders	As noted directly above, if the Proposed Transaction is approved and implemented, Countrywide founders will hold approximately 34.0% of the shares outstanding in the Combined Entity. For any future transaction to progress, Countrywide shareholders may be required to vote in favour.
Shareholders unlikely to receive dividends in the short term	Countrywide's operations have not demonstrated a track record of generating sustainable earnings and there is no guarantee that the Combined Entity will be able to generate sustainable earnings going forward. The prospect of ReNu shareholders receiving dividends from Countrywide's assets in the near term is unlikely, and in the medium to long term highly uncertain. For completeness we note that this dividend uncertainty will be unchanged from ReNu's current investments.

Disadvantage	Explanation
There is a change in the scale of ReNu's business	<p>ReNu is currently invested in battery and energy storage, clean energy tracing and small-scale biomass generator technologies. If the Proposed Transaction is approved and implemented, the Combined Entity will operate with a focus on the production of hydrogen. This change to the scale of the activities of ReNu may not be consistent with existing ReNu shareholders' investment objectives.</p> <p>For completeness we note that if the Proposed Transaction does not proceed, ReNu is seeking to diversify its business activities beyond its existing portfolio.</p>
Investment in the Combined Entity is speculative	<p>We consider an investment in the Combined Entity to be speculative. In particular, we note the value implied for Countrywide's net assets is in the range of \$10.8 to \$14.8 million based on our valuation of the Combined Entity (calculated as the 134.7 million consideration shares multiplied by our valuation range for the Combined Entity of \$0.08 to \$0.11). While this value may reflect current enthusiasm and speculation in relation to the potential for hydrogen production, it is not yet able to be supported by a track record of generating revenue and sustainable earnings.</p> <p>ReNu shareholders should consider that there is a risk that the share price may move materially before they are able to sell and realise the proceeds of their shares in the Combined Entity.</p>

Source: BDOCF analysis

#### 2.3.4 Position of the Shareholders if the Proposed Transaction is Not Approved

Table 2.6 below outlines the potential position of individual ReNu shareholders if the Proposed Transaction is not approved.

**Table 2.6: Position of Shareholders if the Proposed Transaction is Not Approved**

Position of Shareholders	Explanation
Countrywide will not be acquired and ReNu will not have any exposure to Countrywide's assets	If the Proposed Transaction is not approved, Countrywide will not be acquired by ReNu. The Shareholders will continue to be exposed to the risks and opportunities associated with ReNu's existing portfolio of assets and will have no exposure to Countrywide's projects.
Share price may drop to pre-transaction levels	If the Proposed Transaction does not proceed, the price of ReNu shares may decrease relative to recent trading prices. As outlined in Section 5.5, the 1-month VWAP prior to the announcement of the Proposed Transaction was \$0.0638 whereas the 1-month VWAP after the announcement was \$0.1135.
An alternative investment target may need to be found	If the Proposed Transaction is not implemented, ReNu management will need to identify alternative investments.
Non-recoverable costs	ReNu will incur costs in relation to the Proposed Transaction irrespective of whether or not it is approved. ReNu will not be able to recover the costs that it has incurred in relation to the Proposed Transaction in the event that the Proposed Transaction is not approved.

Source: BDOCF analysis

#### 2.3.5 Assessment of the Reasonableness of the Proposed Transaction

In our opinion, after considering all of the issues set out in this Report, it is our view that, in the absence of any other information, the Proposed Transaction is **Reasonable** to the Shareholders as at the date of this Report.

### 2.4 Opinion

After considering the above assessments, it is our view that, in the absence of any other information, the Proposed Transaction is **Fair and Reasonable** as at the date of this Report.

Before forming a view on whether to vote in favour of or against the Proposed Transaction, Shareholders must:

- ▶ Have regard to the information set out in the balance of this Report, including the Important Information set out in Section 3.0;
- ▶ Consult their own professional advisers; and
- ▶ Consider their specific circumstances.

The decision to vote in favour of or against the Proposed Transaction is a separate decision to the investment decision to hold or divest shares in the Combined Entity in the event the Proposed Transaction is approved. We recommend shareholders consult their own professional advisers in relation to the decision on whether to hold or divest shares in the Combined Entity.

## 3.0 Important Information

### 3.1 Read this Report, and Other Documentation, in Full

This Report, including Part I and Part II, should be read in full to obtain a comprehensive understanding of the purpose, scope, basis of evaluation, limitations, information relied upon, analysis, assumptions underpinning our work and our findings.

Other information provided to the Shareholders in conjunction with this Report should also be read in full, including the Notice of Meeting.

### 3.2 Shareholders' Individual Circumstances

Our analysis has been completed and our conclusions expressed at an aggregate level having regard to the Shareholders as a whole. BDOCF has not considered the impact of the Proposed Transaction on the particular circumstances of individual Shareholders. Individual Shareholders may place a different emphasis on certain elements of the Proposed Transaction relative to the emphasis placed in this Report. Accordingly, individual Shareholders may reach different conclusions as to whether or not the Proposed Transaction is fair and reasonable in their individual circumstances.

The decision of an individual Shareholder to vote in favour of or against the Proposed Transaction is likely to be influenced by their particular circumstances and accordingly, the Shareholders are advised to consider their own circumstances and seek their own independent advice.

Voting in favour of or against the Proposed Transaction is a matter for individual Shareholders based on their expectations as to the expected value, future prospects and market conditions together with their particular circumstances, including risk profile, liquidity preference, portfolio strategy and tax position. The Shareholders should carefully consider the Notice of Meeting. Shareholders who are in doubt as to the action they should take in relation to the Proposed Transaction should consult their professional adviser.

With respect to the taxation implications of the Proposed Transaction, it is strongly recommended that the Shareholders obtain their own taxation advice, tailored to their own particular circumstances.

### 3.3 Scope

In this Report we provide our opinion on whether the Proposed Transaction is fair and reasonable to the Shareholders.

This Report has been prepared at the request of the Directors for the sole benefit of the Shareholders entitled to vote to assist them in their decision to vote in favour of or against the Proposed Transaction. This Report is to accompany the Notice of Meeting to be sent to the Shareholders to consider the Proposed Transaction and was not prepared for any other purpose. Accordingly, this Report and the information contained herein may not be relied upon by anyone other than the Directors and the Shareholders without our written consent. We accept no responsibility to any person other than the Directors and the Shareholders in relation to this Report.

This Report should not be used for any other purpose and we do not accept any responsibility for its use outside this purpose. Except in accordance with the stated purpose, no extract, quote or copy of this Report, in whole or in part, should be reproduced without our written consent, as to the form and context in which it may appear.

We have consented to the inclusion of this Report with the Notice of Meeting. Apart from this Report, we are not responsible for the contents of the Notice of Meeting or any other document associated with the Proposed Transaction. We acknowledge that this Report may be lodged with regulatory authorities to obtain the relevant approvals prior to it being made available to the Shareholders.

The scope of procedures we have undertaken has been limited to those procedures required in order to form our opinion. Our procedures did not include verification work nor constitute an audit or assurance engagement in accordance with Australian Auditing and Assurance Standards. In preparing this Report we considered a range of matters, including the necessary legal requirements and guidance of the Corporations Act, ASIC regulatory guides, the listing requirements of the relevant exchanges (where relevant) and commercial practice.

In forming our opinion, we have made certain assumptions and outline these in this Report including:

- ▶ We have performed our analysis on the basis that the conditions precedent to the Proposed Transaction are satisfied;
- ▶ That matters such as title to all relevant assets, compliance with laws and regulations and contracts in place are in good standing, and will remain so, and that there are no material legal proceedings, other than as publicly disclosed;
- ▶ All information which is material to the Shareholders' decision on the Proposed Transaction has been provided and is complete, accurate and fairly presented in all material respects;
- ▶ ASX announcements and other publicly available information relied on by us are accurate, complete and not misleading;
- ▶ If the Proposed Transaction is approved, that it will be implemented in accordance with the stated terms;

- ▶ The legal mechanism to implement the Proposed Transaction is correct and effective;
- ▶ There are no undue changes to the terms and conditions of the Proposed Transaction or complex issues unknown to us; and
- ▶ Other assumptions, as outlined in this Report.

In this Report we have not provided any taxation, legal or other advice of a similar nature in relation to the Proposed Transaction. ReNu has engaged other advisors in relation to those matters.

ReNu has acknowledged that the Company's engagement of BDOCF is as an independent contractor and not in any other capacity, including a fiduciary capacity.

The statements and opinions contained in this Report are given in good faith and are based upon our consideration and assessment of the information provided by the Board, executives and management of all the entities.

### 3.4 Purpose of this Report

An independent expert, in certain circumstances, must be appointed to meet the requirements set out in the Corporations Act, the Regulations, RGs and in some cases the listing requirements of the relevant exchanges. These requirements have been set out in Sections 3.4.1 and 3.4.2 below.

#### 3.4.1 Requirements of the Corporations Act

Section 606 of the Corporations Act states that, subject to the exceptions set out in section 611, a 'relevant interest' in issued voting shares in a listed company cannot be increased from 20% or below to more than 20%, or increasing from a starting point that is above 20% and below 90%. A 'relevant interest' is broadly defined as an interest giving the holder the power to control the right to vote or dispose of shares.

If the Proposed Transaction is approved, the founders of Countrywide, who are associates, will obtain a relevant interest in approximately 99.8 million ReNu shares, which equates to approximately 34.0% of ReNu's undiluted share capital. In these circumstances, an exemption from section 606 must be sought under item 7 of section 611 of the Corporations Act.

Item 7 of section 611 allows a party to gain a relevant interest in shares of a public company that would otherwise be prohibited under subsection 606(2) of the Corporations Act if the Proposed Transaction is approved in advance by a resolution passed at a general meeting of the company, and:

- ▶ No votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares; and
- ▶ There was full disclosure of all information known by both the party proposing to make the acquisition, their associates and the company in relation to the transaction which was material to a decision on how to vote on the resolution.

ASIC RG 74: *Acquisitions Approved by Members* states that the obligation to supply shareholders with all material information can be satisfied by the non-associated directors of ReNu by either:

- ▶ Undertaking a detailed examination of the Proposed Transaction themselves, if they consider that they have sufficient expertise; or
- ▶ Commissioning an independent expert's report.

We have been requested to prepare this independent expert's report to provide additional information to the Shareholders to assist them to form a view on whether to vote in favour of or against the Proposed Transaction.

#### 3.4.2 Listing Requirements

We have been instructed that ReNu will not be using this Report or our assessment of the Proposed Transaction for the purpose of complying with the listing requirements of the ASX or any other stock exchange.

### 3.5 Current Market Conditions

Our opinion and the analysis set out in this Report is based on economic, commodity, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time and may have a material impact on the results presented in this Report and result in any valuation or other opinion becoming quickly outdated and in need of revision.

In circumstances where we become aware of and believe that a change in these conditions, prior to the Meeting, results in a material statement in this Report becoming misleading, deceptive or resulting in a material change in valuation, we will provide supplementary disclosure to ReNu. BDOCF is not responsible for updating this Report following the Meeting or in the event that a change in prevailing circumstance does not meet the above conditions.

### 3.6 Reliance on Information

ReNu recognises and confirms that, in preparing this Report, except to the extent to which it is unreasonable to do so, BDOCF, BDO Services Pty Ltd or any of the partners, directors, agents or associates (together 'BDO Persons'), will be using and relying on publicly available information and on data, material and other information furnished to BDO Persons by ReNu, its management, and other parties, and may assume and rely upon the accuracy and completeness of, and is not assuming any responsibility for independent verification of, such publicly available information and the other information so furnished.

Unless the information we are provided suggests the contrary, we have assumed that the information provided was reliable, complete and not misleading, and material facts were not withheld. The information provided was evaluated through analysis and inquiry for the purpose of forming an opinion as to whether or not the Proposed Transaction is fair and reasonable.

We do not warrant that our inquiries have identified or verified all of the matters which an audit, extensive examination or due diligence investigation might disclose. In any event, an opinion as to whether a corporate transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation.

It is understood that the accounting information provided to us was prepared in accordance with generally accepted accounting principles.

Where we relied on the views and judgement of management, the information was evaluated through analysis and inquiry to the extent practical. Where we have relied on publicly available information, we have considered the source of the information and completed our own analysis to assist us to determine the accuracy of the information we have relied on. However, in many cases the information we have relied on is often not capable of external verification or validation and on that basis we provide no opinion or assurance on the information.

The Directors represent and warrant to us for the purpose of this Report, that all information and documents furnished by ReNu (either by management directly or through its advisors) in connection or for use in the preparation of this Report do not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein. We have received representations from the Directors in relation to the completeness and accuracy of the information provided to us for the purpose of this Report.

Under the terms of our engagement, ReNu has agreed to indemnify BDO Persons against any claim, liability, loss or expense, costs or damage, arising out of reliance on any information or documentation provided, which is false or misleading or omits any material particulars, or arising from failure to supply relevant documentation or information.

### 3.7 Glossary

Capitalised terms used in this Report have the meanings set out in the glossary. A glossary of terms used throughout this Report is set out immediately following the Table of Contents at the start of this Report.

All dollar ('\$') references in this Report are in Australian dollars unless otherwise stated.

### 3.8 Sources of Information

This Report has been prepared using information obtained from sources including the following:

- ▶ ReNu annual report for the year ended 30 June 2019, 30 June 2020 and 30 June 2021;
- ▶ ReNu management accounts as at 31 October 2021;
- ▶ ReNu management share files which include board minutes, project information, and relevant information related to investments;
- ▶ ReNu ASX announcements;
- ▶ Countrywide financial statements for the year ended 30 June 2019, 30 June 2020 and 30 June 2021;
- ▶ Countrywide management accounts as at 31 October 2021;
- ▶ Countrywide management share files which include board minutes, project information, and relevant Memorandums of Understanding ('MoU's');
- ▶ Capital IQ;
- ▶ IBISWorld;
- ▶ Consensus Economics;
- ▶ MergerMarket;
- ▶ Other research publications and publicly available data as sourced throughout this Report;
- ▶ Various transaction documents provided by the ReNu management and their advisors; and
- ▶ Discussions and other correspondence with ReNu management and their advisers.

### 3.9 APES 225 Valuation Services

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 *Valuation Services* ('APES 225'). A Valuation Engagement is defined by APES 225 as 'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

### 3.10 Forecast Information

Any forecast financial information referred to in this Report has originated from the Company's management and is adopted by the Directors in order to provide us with a guide to the potential financial performance of ReNu. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the forecast financial information since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation between actual results and those forecast may be material.

The directors' best-estimate assumptions on which the forecast is based relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of ReNu. Evidence may be available to support the directors' best-estimate assumptions on which the forecast is based however, such evidence is generally future-oriented and therefore speculative in nature. In certain circumstances, we may adjust the forecast assumptions provided by management to complete our valuation work. In this instance, the forecasts we have adopted for our valuation work will not be the same as the forecasts provided by management.

BDOCF cannot and does not provide any assurance that any forecast is representative of results or outcomes that will actually be achieved. While we have considered the forecast information to the extent we considered necessary to complete the analysis set out in this Report, we have not been engaged to provide any form of assurance conclusion on any forecast information set out in this Report. We disclaim any assumption of responsibility for any reliance on this Report, or on any forecast to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management, that all material information concerning the prospects and proposed operations of ReNu has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

### 3.11 Qualifications

BDOCF has extensive experience in the provision of corporate finance advice, including takeovers, valuations and acquisitions. BDOCF holds an Australian Financial Services Licence issued by ASIC for preparing expert reports pursuant to the Listing Rules of the ASX and the Corporations Act.

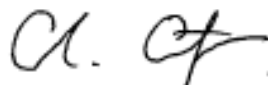
BDOCF and its related parties in Australia have a wide range of experience in transactions involving the advising, auditing or expert reporting on companies that have operations domestically and in foreign jurisdictions. BDO in Queensland and in Australia is a national association of separate partnerships and entities and is a member of the international BDO network of individual firms.

Mark Whittaker and Chris Catanzaro have prepared this Report with the assistance of staff members. Mr Whittaker, BCom (Hons), CA, CFA, and Mr Catanzaro, BCom (Hons), BBusMan, CA, CFA, are directors of BDOCF. Both Mr Whittaker and Mr Catanzaro have extensive experience in corporate advice and the provision of valuation and professional services to a diverse range of clients, including large private, public and listed companies, financial institutions and professional organisations. Mr Whittaker and Mr Catanzaro are considered to have the appropriate experience and professional qualifications to provide the advice offered within this Report.

BDO Corporate Finance Ltd



Mark Whittaker  
Director



Chris Catanzaro  
Director

## PART II: INFORMATION SUPPORTING OUR OPINION ON THE PROPOSED TRANSACTION

### 4.0 Overview of the Proposed Transaction

This section sets out an overview of the Proposed Transaction and is structured as follows:

- ▶ Section 4.1 provides a brief description of the Proposed Transaction;
- ▶ Section 4.2 summarises the conditions precedent to the Proposed Transaction;
- ▶ Section 4.3 details the rationale for the Proposed Transaction; and

This section is a summary only and should not be treated as a complete description of the Proposed Transaction. The Shareholders should refer to the Notice of Meeting and any subsequent disclosures for additional information relating to the Proposed Transaction.

#### 4.1 Summary of the Proposed Transaction

ReNu is a listed Australian company focused on implementing its renewable and clean energy incubator/accelerator strategy, by taking stakes in and nurturing renewable and clean energy technologies and projects. Originally listed on the ASX as Geodynamics Limited, ReNu has taken several steps in recent years to move away from its original focus on geothermal energy, including the successful abandonment in April 2021 of its two remaining geothermal wells, Habanero 3 and 4, located in the Cooper Basin in South Australia. ReNu's revised business strategy focuses on progressing a portfolio of renewable and clean energy investments through ReNu's incubator/accelerator strategy.

In line with its revised business strategy, prior to the announcement of the Proposed Transaction, ReNu invested in two renewable energy companies: Uniflow Power Ltd ('Uniflow') and Enosi Australia Pty Ltd ('Enosi'). Following the announcement of the Proposed Transaction, ReNu announced that it was undertaking a third renewable investment, this time in Allegro Energy Pty Ltd ('Allegro').

On 10 November 2021, ReNu announced the signing of a share purchase agreement to acquire 100% of Countrywide through the issue of 134,659,520 fully paid ordinary shares in ReNu. Upon completion of the Proposed Transaction, Countrywide's founding shareholders' will increase their interest in ReNu's undiluted share capital from 0% to 34% and convertible note holders will increase their interest by 10.5%.

Countrywide is an Australian company that originates green hydrogen projects to develop them in collaboration with project partners and governments. ReNu's acquisition of Countrywide provides access to the green hydrogen industry through three Australian onshore green hydrogen opportunities under initiation with State Governments and corporate partners.

Table 4.1 sets out the indicative capital structure following completion and assumes that no additional shares are issued, or options exercised, prior to completion of the Proposed Transaction.

**Table 4.1: Impact of Proposed Transaction on ReNu's Capital Structure**

	Pre-Transaction			Post Transaction		
	Number of Shares	Percentage Holding - Undiluted	Percentage Holding - Fully Diluted	Number of Shares	Percentage Holding - Undiluted	Percentage Holding - Fully Diluted
ReNu Shareholders	159,162,923 <sup>1</sup>	100.00%	83.10%	159,162,923	54.17%	48.79%
ReNu Option holders	32,376,317 <sup>2</sup>	-	16.90%	32,376,317 <sup>2</sup>	-	9.93%
Countrywide Founding Shareholders	-	-	-	99,793,612	33.96%	30.59%
Countrywide Convertible Note Holders	Not Known <sup>3</sup>	Not Known <sup>3</sup>	Not Known <sup>3</sup>	30,943,787	10.53%	9.49%
Shares Issued to Corporate Adviser	-	-	-	3,922,121	1.33%	1.20%
<b>Total</b>	<b>191,539,240</b>	<b>100.00%</b>	<b>100.00%</b>	<b>326,198,760</b>	<b>100.00%</b>	<b>100.00%</b>

Source: ReNu FY21 Annual Report, ReNu Management, BDOCF analysis

1 For the purpose of our analysis we have included the 26.4 million shares issued on 9 December 2021 from the capital raising. However, we have not included any shares or options to be issued under the proposed share purchase plan which is due to close on 28 January 2022 or any shares to be issued to the directors or senior management of ReNu subject to approval at the Meeting.

2 We note that the 32.4 million outstanding ReNu options includes 5 million options which are proposed to be issued to ReNu's advisor (awaiting shareholder approval) but does not include any options to be issued under the proposed share purchase plan which is due to close on 28 January 2022.

3 We understand that some Countrywide convertible noteholders currently hold ReNu ordinary shares, although the exact number held is not known by ReNu management. As a result, for the purpose of the analysis in this table, we have not included a pre transaction ReNu shareholding for Countrywide convertible noteholders. For completeness, we note the largest noteholder will receive approximately 3.3 million shares in ReNu as a result of the Proposed Transaction which equates to a relevant interest of approximately 1.0%.

An additional key term of the Proposed Transaction, as set out in the Notice of Meeting, is that on completion of the Proposed Transaction, two members nominated by Countrywide will be appointed to the ReNu Energy Board of Directors. Countrywide proposes to nominate current Managing Director Mr Geoffrey Drucker as an Executive Director and Non-executive Chair Ms Susan Oliver AM as a Non-executive Director.

#### 4.2 Conditions Precedent to the Proposed Transaction

The Proposed Transaction is subject to certain conditions. In summary, the satisfied conditions include:

- ▶ ASX confirmation that it does not require ReNu to re-comply with Chapters 1 and 2 of the Listing Rules. These chapters relate to the admission and quotation of securities;
- ▶ Agreement by the Countrywide noteholders of the noteholder offer, which includes the conversion of the noteholder's convertible notes into shares, and an agreement by Countrywide noteholders to sell all of their shares in Countrywide to ReNu; and
- ▶ ReNu completing due diligence investigations and being satisfied with the results in its sole and absolute discretion.

In summary, the conditions that have not yet been satisfied include:

- ▶ The founders of Countrywide agreeing to a voluntary escrow of 100% of their ReNu shares for 12 months from issue date, 75% of their ReNu shares for 18 months from issue date and 50% of their ReNu shares for 24 months from issue date;
- ▶ Each of the founders of Countrywide entering into new employment agreements or contracting arrangements with Countrywide or ReNu;
- ▶ Countrywide allowing ReNu to receive all approvals, consents and waivers that ReNu determines (acting reasonably) are necessary or desirable to implement the Proposed Transaction;
- ▶ There being no circumstances arising or existing prior to completion which would constitute or give rise to a breach of any of Countrywide's obligations under the Share Sale and Purchase Deed; and
- ▶ ReNu shareholders approving under item 7 section 611 of the Corporations Act for various aspects of the acquisition where Countrywide founders will acquire a relevant interest in over 20% of ReNu's shares on issue.

The conditions precedent to the Proposed Transaction are discussed in more detail in the Notice of Meeting.

#### 4.3 Strategic Rationale for the Proposed Transaction

The directors of ReNu are of the view that the Proposed Transaction provides the following advantages:

- ▶ The Proposed Transaction aligns with ReNu's stated focus on acquiring strategic stakes in and nurturing renewable and clean energy technologies and projects. Specifically, the Proposed Transaction provides access to the green hydrogen industry through three Australian onshore green hydrogen opportunities: The Hydrogen Tasmania Project, The Melbourne Hydrogen Hub and The Portland Hydrogen Project;
- ▶ The MoUs and collaboration agreements in place demonstrate strong counterparty interest and the time invested and extent of the relationships the founders have developed in each of the three Australian onshore green hydrogen opportunities is difficult to replicate for a new entrant and provides a degree of first mover advantage to the opportunity;
- ▶ As Countrywide's initial focus is on domestic supply of green hydrogen, the transaction provides a point of differentiation from Australian competitors, who are focussed on exports to overseas markets;
- ▶ Countrywide have a pipeline of early-stage business plans for the development of hydrogen projects in Canada and the USA; and
- ▶ The Proposed Transaction comes with experienced Board and management, no debt and positive working capital to progress the green hydrogen opportunities in the short term.

## 5.0 Background of ReNu

This section is set out as follows:

- ▶ Section 5.1 provides an overview and background information on ReNu;
- ▶ Section 5.2 outlines ReNu's key projects;
- ▶ Section 5.3 summarises the corporate structure of ReNu;
- ▶ Section 5.4 summarises the equity structure of ReNu;
- ▶ Section 5.5 summarises the share market performance of ReNu; and
- ▶ Section 5.6 summarises the historical financial information of ReNu.

### 5.1 Background

ReNu is a listed Australian company headquartered in Brisbane, Australia. ReNu was listed as Geodynamics Limited on the ASX in September 2002 and rebranded to ReNu Energy in 2016 following its commitment to becoming a diversified clean energy company. ReNu is currently focused on acquiring strategic stakes in and nurturing renewable and clean energy technologies and projects as part of its accelerator/incubator strategy.

Prior to this change, from 2015 ReNu was focused on diversifying beyond geothermal, initially into bioenergy through the acquisition of Quantum Power and then expanding into solar PV and other clean energy offerings. The solar assets were sold in 2019 and the bioenergy assets in 2020.

Prior to 2015 the company (as Geodynamics) was focussed on geothermal energy - commercialising the extraction of energy from its geothermal tenements in South Australia's Cooper Basin and exploring geothermal opportunities elsewhere in Australia and the Pacific Islands. In the Cooper Basin, ReNu and the other licensees had drilled several geothermal wells and constructed a 1MW generation plant. However, after observing that the commercialisation of large-scale geothermal power was unlikely to be a part of Australia's energy mix in the short, medium or long term (and observing a move towards other technologies such as solar PV and battery storage), ReNu management made the decision in 2015 to cease further exploration and development activities in the Cooper Basin.

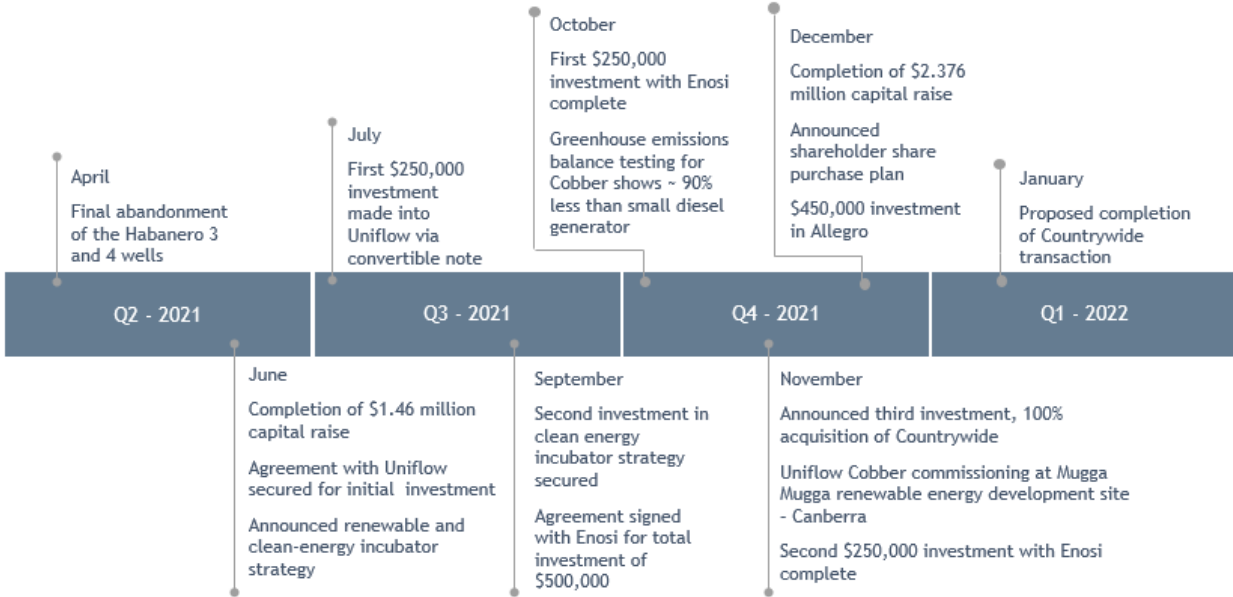
ReNu announced plans to abandon its two remaining geothermal wells, Habanero 3 and 4, remediate the Cooper Basin assets and focus on other renewable energy sectors. ReNu completed the abandonment of the geothermal wells in April 2021. Now that the well abandonments are complete, ReNu management do not anticipate any further cost to ReNu from its legacy geothermal assets.

In June 2021, ReNu announced its revised focus to become one of the only ASX listed companies focusing on a renewable and clean energy incubator/accelerator strategy. The strategy involves taking strategic stakes in and nurturing renewable energy technologies and projects, including green hydrogen, moving to either a controlling interest, supporting through to an IPO process or exiting via trade sale. In line with its revised business strategy, ReNu successfully completed capital raisings in June 2021 and December 2021 to be used to execute investments in the renewable energy sector. In conducting the capital raisings, ReNu looked to identify new investors based on their alignment to ReNu's renewable and clean energy incubator/accelerator strategy.

ReNu has invested in Uniflow Power Ltd ('Uniflow'), Enosi Australia Pty Ltd ('Enosi') and, subsequent to the Countrywide announcement, Allegro Energy Pty Ltd ('Allegro') as a part of its renewable and clean energy incubator/accelerator strategy. Uniflow is an unlisted public company dedicated to commercialising a new renewable energy technology, a micro renewable generator that is fuelled by agricultural waste, biomass and/or solar thermal. Enosi is an Australian company that has developed a renewable energy grid scale trading and tracing solution. Specifically, they are rolling out via retailers, a clean energy traceability solution which enables customers to confirm the purchase of renewables on regional networks. Allegro is a battery and energy storage company focused on the commercialisation of a unique water-based electrolyte. These investments are further discussed in Section 5.2.

Figure 5.1 summarises the key events undertaken by ReNu across 2021.

Figure 5.1: Key ReNu Events in 2021



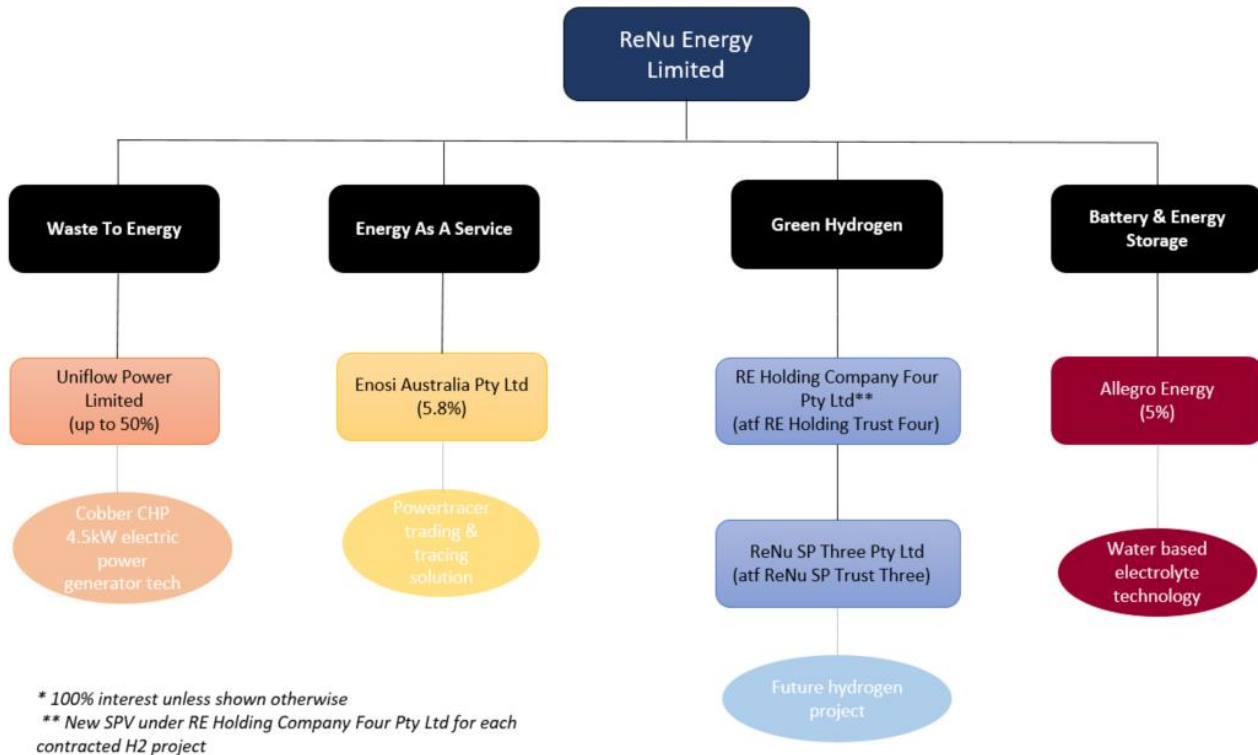
Source: ReNu FY21 Annual Report, ReNu ASX Announcements, ReNu management, BDOCF analysis

## 5.2 Key Projects

### 5.2.1 Overview

Figure 5.2 below summarises ReNu’s current investments.

Figure 5.2: Summary of ReNu’s Current Investments



Source: ReNu Management- company structure as at 12 October 2021, BDOCF analysis

ReNu management have advised that the green hydrogen investment arm (RE Holding Company) is a dormant company and has been set up as a special purpose vehicle (‘SPV’) for new projects. We have discussed Uniflow, Enosi and Allegro further below.

### 5.2.2 Uniflow

Uniflow is a Canberra based company that is currently planning the pilot production run of the Cobber generator, a patented micro renewable biomass fuel steam engine generator. The Cobber engine is patented in major international markets and has been designed to use low grade biomass fuels for producing 4.5kW electrical power and 20kW of thermal energy. Greenhouse emissions balance testing indicates that the Cobber has a CO<sub>2</sub> emissions intensity approximately 90% less than a small diesel generator and approximately 95% less than a small petrol generator, per kWh of electricity produced.

Uniflow is in the process of commissioning and demonstrating an advanced prototype in Canberra. Uniflow expects to complete the testing design and engineering work required to prepare a commercial model of the Cobber for market during 2022.

Internationally, Uniflow has agreed to a collaboration term sheet for a trial with Argentina's National Institute of Industrial Technology, a government standards and research organisation focusing on rural and agricultural application for the 'Cobber' product. ReNu management have advised that both parties are currently working on a formal agreement.

ReNu's investment in Uniflow to date includes:

- ▶ A \$250,000 working capital loan by convertible note invested in July 2021 with a maturity date on 30 June 2022. The note is convertible into 3.33% of the issued share capital in Uniflow (on a post money basis); and
- ▶ A \$50,000 working capital loan by convertible note, that was invested on 1 December 2021.

ReNu decided to invest in tranches in order to provide itself the opportunity to reassess the investment rationale before committing additional equity. ReNu made the immediate working capital loan to provide funding to Uniflow to complete the Canberra demonstration project, which ReNu believe is an important milestone for Uniflow.

ReNu intends to provide financial and management support for the development and commercialisation of the Cobber renewable technology.

Multiple parties have invested in Uniflow through funding rounds. Management have advised that ReNu has the right to maintain its fully diluted interest in the company at subsequent capital raises.

### 5.2.3 Enosi

Enosi is an Australian company focused on accelerating the transition to clean electricity. Enosi has developed Powertracer, a clean energy traceability solution which enables corporations and individual customers to confirm the purchase of 100% renewables 24/7 on regional networks. Specifically, Enosi uses cryptographic validation technology to match the smart meter data at a solar or wind farm with the meter data at the customer's house. A smart meter is an electronic meter that records energy consumption in regular intervals. By doing this, Enosi is able to tell customers how much electricity they are using and the source of that electricity.

The Enosi Powertracer platform will support companies and member organisations by enabling customers to deal directly with clean energy sources. More specifically, Enosi's strategy is to work with retailers and generators (solar and wind farm owners) to bring cheaper energy to the market and to recruit corporates to demand traceability products. Enosi is currently partnered with three renewable energy retailers: Energy Locals; Simply Energy; and Enova Community Energy. Enosi first trialled its Powertracer platform with Energy Locals, who have been utilising the technology since 2019.

ReNu entered into a subscription agreement with Enosi in September 2021 to invest \$500,000 in two \$250,000 tranches. ReNu announced the completion of the first tranche of its investment on 14 October 2021, and announced the completion of the second tranche of its investment on 30 November 2021. ReNu has now invested \$500,000 and holds approximately 5.8% of Enosi (on a post-money basis). ReNu believes this investment will gain shareholders exposure to a company at the forefront of developing a new class of Energy as a Service technology.

ReNu's investment is part of a larger funding round undertaken by Enosi, which raised a total of \$1.48 million. Parties that have invested alongside ReNu on similar terms include clean tech incubator and advisory firm Energy Estate, Artesian Clean Energy Seed Fund (whose cornerstone commitment is from the Federal Government's Green Bank - the Clean Energy Finance Corporation) and Mirvac Ventures. ReNu has the right to maintain its fully diluted interest in the company at subsequent capital raises.

### 5.2.4 Allegro

Allegro, founded in 2021, is an Australian battery and energy storage technology company focussed on providing safe, clean and green energy storage solutions for a renewable energy economy. Allegro is focussed on the commercialisation of a unique water-based electrolyte, an energy storage solution which can be used in the development of high performance, safe, non-toxic, non-flammable supercapacitors and redox flow batteries at a lower cost than those currently available in the market.

Allegro's technology was developed in 2017 by Allegro's founders at Victoria University of Wellington. It is patented in Australia, New Zealand, China and Europe, and patent applications have been lodged in the US and Japan. Allegro holds an exclusive worldwide licence from Wellington UniVentures to commercialise the technology.

The technology fits into a number of applications that current storage technologies are not well suited to, and has applicability in electric mobility, grid stabilisation, frequency control ancillary services and uninterrupted power supply. Allegro has built and validated several prototypes of the technology in a laboratory environment and intends to develop and scale the supercapacitor and redox flow battery technology to industry quality over the next 12 months. Allegro has received interest from potential partners and customers interested in supporting the early development of a redox flow battery pilot plant.

ReNu's investment of \$450,000 for 5% is part of a broader funding round undertaken by Allegro to raise approximately \$1 million. ReNu has the right to maintain its fully diluted interest in the company at subsequent capital raises.

### 5.3 Equity Structure of ReNu

#### 5.3.1 Ordinary Shares

As at 9 December 2021, ReNu had 159,162,923 ordinary shares on issue. ReNu has also announced a share purchase plan to raise up to approximately \$1.5 million (before costs) through the issue of approximately 16.7 million shares. The share purchase plan is scheduled to close on 28 January 2022.

The top 10 shareholders are set out in Table 5.1. Table 5.1 does not consider the impact of any changes in shareholding as a result of the Proposed Transaction or the recently announced share purchase plan.

**Table 5.1: Top 10 Shareholders as at 9 December 2021**

Shareholders	Number of Shares	Percentage Holding (%)
1 North Western Surveys Pty Ltd	5,204,571	3.27
2 10 Bolivianos Pty Ltd	4,122,661	2.59
3 Mr Anthony James Cotter & Mrs Deborah Joanne Cotter	2,227,069	1.40
4 Kovi G Investments Pty Ltd	2,162,326	1.36
5 Indevco Group Holdings Pty Limited	2,055,000	1.29
6 Citicorp Nominees Pty Limited	1,840,140	1.16
7 Mr Jinyu Liu	1,500,000	0.94
7 Ms Pinghua Liu	1,500,000	0.94
9 Citicorp Nominees Pty Limited	1,165,858	0.73
10 Tag Investments Australia Pty Ltd	1,111,111	0.70
10 Sizz Pty Ltd	1,111,111	0.70
Other	135,163,076	84.92
<b>Total shares on issue</b>	<b>159,162,923</b>	<b>100</b>

Source: ReNu management

<sup>1</sup> North Western Surveys Pty Ltd is a substantial shareholder refer below note.

Having regard to the information set out in Table 5.1 above, we note that ReNu has a diversified share register with the top ten shareholders only holding 15.08%. North Western Surveys Pty Ltd is the only substantial shareholder with an associate inclusive interest of 8,480,879 total shares (5.33%).

#### 5.3.2 Options on Issue

As at 6 December 2021, ReNu had 27,376,317 listed options on issue that trade under the ticker ASX:RNEO and 5,000,000 options to be issued to the broker, subject to shareholder approval. These options have a strike price of \$0.07 per share and expire on 31 December 2023.

Subject to shareholder approval, ReNu may also issue a further 4,166,667 options on similar terms under the recently announced share purchase plan.

## 5.4 Share Performance of ReNu

### 5.4.1 Share Price Performance

Figure 5.3 displays the daily volume weighted average price ('VWAP') and daily volume of ReNu shares traded on the ASX over the period 10 December 2020 to 10 December 2021.

Figure 5.3: Daily VWAP and Volume of ReNu Shares Traded from 10 December 2020 to 10 December 2021



Source: Capital IQ as at 13 December 2021

Over the period graphed in Figure 5.3 above, ReNu's daily VWAP displays a period low of \$0.0310 on 29 December 2020 and a period high of \$0.1414 on 15 November 2021.

In addition to the share price and volume data of ReNu shown above, we have also provided additional information in Table 5.2 below to assist readers to understand the possible reasons for the movement in ReNu's share price over the period analysed. The selected ASX announcement references in Table 5.2 below correspond to those displayed in Figure 5.3 above.

Table 5.2: Selected ReNu ASX Announcements from 9 December 2020 to 10 December 2021

Date	Announcement
09/12/2020	ReNu announces it will extend the term of its Services Agreement with consultancy firm Pacific Energy Partners Pty Ltd to 31 March 2021. The Board considers the extension to be of material benefit to ReNu Energy as it continues to address its geothermal remediation obligations in the Cooper Basin.
29/01/2021	ReNu releases an activities report for the quarter ending 31 December 2020 announcing that long lead items for the Cooper Basin remediation are in transit to Australia and field work has been completed to prepare the well sites for the arrival of the workover rig.
26/02/2021	ReNu reports earnings results for the half year ended 31 December 2020, announcing a \$523,921 loss for the half year and a cash position of \$2.40 million.
26/02/2021	ReNu announces that the field activities for the abandonment of the Habanero 3 and 4 wells located in the Cooper Basin of South Australia will commence. ReNu's share of the cost to complete the Cooper Basin remediation requirements is not expected to exceed the Company's 31 December 2020 provision of \$1.23 million.
19/03/2021	ReNu announces a substantial holder notice. The two new substantial holders now together hold 5,803,850 ordinary shares, and 5.46% voting power.
13/04/2021	ReNu announces that the abandonment of the Habanero 3 and 4 wells located in the Cooper Basin of South Australia is complete. The licensees will now work to finalise the remaining surface remediation activities required to surrender GRL3.
30/04/2021	ReNu releases an activities report for the quarter ending 31 March 2021, announcing the completion of the abandonment of the Habanero 3 and 4 wells located in the Cooper Basin of South Australia.

Date	Announcement
02/06/2021	ReNu announces the successful completion of a \$1.46 million placement through the issue of 26,552,581 ReNu Energy shares. The proceeds from the placement will be used to strengthen the Company's financial position in anticipation of executing a strategic investment in the renewable energy sector.
25/06/2021	ReNu announces intentions to invest in Uniflow. ReNu is expected to make its first investment of \$1 million to acquire a 13.3% initial stake in Q3 2021, and a further \$500,000 investment by 31 December 2021 to increase its stake to 20%.
14/07/2021	ReNu announces a revised investment structure in Uniflow. The investment will now occur in three tranches comprising: immediate \$0.25 million working capital loan by convertible note; equity investments of \$0.75 million and \$0.50 million on or before 1 October 2021 and 1 March 2022 respectively; and three free attaching options for every share acquired by ReNu. The revised investment structure provides ReNu a further assessment milestone before committing additional equity and provides the Company with flexibility to pursue additional opportunities in the renewable energy sector.
30/07/2021	ReNu releases an activities report for the quarter ending 30 June 2021, announcing that it will continue to progress its clean energy incubator/accelerator strategy.
10/09/2021	ReNu announces a subscription agreement signed with Enosi for an investment of \$500,000 in two \$250,000 tranches.
14/10/2021	ReNu announces the completion of the first tranche of investment in Enosi.
29/10/2021	ReNu releases an activities report for the quarter ended 30 September 2021, announcing that advanced discussions are being had for a third strategic investment in the green hydrogen sector.
10/11/2021	ReNu announces the Proposed Transaction (i.e. the proposed transaction with Countrywide).
11/11/2021	ReNu announces that they have received a \$634,000 research and development tax refund.
30/11/2021	ReNu announces the completion of the second tranche of its investment in Enosi. ReNu has now invested \$500,000, and holds approximately 5.8% of Enosi.
06/12/2021	ReNu announces it has received firm commitments from professional and sophisticated investors for a capital raising of \$2.376 million placement through the issue of 26.4 million new ReNu shares at \$0.09. Demand for the placement exceeded more than two times the amount raised and ReNu welcomed several new funds, family offices and new shareholders to the register. Subscribers will receive one attaching option for every four shares subscribed for. The proceeds will be applied to progress ReNu's portfolio of renewable and clean energy investments.
06/12/2021	ReNu announces a shareholder share purchase plan. Eligible shareholders will have the right to apply for up to \$30,000 worth of new shares at \$0.09 to raise approximately \$1.5 million.
07/12/2021	ReNu announces it has signed a subscription agreement with Allegro Energy for an investment of \$450,000 (a 5% stake).
09/12/2021	ReNu announces it has completed its investment in Allegro.
09/12/2021	ReNu announces that the placement shares and placement options that were announced on 6 December 2021 have been issued.

Source: ReNu ASX Announcements

In Table 5.3 below we have set out ReNu's VWAP for the 1 week, 1 month, 3 month, 6 month, 9 month and 12 month periods ended 9 November 2021, being the last date ReNu traded prior to announcing the Proposed Transaction. We have also set out ReNu's VWAP for the 1 week, 1 month, 3 months, 6 months, 9 months and 12 months prior to 10 December 2021.

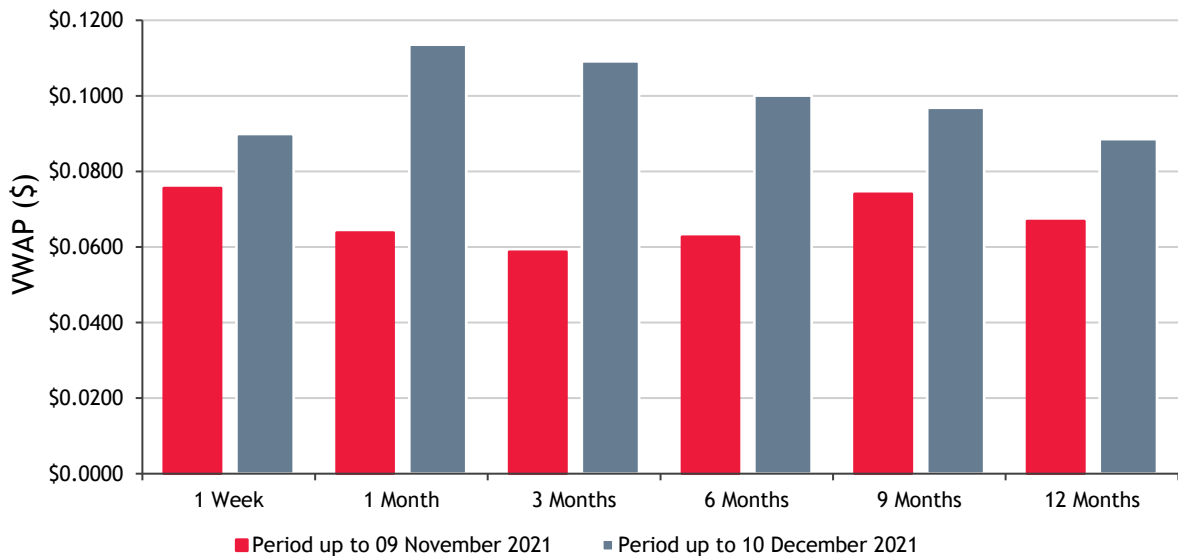
**Table 5.3: ReNu's VWAP for Specified Periods Up to 9 November 2021 and 10 December 2021**

Length of Relevant VWAP Period	VWAP up to 9 November 2021	VWAP up to 10 December 2021
1 Week	\$0.0756	\$0.0899
1 Month	\$0.0638	\$0.1135
3 Months	\$0.0587	\$0.1091
6 Months	\$0.0627	\$0.1001
9 Months	\$0.0741	\$0.0968
12 Months	\$0.0669	\$0.0886

Source: Capital IQ as at 13 December 2021

The information presented in Table 5.3 is shown graphically in Figure 5.4 below.

Figure 5.4: ReNu’s VWAP for Specified Periods Up to 9 November 2021 and 10 December 2021



Source: Capital IQ as at 13 December 2021

#### 5.4.2 Liquidity of ReNu’s Shares on the ASX

The rate at which equity instruments are traded is generally referred to as the ‘liquidity’ of the equity instruments. Changes in liquidity may impact the trading price of equity instruments. This is particularly dependent on the number of equity instruments required to be bought and/or sold and the time period over which the equity instrument holder needs to buy and/or sell those equity instruments. Depending on the circumstances, a movement in market price may or may not represent a shift in value of either the equity instruments or a shift in value of the company to which the equity instruments relate as a whole.

Table 5.4 summarises the monthly liquidity of ReNu shares from 1 November 2020 to 10 December 2021. Liquidity has been summarised by considering the following:

- ▶ Volume of ReNu share trades per month;
- ▶ Value of total trades in ReNu shares per month;
- ▶ Number of ReNu shares traded per month as a percentage of total ReNu shares outstanding at the end of the month; and
- ▶ Volume weighted average price per month.

**Table 5.4: Liquidity of ReNu shares on the ASX**

Month	Volume	Turnover (\$)	Weighted Average Shares Outstanding	Volume/Shares Outstanding (%)	Monthly VWAP (\$)
December 2021 (to 10th)	6,216,150	566,906	145,962,920	4.26%	0.0912
November 2021 (10th to 30th)	95,164,150	11,390,326	132,762,920	71.68%	0.1197
<b>Total Post-Transaction Announcement</b>	<b>101,380,300</b>	<b>11,957,232</b>	<b>136,534,350</b>	<b>74.25%</b>	<b>0.1179</b>
November 2021 (to 9th)	5,492,010	409,897	132,762,920	4.14%	0.0746
October	10,303,670	562,433	132,762,920	7.76%	0.0546
September	3,809,660	190,333	132,762,920	2.87%	0.0500
August	5,736,280	315,492	132,762,920	4.32%	0.0550
July	10,852,350	607,168	132,762,920	8.17%	0.0559
June	19,544,290	1,408,743	128,780,040	15.18%	0.0721
May	2,401,830	156,752	106,210,340	2.26%	0.0653
April	4,423,250	343,871	106,210,340	4.16%	0.0777
March	11,087,320	917,066	106,210,340	10.44%	0.0827
February	39,923,020	3,430,249	106,210,340	37.59%	0.0859
January	22,587,370	1,232,937	106,210,340	21.27%	0.0546
December	11,976,910	475,259	107,011,670	11.19%	0.0397
November	4,785,180	159,520	120,634,340	3.97%	0.0333
<b>Total Pre-Transaction Announcement</b>	<b>152,923,140</b>	<b>10,209,722</b>	<b>119,050,880</b>	<b>128.45%</b>	<b>0.0668</b>

Source: Capital IQ as at 13 December 2021

Assuming a weighted average number of 119,050,880 ReNu shares on issue over the period, approximately 128.45% of the total shares on issue were traded over the period from 1 November 2020 to 9 November 2021. In our view, this indicates that ReNu shares display a high level of liquidity.

## 5.5 Historical Financial Information of ReNu

This section sets out the historical financial information of ReNu. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in ReNu's annual reports, including the full Statements of Profit or Loss and Other Comprehensive Income, Statements of Financial Position and Statements of Cash Flows.

ReNu's financial statements have been audited by BDO Audit Pty Ltd. BDOCF has not performed any audit or review of any type on the historical financial information of ReNu and we make no statement as to the accuracy of the information provided. However, we have no reason to believe that any of the information provided is false or misleading.

### 5.5.1 Statements of Profit or Loss and Other Comprehensive Income

Table 5.5 summarises the Consolidated Statement of Profit or Loss and Other Comprehensive Income of ReNu for the 12 month periods ended 30 June 2018 ('FY18'), 2019 ('FY19'), 2020 ('FY20') and 2021 ('FY21').

**Table 5.5: ReNu's Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	12 Months Ended 30-Jun-18 Audited \$	12 Months Ended 30-Jun-19 Audited \$	12 Months Ended 30-Jun-20 Audited \$	12 Months Ended 30-Jun-21 Audited \$
Revenue from contracts with customers	236,000	205,724	151,198	-
Interest income	107,000	79,471	90,869	24,214
Other income	206,000	138,568	401,487	263,052
<b>Total income</b>	<b>549,000</b>	<b>423,763</b>	<b>643,554</b>	<b>287,266</b>
Personnel expenses	(2,227,000)	(2,010,320)	(1,608,361)	(691,775)
Other operating expenses	(1,475,000)	(116,613)	(634,107)	(69,807)
General & administrative expenses	(2,187,000)	(1,149,895)	(2,318,875)	(670,722)
Finance costs	(133,000)	(8,327)	(8,985)	(2,319)
<b>Total expenses</b>	<b>(6,022,000)</b>	<b>(3,285,155)</b>	<b>(4,570,328)</b>	<b>(1,434,623)</b>
Share of profit (loss) of associates	-	(80,669)	(155,463)	-
<b>Loss before income tax expense</b>	<b>(5,473,000)</b>	<b>(2,942,061)</b>	<b>(4,082,237)</b>	<b>(1,147,357)</b>

	12 Months Ended 30-Jun-18 Audited \$	12 Months Ended 30-Jun-19 Audited \$	12 Months Ended 30-Jun-20 Audited \$	12 Months Ended 30-Jun-21 Audited \$
Income tax expense	(37,000)	-	-	-
Loss after income tax expense from continuing operations	(5,510,000)	(2,942,061)	(4,082,237)	(1,147,357)
Profit from discontinued operations after tax	287,000	(548,131)	(425,354)	145,472
Net loss for the year after income tax attributable to the owners of the parent	(5,223,000)	(3,490,192)	(4,507,591)	(1,001,885)
Exchange differences on translation of foreign operations	-	3,330	-	-
Other comprehensive income for the period	-	3,330	-	-
Total comprehensive loss for the period attributable to the owners of the parent	(5,223,000)	(3,486,862)	(4,507,591)	(1,001,885)

Source: ReNu FY18, FY19, FY20 and FY21 Annual Reports

With reference to Table 5.5 above, we note the following:

- ▶ ReNu sold its solar projects in September 2019. As a result, revenue from contracts with customers in FY20 reduced to \$151k;
- ▶ ReNu sold two bioenergy projects in August 2020. As a result, the company lost all revenue from contracts with customers in FY21;
- ▶ The increase in other income during the FY20 period is the result of a \$207k recovery of rehabilitation costs from a joint venture partner;
- ▶ Other income in FY21 includes a \$108k research and design tax incentive (relating to remediation costs) and a \$113k government grant;
- ▶ The termination of staff relating to the sale of ReNu's solar projects in FY20 and bioenergy projects in FY21, and a general restructure of corporate costs, resulted in a net reduction in personnel expenses of \$402k and \$917k in FY20 and FY21 respectively;
- ▶ The increase in general and administrative expenses in FY20 is a consequence of a \$1.1 million loan impairment and an impairment of \$261k on plant and equipment relating to the unrecoverable capital works on certain bioenergy assets; and
- ▶ The reduction in expenses associated with the sale of assets in FY21, and a general restructure of corporate costs, resulted in a \$3.5 million improvement in net income (remains a \$1 million loss).

### 5.5.2 Statements of Financial Position

Table 5.6 summarises ReNu's statements of financial position as at 30 June 2018, 2019, 2020 and 2021.

**Table 5.6: ReNu's Summarised Consolidated Statements of Financial Position**

	12 Months Ended 30-Jun-18 Audited \$	12 Months Ended 30-Jun-19 Audited \$	12 Months Ended 30-Jun-20 Audited \$	12 Months Ended 30-Jun-21 Audited \$
<b>Current Assets</b>				
Cash and cash equivalents	1,453,000	1,424,915	2,448,803	2,468,210
Trade and other receivables	1,180,000	777,580	477,540	779,787
Inventories	20,000	59,300	-	-
Prepayments	2,653,000	360,984	214,104	150,714
Assets held for sale	5,489,000	-	390,863	-
<b>Total current assets</b>	<b>8,142,000</b>	<b>2,622,779</b>	<b>3,531,310</b>	<b>3,398,711</b>
<b>Non-Current Assets</b>				
Other receivables	545,000	1,636,140	694,585	-
Property, plant and equipment	5,968,000	6,097,674	39,650	25,389
Investment in associates	-	530,377	-	-
<b>Total non-current assets</b>	<b>6,513,000</b>	<b>8,264,191</b>	<b>734,235</b>	<b>25,389</b>
<b>Total assets</b>	<b>14,655,000</b>	<b>10,886,970</b>	<b>4,265,545</b>	<b>3,424,100</b>

	12 Months Ended 30-Jun-18 Audited \$	12 Months Ended 30-Jun-19 Audited \$	12 Months Ended 30-Jun-20 Audited \$	12 Months Ended 30-Jun-21 Audited \$
<b>Current Liabilities</b>				
Trade and Other Payables	2,630,000	836,520	423,535	585,276
Borrowings	1,431,000	301,713	27,358	120,531
Provisions	806,000	1,456,857	1,431,940	20,832
Liabilities directly associated with assets held for sale	34,000	-	-	-
<b>Total current liabilities</b>	<b>4,901,000</b>	<b>2,595,090</b>	<b>1,882,833</b>	<b>726,639</b>
<b>Non-Current Liabilities</b>				
Borrowings	-	1,131,476	-	-
Provisions	1,104,000	114,575	-	-
<b>Total non-current liabilities</b>	<b>1,104,000</b>	<b>1,246,051</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>6,005,000</b>	<b>3,841,141</b>	<b>1,882,833</b>	<b>726,639</b>
<b>Net assets</b>	<b>8,650,000</b>	<b>7,045,829</b>	<b>2,382,712</b>	<b>2,697,461</b>
<b>Equity</b>				
Issued capital	355,287,000	357,074,708	357,069,848	358,435,465
Other reserves	71,000	168,656	63,771	-
Accumulated losses	(346,708,000)	(350,197,535)	(354,750,907)	(355,738,004)
<b>Total equity</b>	<b>8,650,000</b>	<b>7,045,829</b>	<b>2,382,712</b>	<b>2,697,461</b>

Source: ReNu FY18, FY19, FY20 and FY21 Annual Reports

With reference to Table 5.6 above, we note the following:

- ▶ The reduction in property, plant and equipment in FY20 and FY21 corresponds to the aforementioned solar and bioenergy project sales;
- ▶ The abandonment of the Habanero 3 and 4 wells in FY21 utilised the entire \$1.4 million current rehabilitation provision. Final disposal of the GRL3 geothermal tenement is expected to occur during 2021/22 at no additional cost to ReNu;
- ▶ As at 30 June 2021, trade receivables primarily comprise \$150k of cash held as security and a \$620k R&D tax incentive receivable;
- ▶ As at 30 June 2021, trade and other payables comprises \$77k trade creditors, \$441k accrued and other liabilities and \$67k of GST payable;
- ▶ The disposal of lease liabilities from the solar business in FY20 reduced current borrowings to \$27k while a \$1.4 million repayment of principal eliminated non-current borrowings; and
- ▶ A deferred tax asset of \$68 million has been disclosed in the notes to the financial statements however, management have not recognised this asset since the group does not have a history of taxable profits.

### 5.5.3 Statements of Cash Flows

Table 5.7 summarises ReNu's Statement of Cash Flows for FY18, FY19, FY20 and FY21.

**Table 5.7: ReNu's Consolidated Statements of Cash Flows**

	12 Months Ended 30-Jun-18 Audited \$	12 Months Ended 30-Jun-19 Audited \$	12 Months Ended 30-Jun-20 Audited \$	12 Months Ended 30-Jun-21 Audited \$
<b>Operating Activities</b>				
Receipts from customers	956,000	1,935,040	892,170	228,960
Payments to suppliers and employees	(6,118,000)	(5,251,878)	(3,911,025)	(1,048,705)
Proceeds from R&D tax incentive	-	198,675	57,399	182,188
Payments for rehabilitation expenditure	-	(183,729)	(270,497)	(1,217,722)
Payments for rectification obligations	-	(13,448)	-	-
Net Goods and Services Tax received (paid)	79,000	2,941	(6,281)	79,565
Interest received	154,000	85,517	119,074	42,047
Interest paid	(37,000)	(83,649)	(47,979)	(1,510)
Tax paid	(37,000)	-	-	-
<b>Net cash flows used in operating activities</b>	<b>(5,003,000)</b>	<b>(3,310,531)</b>	<b>(3,167,139)</b>	<b>(1,735,177)</b>

	12 Months Ended 30-Jun-18 Audited \$	12 Months Ended 30-Jun-19 Audited \$	12 Months Ended 30-Jun-20 Audited \$	12 Months Ended 30-Jun-21 Audited \$
<b>Investing Activities</b>				
Proceeds from sale of assets held for sale	-	3,800,070	-	-
Proceeds from sale of business	-	-	5,775,000	500,000
Purchase of property, plant & equipment	(9,917,000)	(1,658,203)	(20,508)	-
Investment in associate	-	(290,760)	-	-
Loans repaid from associate	-	-	39,687	-
Loans advanced to associate	-	(346,140)	-	-
Distributions received from associates	-	100,000	-	-
Proceeds from Government grants	2,080,000	-	-	-
Proceeds from R&D tax incentive	458,000	-	-	-
Payments for rehabilitation expenditure	(580,000)	-	-	-
Payments for rectification obligations	(112,000)	-	-	-
Proceeds from joint venture recoveries	115,000	-	-	-
Net payments of cash held as security	(18,000)	(86,510)	236,896	-
<b>Net cash from / (used in) investing activities</b>	<b>(7,974,000)</b>	<b>1,518,457</b>	<b>6,031,075</b>	<b>500,000</b>
<b>Financing Activities</b>				
Proceeds from issue of shares (net of share issue cost for FY21)	2,299,000	2,006,941	-	1,365,617
Proceeds from borrowings	1,640,000	328,707	-	-
Repayment of borrowings	(99,000)	(351,252)	(1,433,189)	(54,107)
Repayment of lease liabilities	-	-	(86,248)	(56,926)
Transaction costs of share issues	(123,000)	(194,725)	(4,760)	-
Transaction costs of loans and borrowings	(162,000)	(26,080)	(315,851)	-
<b>Net cash flow provided by financing activities</b>	<b>3,555,000</b>	<b>1,763,591</b>	<b>(1,840,048)</b>	<b>1,254,584</b>
Net decrease in cash and cash equivalents	(9,422,000)	(28,483)	1,023,888	19,407
Less : cash reclassified to assets held for sale	(15,000)	-	-	-
Add: Opening cash and cash equivalents at 1 July	10,890,000	1,453,398	1,424,915	2,448,803
<b>Cash and cash equivalents at 30 June</b>	<b>1,453,000</b>	<b>1,424,915</b>	<b>2,448,803</b>	<b>2,468,210</b>

Source: ReNu FY18, FY19, FY20 and FY21 Annual Reports

With reference to Table 5.7 above, we note the following:

- ▶ ReNu completed a capital raise in FY21 to advance their renewable and clean energy incubator/accelerator strategy; and
- ▶ The proceeds from the sale of business in FY21 relates to the sale of 30% interest in the Goulburn and Beaudesert bioenergy projects.

## 6.0 Background of Countrywide

This section is set out as follows:

- ▶ Section 6.1 provides an overview and background information on Countrywide;
- ▶ Section 6.2 outlines Countrywide's key projects;
- ▶ Section 6.3 summarises the corporate structure of Countrywide;
- ▶ Section 6.4 summarises the equity structure of Countrywide;
- ▶ Section 6.5 summarises the share market performance of Countrywide; and
- ▶ Section 6.6 summarises the historical financial information of Countrywide.

### 6.1 Background

#### 6.1.1 Overview

Countrywide is an unlisted Australian renewable energy company, incorporated in 2018. Initially founded as Countrywide Renewable Energy Pty Ltd, it later transitioned into Countrywide Renewable Hydrogen Limited as it shifted its focus toward the production of hydrogen as a renewable energy carrier.

Countrywide has originated and is developing three hydrogen production projects:

- ▶ The Hydrogen Tasmania Project ('HTP');
- ▶ The Melbourne Hydrogen Hub ('MHH'); and
- ▶ The Hydrogen Portland Project ('HPP').

The hydrogen produced by each of these projects will aim to supply domestic and export markets, and over time, contribute to the replacement of fossil fuel-based energy with sustainable emission-free hydrogen for use in power generation, vehicle propulsion and natural gas decarbonisation.

Countrywide received a government grant in FY19, however has not received any since. We understand no further applications for government funding have been made since 31 December 2020.

#### 6.1.2 Key Management

Countrywide's key management consists of four personnel, Susan Oliver (Non-executive Chair), Geoffrey Drucker (Managing Director), Stephen Nossal (Finance and Projects Director) and Inge Drucker (Operations Director). We note:

- ▶ Susan Oliver is an experienced Chairperson and company director who has served on the boards of major Australian listed and privately-owned companies. She has extensive experience in technology commercialisation, policy development and strategy consulting, and has contributed significantly to the innovation, IT and arts policy agendas in Australia. Susan was awarded the Centenary Medal in 2001 for service to Australian society in business and a Member of the Order (AM) in 2019 for significant service to business and to women;
- ▶ Geoffrey Drucker has over 15 years' experience in the renewable energy sector. Initially working for the State Electricity Commission of Victoria to evaluate renewable energy opportunities in the hydro, solar, wind, geothermal, wave, tidal and biomass sectors. His first renewable energy project was a solar farm in northeast Victoria;
- ▶ Stephen Nossal has more than 20 years' experience in corporate finance advisory and senior management roles in private and publicly listed companies such as Accenture, JB Were/Goldman Sachs and Macquarie Group. He has substantial experience in project management and transaction origination, structuring and execution; and
- ▶ Inge Drucker has extensive experience in business development and operation, and community, stakeholder, marketing and media relations issues. In addition, she is experienced in project and strategy management.

We are advised as part of the Proposed Transaction that Susan Oliver and Geoffrey Drucker will form part of ReNu's Board of Directors, which is further explained in Section 7. We are also informed that both are well regarded in the industry, based on their previous dealings with prospective investors, suppliers and government officials.

Countrywide's management team is focused on establishing an effective pathway for the development of the company's hydrogen projects and the origination of new opportunities.

## 6.2 Key Projects

This section sets out a summary of Countrywide’s three key projects.

### 6.2.1 The Hydrogen Tasmania Project

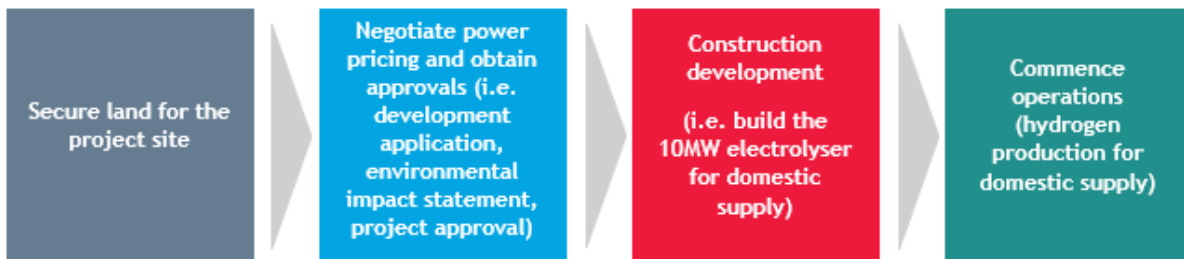
Countrywide is developing a green hydrogen project located in northern Tasmania, which will involve the production of green hydrogen with a 10MW hydrogen production plant initially. The intention of the project is to develop a domestic hydrogen supply chain for Tasmania.

Countrywide intends to use an electrolyser in order to produce hydrogen. Electrolysis uses an electric current to split water into hydrogen and oxygen. As electricity is the key operating input required for electrolysis, the most critical element of the project will be the price of delivered renewable or “green” electricity.

Countrywide intends for the green hydrogen produced to be used in fuel cell electric cars, buses and trucks, which it believes will soon be introduced to Tasmania. Countrywide is also in discussions with TasGas about potentially using hydrogen as a decarbonisation strategy for grid-based natural gas in Tasmania. In the longer-term, Countrywide intends for the green hydrogen to also be used for power generation and for industrial heat, and for the excess oxygen produced to be sold to water treatment plants and the aquaculture industry in Tasmania.

Figure 6.1 summarises the key milestones for development of the Hydrogen Tasmania Project. Countrywide has not yet secured the land for the project site, however various possible sites are currently being assessed.

**Figure 6.1: Key milestones for HTP**



Source: Countrywide Management - Tasmanian renewable hydrogen action plan

We understand Countrywide holds several non-binding Memoranda of Understanding (‘MoU’), each one documenting Countrywide’s and the respective companies’ intentions to consider matters of common interest in respect of the future use of hydrogen in mobility. Broadly, each of the MoUs outlines:

- ▶ Countrywide’s intention to assist the respective party as it transitions a proportion of its vehicles from diesel power to hydrogen fuel cell and/or Countrywide’s intention to supply hydrogen energy for the vehicles (using its green hydrogen produced at the project site); and
- ▶ The respective parties’ intention to assist Countrywide in securing appropriate government grant funds.

### 6.2.2 The Melbourne Hydrogen Hub Project

The Melbourne Hydrogen Hub planned to be located in northern Melbourne, Victoria, is a commercial-scale project which will involve the production of green hydrogen. As a part of this project, Countrywide also intends to offer services such as fuel cell vehicle refuelling and maintenance, and may develop a hydrogen storage facility. The project idea originated from a request by the Bus Association of Victoria for Countrywide to supply renewable hydrogen for up to 40 fuel cell electric buses for Melbourne’s public transport system and has since grown to 90 buses across three major bus companies.

The key milestones for the Melbourne Hydrogen Hub Project to begin production of Hydrogen are the same as those of the HTP, displayed in Figure 6.1 above.

Countrywide holds non-binding MoUs with several bus companies. Within each agreement, Countrywide has displayed intentions to develop a renewable hydrogen production and/or supply facility at the MHH project location, in order to act as a refuelling station for the vehicles. Broadly, each of the three MoUs outlines:

- ▶ Countrywide’s intention to provide hydrogen fuel for that bus company; and/or
- ▶ Countrywide’s intention to assist in the transition of the respective party’s vehicles to emission free fuel cell vehicles.

Countrywide has also entered a non-binding MoU with a company (‘Party 1’) whereby Party 1 intends to be the exclusive hydrogen refuelling and distribution partner for the MHH project.

Countrywide has executed a Heads of Agreement with a company (‘Party 2’), which outlines plans for the two parties to collaborate on the project.

Countrywide expects the project’s capital expenditure to be approximately \$40 million, and intends for it be funded by debt, equity and Government grants.

### 6.2.3 The Portland Hydrogen Project

The Hydrogen Portland Project in southwest Victoria will be a renewable hydrogen project. The first stage will involve the production of green hydrogen using a 10MW electrolyser, for supply to the local mobility and gas markets. Countrywide’s target domestic hydrogen customers will consist of road transport, trucks and buses. Once underway, Countrywide intends to expand its operations and begin exporting green hydrogen to overseas markets. Countrywide intends to secure suitable land of 5 to 7 hectares for the project.

Table 6.1 below summarises the non-binding MoUs that Countrywide holds.

**Table 6.1: Memorandum’s of Understanding regarding Hydrogen Portland project**

Party	MoU Description	Binding/non-binding
Party 1	This MoU provides an opportunity for Countrywide to develop a renewable production facility at a site where Party 1 generates renewable energy, and to provide refuelling facilities for operators of fuel cell powered vehicles.	Non-binding
Party 2	This MoU, signed in December 2020, provides Countrywide the opportunity to establish a renewable wind and solar energy farm, an energy storage facility, a hydrogen product facility and an ammonia production facility. Party 2 has displayed intentions to identify opportunities to contribute to the project from the perspectives of logistics, infrastructure requirements, investment partners and project development where possible.	Non-binding

Source: Countrywide Management - Hydrogen Portland MoU agreements

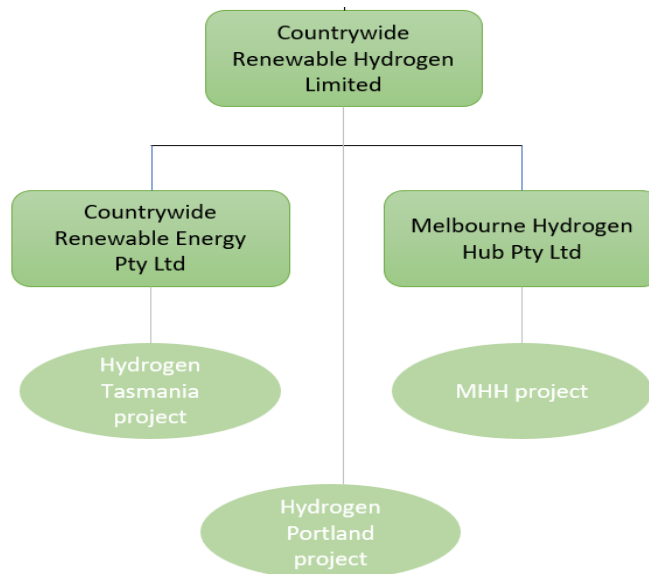
Countrywide has executed a non-binding Heads of Agreement with another Australian ASX listed energy company (‘Party 3’). Party 3 is also considering developing a hydrogen production project in Portland, and so both parties have agreed to work collaboratively to advance their individual projects into one. Both parties will need to obtain approval of various regulatory and statutory authorities, and the approval of or contractual commitment by third parties for the development of the project to reach a financial investment decision.

Countrywide has also executed agreements with two other Australian companies (‘Party 4’ and ‘Party 5’). Party 4 has agreed to provide research services to Countrywide, which are to be funded by the Victorian Government, and Party 5 has agreed to collaborate with Countrywide on the MHH project and on the HTP.

### 6.3 Corporate Structure of Countrywide

Figure 6.2 below illustrates Countrywide’s corporate structure.

**Figure 6.2: Countrywide Corporate Structure**



Source: ReNu Management - company structure as at 12 October 2021, BDOCF analysis

Prior to the Proposed Transaction, Countrywide had 50,000,003 ordinary shares on issue which are held by the three existing founders. Management have advised that the Hydrogen Portland Project does not yet have a subsidiary incorporated, however this is in train with the project partner (‘Party 3’) as described in Section 6.2.3 above.

## 6.4 Equity Structure of Countrywide

### 6.4.1 Ordinary Shares

As at 10 December 2021, Countrywide had 50,000,003 ordinary shares on issue. The top 3 shareholders are set out in Table 6.2. Table 6.2 does not consider the impact of any changes in shareholding as a result of the Proposed Transaction.

**Table 6.2: Top 3 Shareholders**

Shareholders	Number of Shares	Percentage Holding (%)
1 Geoffrey Drucker	17,307,701	34.62%
2 Inge Drucker	17,307,701	34.62%
3 Stephen Nossal	15,384,601	30.77%
<b>Total shares on issue</b>	<b>50,000,003</b>	<b>100.00%</b>

Source: Countrywide Management

Having regard to the information set out in Table 6.2 above, we note Countrywide is wholly owned by its founders. Geoffrey Drucker (Managing Director) and Inge Drucker (Operations Director) each hold a 34.62% holding in the company, while Stephen Nossal (Projects & Finance Director) holds the remaining 30.77%.

### 6.4.2 Convertible Notes on Issue

Countrywide has 1,405,000 outstanding convertible notes (issued to 42 noteholders) at a face value of \$1 per note. As of 31 January 2022 (the assumed completion date of the Proposed Transaction), the outstanding amount on these notes is \$1,534,958. The maturity date on the notes is 18 months from the date which the notes were first issued. The interest payable on the notes is 8% per annum (on a simple interest basis) with a 30% conversion discount factor and these notes are separated into four tranches depending on the issue date. Details of the convertible notes are summarised below in Table 6.3.

**Table 6.3: Countrywide's Outstanding Convertible Notes**

Tranche	Number Outstanding	Issue and Expiry Date
Tranche 1	1,310,000	Issued on 18/12/2020 and expiring on 18/06/2022
Tranche 2	30,000	Issued on 30/01/2021 and expiring on 30/07/2022
Tranche 3	35,000	Issued on 12/02/2021 and expiring on 12/08/2022
Tranche 4	30,000	Issued on 11/05/2021 and expiring on 11/11/2022
<b>Total</b>	<b>1,405,000</b>	

Source: ReNu Management

It is expected that the noteholders will be issued Countrywide shares to discharge the convertible notes immediately prior to completion of the Proposed Transaction.

## 6.5 Share Performance of Countrywide

As displayed in Table 6.2, Countrywide is entirely owned by its founders and there is no meaningful data on the company's trading history.

## 6.6 Historical Financial Information of Countrywide

This section sets out the historical financial information of Countrywide. As this Report contains only summarised historical financial information, we recommend that any user of this Report read and understand the additional notes and financial information contained in Countrywide's annual reports, including the full Statements of Profit or Loss and Other Comprehensive Income, Statements of Financial Position and Statements of Cash Flows.

Countrywide's financial statements have been audited by BDO Audit Pty Ltd. BDOCF has not performed any audit or review of any type on the historical financial information of Countrywide and we make no statement as to the accuracy of the information provided. However, we have no reason to believe that any of the information provided is false or misleading.

### 6.6.1 Statements of Profit or Loss

Table 6.4 summarises the Consolidated Statement of Profit or Loss of Countrywide for FY19, FY20 and FY21.

**Table 6.4: Countrywide's Consolidated Statement of Profit or Loss**

	12 Months Ended 30-Jun-19 Audited \$	12 Months Ended 30-Jun-20 Audited \$	12 Months Ended 30-Jun-21 Audited \$
<b>Revenue</b>			
Government grants	40,000	60,000	-
Other revenue	4,400	-	-
<b>Total revenue</b>	<b>44,400</b>	<b>60,000</b>	<b>-</b>
<b>Expenses</b>			
Employee benefit expenses	-	-	(373,985)
Transaction costs	(30,292)	(67,439)	-
Project costs	-	-	(59,320)
Depreciation expense	-	-	(1,437)
Finance costs	-	-	(58,232)
Corporate and administration expenses	(15,673)	(20,994)	(118,730)
<b>Total expenses</b>	<b>(45,965)</b>	<b>(88,433)</b>	<b>(611,704)</b>
<b>Loss before income tax expense</b>	<b>(1,565)</b>	<b>(28,433)</b>	<b>(611,704)</b>
Income tax expense	-	-	-
<b>Loss after income tax expense</b>	<b>(1,565)</b>	<b>(28,433)</b>	<b>(611,704)</b>

Source: Countrywide FY19, FY20 and FY21 financial statements

With reference to Table 6.4 above, we note that no government grants have been received in FY21 and as of 10 December 2021, no new applications have been made. Countrywide management have advised that as projects progress, they expect grant applications will be lodged.

### 6.6.2 Statements of Financial Position

Table 6.5 summarises Countrywide's statements of financial position as at 30 June 2019, 2020 and 2021.

**Table 6.5: Countrywide's Summarised Consolidated Statements of Financial Position**

	12 Months Ended 30-Jun-19 Audited \$	12 Months Ended 30-Jun-20 Audited \$	12 Months Ended 30-Jun-21 Audited \$
<b>Assets</b>			
Cash and cash equivalents	10,289	206	802,212
Trade and other receivable	-	-	15,311
Property, plant and equipment	-	-	2,815
Other	-	-	3,333
<b>Total assets</b>	<b>10,289</b>	<b>206</b>	<b>823,671</b>
<b>Liabilities</b>			
Trade and other payables	12,029	30,379	94,261
Employee benefits	-	-	23,585
Convertible notes	-	-	1,347,169
<b>Total liabilities</b>	<b>12,029</b>	<b>30,379</b>	<b>1,465,015</b>
<b>Net liabilities</b>	<b>(1,740)</b>	<b>(30,173)</b>	<b>(641,344)</b>
<b>Equity</b>			
Issued capital	1,200	1,200	1,733
Accumulated losses	(2,940)	(31,373)	(643,077)
<b>Total deficiency in equity</b>	<b>(1,740)</b>	<b>(30,173)</b>	<b>(641,344)</b>

Source: Countrywide FY19, FY20 and FY21 financial statements

With reference to Table 6.5 above, we note the following:

- ▶ The increase in cash and cash equivalents in H1FY21 was funded through the issuance of convertible notes in December 2020, January 2021, February 2021 and May 2021; and
- ▶ The balance sheet is indicative of a company with minimal operations that is exploring the feasibility of a variety of projects.

### 6.6.3 Statements of Cash Flows

Table 6.6 summarises Countrywide’s Statement of Cash Flows for the 12 month periods ended 30 June 2019, 2020 and 2021.

**Table 6.6: Countrywide’s Summarised Consolidated Statements of Cash Flows**

	12 Months Ended 30-Jun-19 Audited \$	12 Months Ended 30-Jun-20 Audited \$	12 Months Ended 30-Jun-21 Audited \$
<b>Cash flows from operating activities</b>			
Receipts from grants (inclusive of GST)	40,000	60,000	-
Receipts from income (inclusive of GST)	4,400	-	-
Payments to suppliers and employees (inclusive of GST)	(34,111)	(70,083)	(513,527)
<b>Net cash from/(used in) operating activities</b>	<b>10,289</b>	<b>(10,083)</b>	<b>(513,527)</b>
<b>Net cash from investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Issue Capital	-	-	533
Proceeds from convertible notes	-	-	1,315,000
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>	<b>1,315,533</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10,289</b>	<b>(10,083)</b>	<b>802,006</b>
Cash and cash equivalents at the beginning of the financial year	-	10,289	206
<b>Cash and cash equivalents at the end of the financial year</b>	<b>10,289</b>	<b>206</b>	<b>802,212</b>

Source: Countrywide FY18, FY19, FY20 and FY21 financial statements

With reference to Table 6.6 above, we note the following:

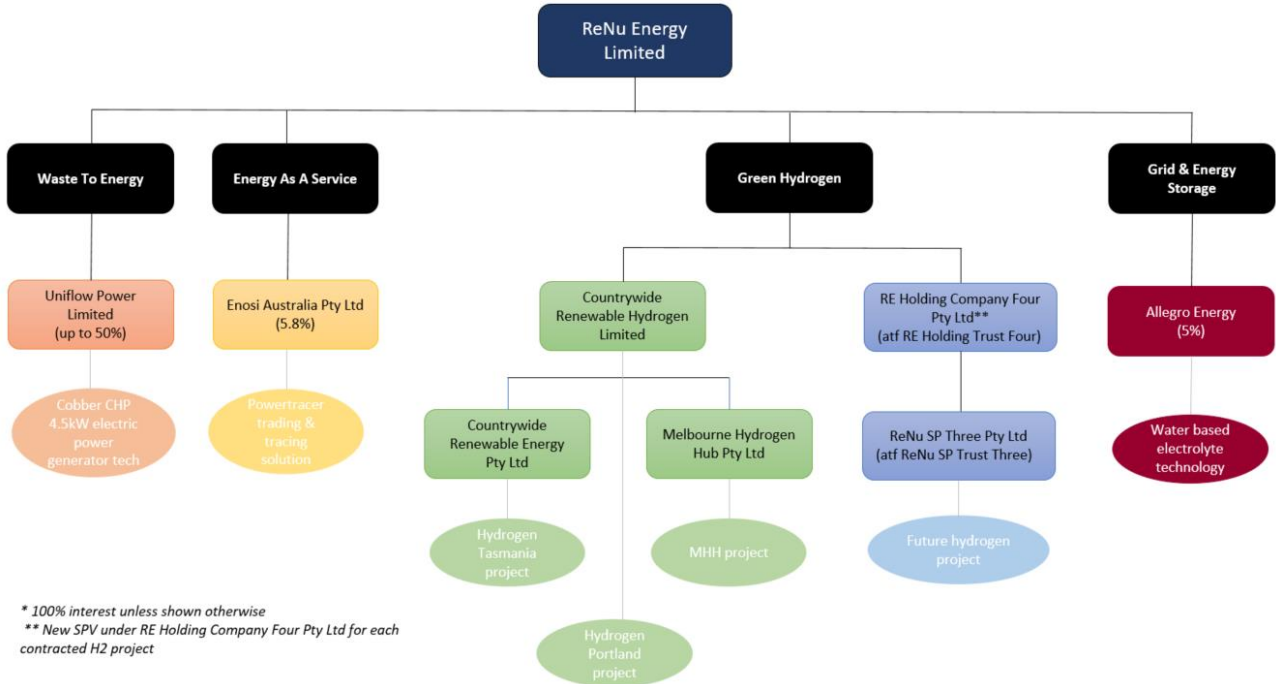
- ▶ Historically, Countrywide’s only cash inflows from operating activities related to government grants. Since no grants have been received in FY21, the net cash flow from operating activities has decreased; and
- ▶ Countrywide has issued convertible notes to raise funds to expand the company’s business operations.

## 7.0 Overview of Combined Entity

Following the Proposed Transaction, the Combined Entity will continue to be a renewable and clean energy company focused on the development of renewable and clean energy technologies and projects, moving to either a controlling interest, supporting through an IPO or exiting via trade sale.

The Combined Entity will continue to be listed under ReNu on the ASX following the Proposed Transaction. Figure 7.1 below illustrates the proposed ownership structure of the Combined Entity following the Proposed Transaction.

Figure 7.1: The Combined Entity’s Corporate Structure following the Proposed Transaction



Source: ReNu Management, BDOCF analysis

Management control of ReNu will not pass to Countrywide management or Countrywide shareholders and Mr Greg Watson will continue to be CEO and Company Secretary of ReNu. While there will not be any change in the majority composition of the Board as a result of the Proposed Transaction, Mr Geoff Drucker will be appointed as Executive Director and Ms Susan Oliver will be appointed as Non-Executive Director of the Combined Entity.

Countrywide personnel will be employed by ReNu. Board and management will focus on advancing the pipeline of green hydrogen opportunities and progressing the company’s other investments. Furthermore, ReNu management have advised that the changes arising from the proposed corporate structure will not cause ReNu to fail the continuity of ownership with the company’s existing tax losses remaining available for utilisation.

Management have advised that the second arm of the green hydrogen entity (RE Holding Company Four Pty Ltd) is a dormant company and has been set up as a special purpose vehicle (‘SPV’) for new projects. Countrywide’s hydrogen projects are expected to be implemented with a similar structure.

In addition to progressing commercialisation opportunities, management will explore synergies between investments. For example: (i) incorporating the battery and storage technology within the green hydrogen projects when wind and solar energy are unavailable; and (ii) conjoining the clean energy traceability technology in with the hydrogen projects to verify to customers that the energy is 100% renewable.

## 8.0 Industry Overview

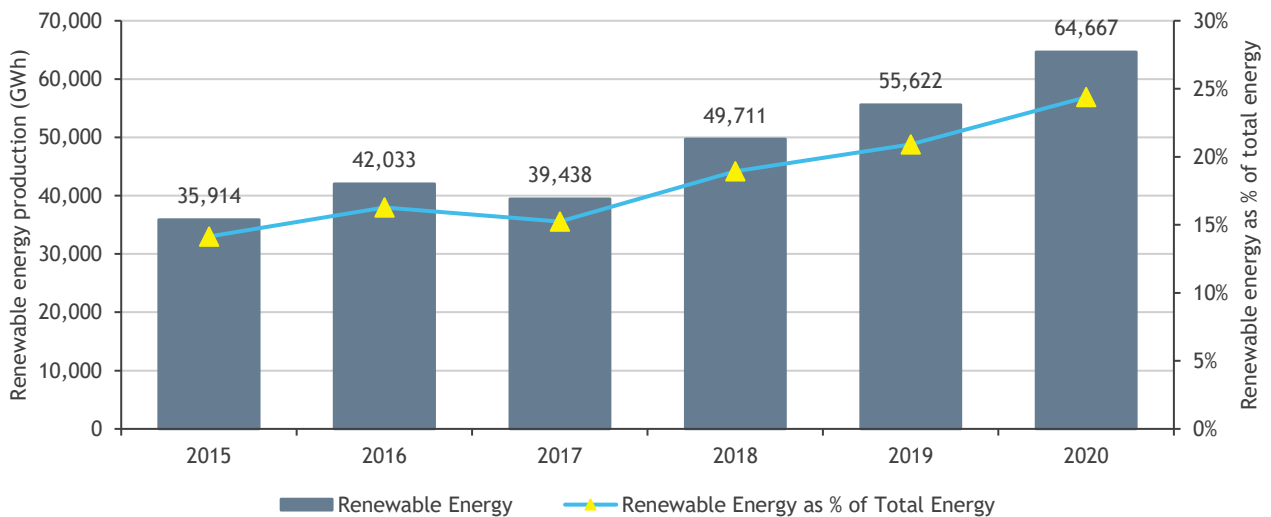
ReNu operates in the renewable energy industry, which is a subset of the broader energy sector. Specifically, it operates in three markets: bioenergy, Energy as a Service ('EaaS') and battery and energy storage technology. Countrywide also exists within the renewable energy industry, and specifically focusses on the production of green hydrogen.

The information presented in this section has been compiled from a range of publicly available sources, together with information taken from various databases to which we subscribe. BDOCF has not independently verified any of the information and we recommend that users of this Report refer to the original source of any information listed in this section. This section should be referred to as a guide only.

### 8.1 Renewable Energy Overview

Australia's renewable energy sector has seen significant growth in the last decade driven by renewable energy policies and targets (growth illustrated in Figure 8.1). The shift towards renewable energy has been expedited by the Australian Government's Renewable Energy Target ('RET') scheme and state-based feed-in tariff ('FiT') schemes which aim to increase electricity from renewable sources<sup>1</sup>.

Figure 8.1: Renewable Energy Production in Australia



Source: Australian Energy Update 2021, Australian Government - Department of Industry, Science, Energy and Resources, BDOCF Analysis

According to projections from the Department of Industry, Science, Energy and Resources, Australia's renewable energy sector is on track to account for 45% of total energy production by 2025, and 61% by 2030<sup>2</sup>.

### 8.2 Bioenergy

#### 8.2.1 Overview

Bioenergy is a type of renewable energy that converts organic materials (known as biomass) into heat, electricity, biogas and liquid fuels.

Biomass is typically sourced from agricultural, forestry and municipal waste, of which sugar cane waste and landfill are the most common sources of biomass<sup>3</sup>. This means that bioenergy generators can produce energy at any time of the day, as opposed to other renewable energy sources such as solar energy. As illustrated in Figure 8.2, in 2020 bioenergy accounted for only 5.27% of total renewable energy (1.29% of total energy), making it the smallest category of renewable energy production in Australia.

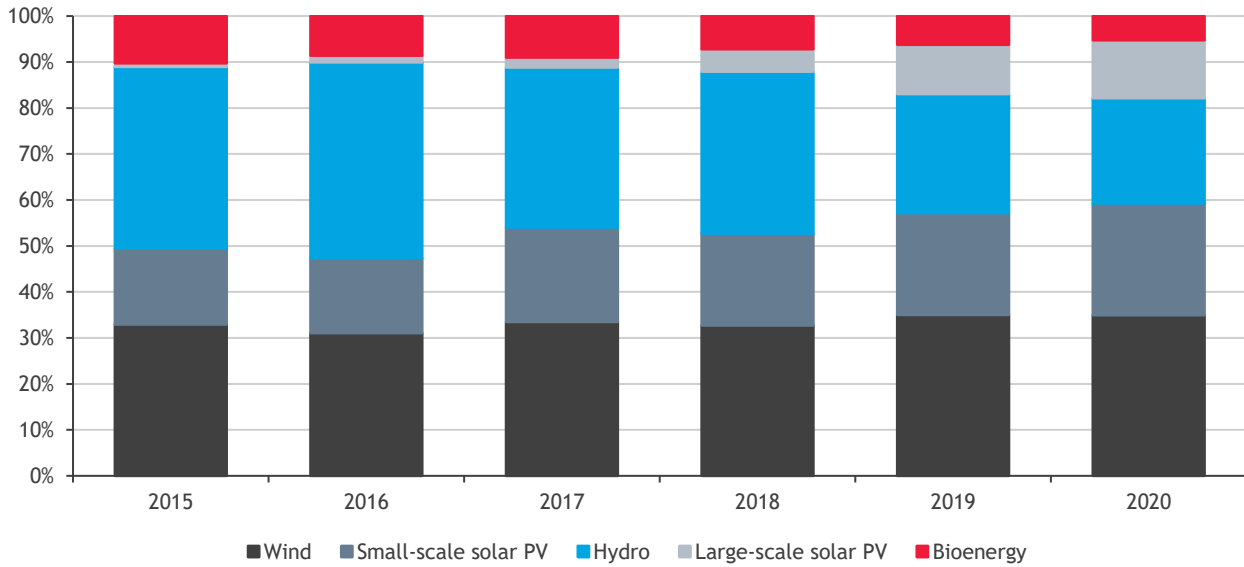
Despite bioenergy's modest adoption in Australia, on a global scale, bioenergy has advantages over other forms of renewable energy. In developing countries (such as India) and South-East Asia, bioenergy provides access to a reliable power supply (in the absence of a robust power grid). Currently, there exists significant demand for bioenergy from developing countries, colder climates (which use biomass to provide heating and hot water) and off-grid rural areas. Furthermore, biomass-fuelled generators, such as Uniflow's Cobber, allow a portable form of energy production which has the opportunity to gain the market share of fossil fuel powered generators. The portability of bioenergy technologies such as the Cobber is an advantage compared to solar panels and wind turbines which are typically installed in a fixed location.

<sup>1</sup> Support for Renewable Energy 2021, research publication, Australian Parliament House

<sup>2</sup> Australian Energy Update 2021, Australian Government - Department of Industry, Science, Energy and Resources

<sup>3</sup> Clean Energy Australia Report 2018, Clean Energy Council

**Figure 8.2: Renewable Energy Composition in Australia (2020)**



Source: Department of Industry, Science, Energy and Resources: Australian Energy Statistics, BDOCF Analysis

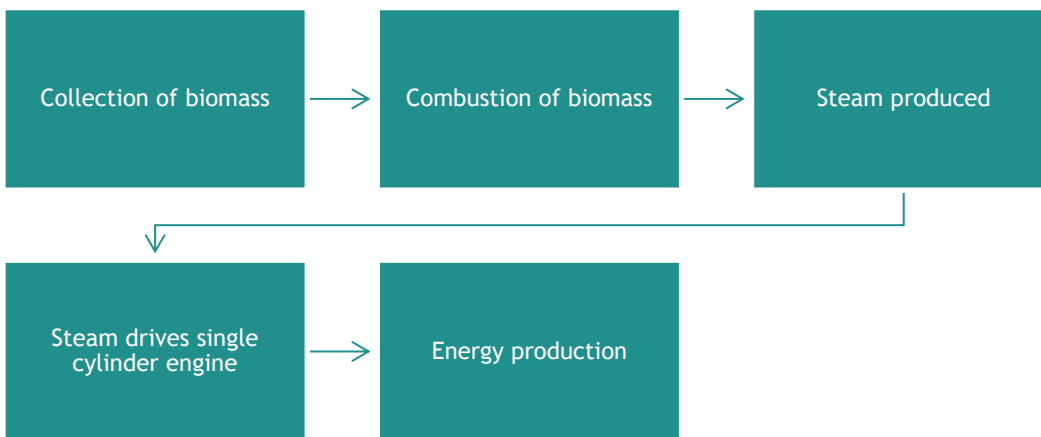
### 8.2.2 Production of Bioenergy

There are many ways in which bioenergy can be produced. The most efficient method is dependent on the type of biomass that is being converted into energy.

ReNu’s investment in Uniflow Power utilises the “Cobber” - a small scale steam engine designed for production of heat and power. The Cobber system is designed to directly combust ‘low grade’ fuels and agricultural waste such as macadamia shells, olive pips, waste paper, woody waste and other biomass.

This process is illustrated below in Figure 8.3. The combustion of biofuels is the simplest and most widely used conversion method, however other biomass conversion technologies include gasification, pyrolysis and anaerobic digestion, which are more complicated processes.

**Figure 8.3: Cobber Energy Production Process**

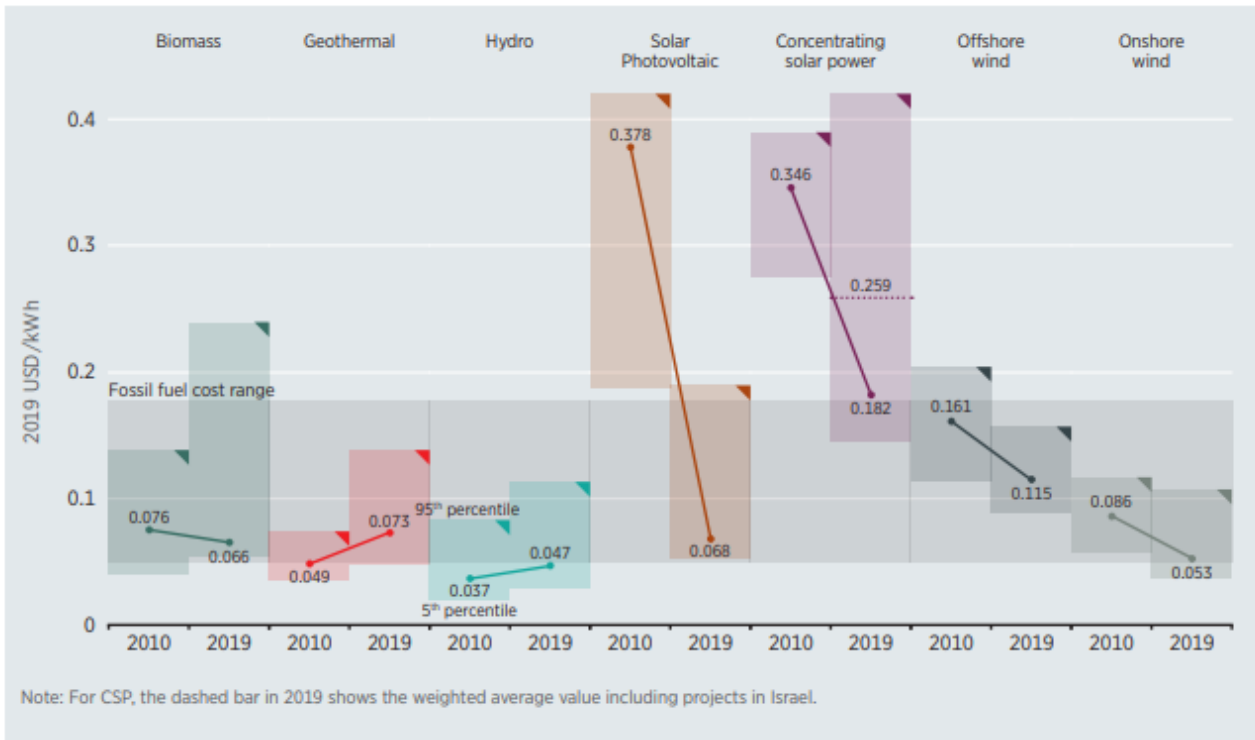


Source: Uniflow Power, BDOCF Analysis

Analysis by the International Renewable Energy Agency, displayed below in Figure 8.4, compares the average global prices of different renewable energy technologies.

Despite biomass being listed as one of the cheapest renewable energies, bioenergy on a commercial scale is not as viable as other renewable technologies such as solar and wind. As demonstrated in Figure 8.2, solar and wind combine for approximately 72% of total energy production in Australia and have seen increased adoption relative to bioenergy.

Figure 8.4: Global Weighted Average Levelised Cost of Electricity from Utility-scale Renewable Power Generation Technologies, 2010 and 2019



Source: International renewable energy agency: Renewable power generation costs in 2019

Regarding Figure 8.4 we note:

- ▶ This data is for the year of commissioning (2019);
- ▶ The thick lines are the global weighted-average Levelised Cost of Electricity (‘LCOE’) value derived from the individual plants commissioned in each year;
- ▶ The project-level LCOE is calculated with a real weighted average cost of capital (‘WACC’) equal to 7.5% for OECD countries and China and 10% for the rest of the world; and
- ▶ The single band represents the fossil fuel-fired power generation cost range, while the bands for each technology and year represent the 5th and 95th percentile bands for renewable projects.

### 8.3 Hydrogen

#### 8.3.1 Overview

Hydrogen is the most abundant element in the universe and can be used as a source of energy and electricity. However, to obtain hydrogen in its pure form it must be produced by separating it from other elements such as splitting water into hydrogen and oxygen.

#### 8.3.2 Hydrogen Production and Uses

There are several methods through which hydrogen can be produced including:

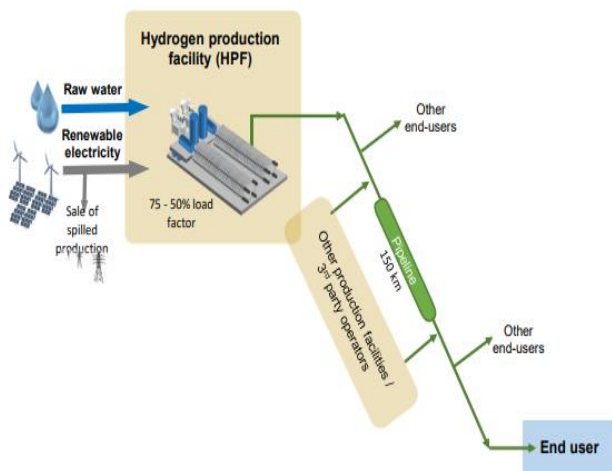
- ▶ Using electrolysis, such as in Countrywide’s Hydrogen Tasmania Project. Electrolysis involves using electricity to split water into hydrogen and oxygen through the use of an electrolyser. More specifically, an electrolyser operates like a fuel cell in reverse, where instead of using the energy of a hydrogen molecule, like a fuel cell does, it creates hydrogen from water molecules. An emphasis has been placed on electrolysis when harvesting green hydrogen due to the potential of zero greenhouse gasses being emitted in the production process. Unlike brown and grey hydrogen, which involves the burning of fossil fuels and natural gas to release hydrogen, green hydrogen works in conjunction with wind and solar to power this process; and

- ▶ Using wind and solar farms, such as in Countrywide’s Hydrogen Portland project. Wind and solar energy incorporate the same mechanisms, whereby natural resources (wind and the sun) are used to produce solar fuels like hydrogen. Of the two, solar has been the most common, frequently found on residential housing and on larger scale developments through the use of solar photovoltaic panels and solar thermochemical production. Solar photovoltaic panels are composed of semiconductor material which absorbs sunlight, creates negatively charged particles (electrons), which transfers through to an electrical current. Whereas solar thermochemical incorporates large mirrors reflecting sunlight onto a receiver which transfers heat to a thermal energy storage system.

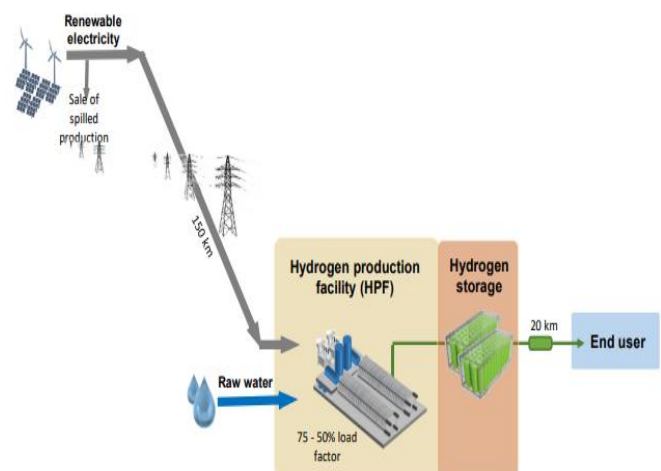
Figure 8.5 outlines the delivery methods from renewable energy sites to the hydrogen production facility and subsequently on to the end user. A common transportation option adopted by many hydrogen projects is a pipeline-based transport and storage approach (option 1), which uses energy from solar and/or wind to power the hydrogen production facility. Pipelines are then used to transport the green hydrogen to the end user.

Figure 8.5 Methods of Hydrogen Delivery

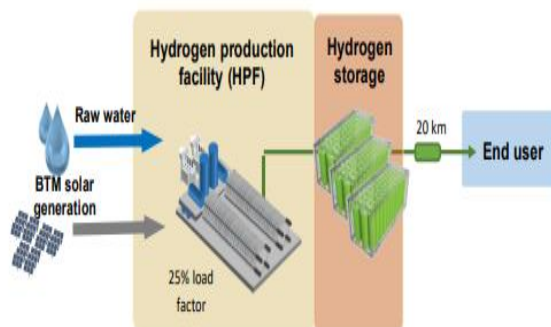
Option 1 - Move molecules from wind and solar farm (Variable load factor)



Option 2 - Move electrons (Variable load factor)



Option 3 - Move molecules from solar farm



Source: Advisian, Australian hydrogen market study 2021

Transportation and storage of hydrogen has historically been very difficult due to it having a very low volumetric energy density (lightweight), being 3.2 times less energy dense than natural gas and 2,700 times less energy dense than gasoline. Therefore, additional processes are needed to convert to a form required for commercial transportation purposes. These are detailed below:

- ▶ Compressed - hydrogen must be compressed to around 500 bar (originally 20-30 bar) before being transported via truck with gas cylinders. This process involves centrifugal compressors (specific for pipeline hydrogen) rotating at high speeds which compress the gas; and
- ▶ Liquefied - hydrogen is cooled to below -253 degrees Celsius through an extensive liquefaction process. Liquid hydrogen is then formed and stored/delivered in insulated tanks.

Green hydrogen has predominately been seen as a replacement to current forms of electrical generation such as coal, oil and gas. Coal, oil and gas are the largest producers of greenhouse gas emissions globally. When used, green hydrogen releases water into the atmosphere (as opposed to carbon dioxide), has increased energy storage capacity and up to three times as much energy as fossil fuels (per equal measure of weight). This will allow green hydrogen to reduce carbon dioxide emissions and have more environmentally friendly applications in transportation (air, land and sea), household electricity and industry.

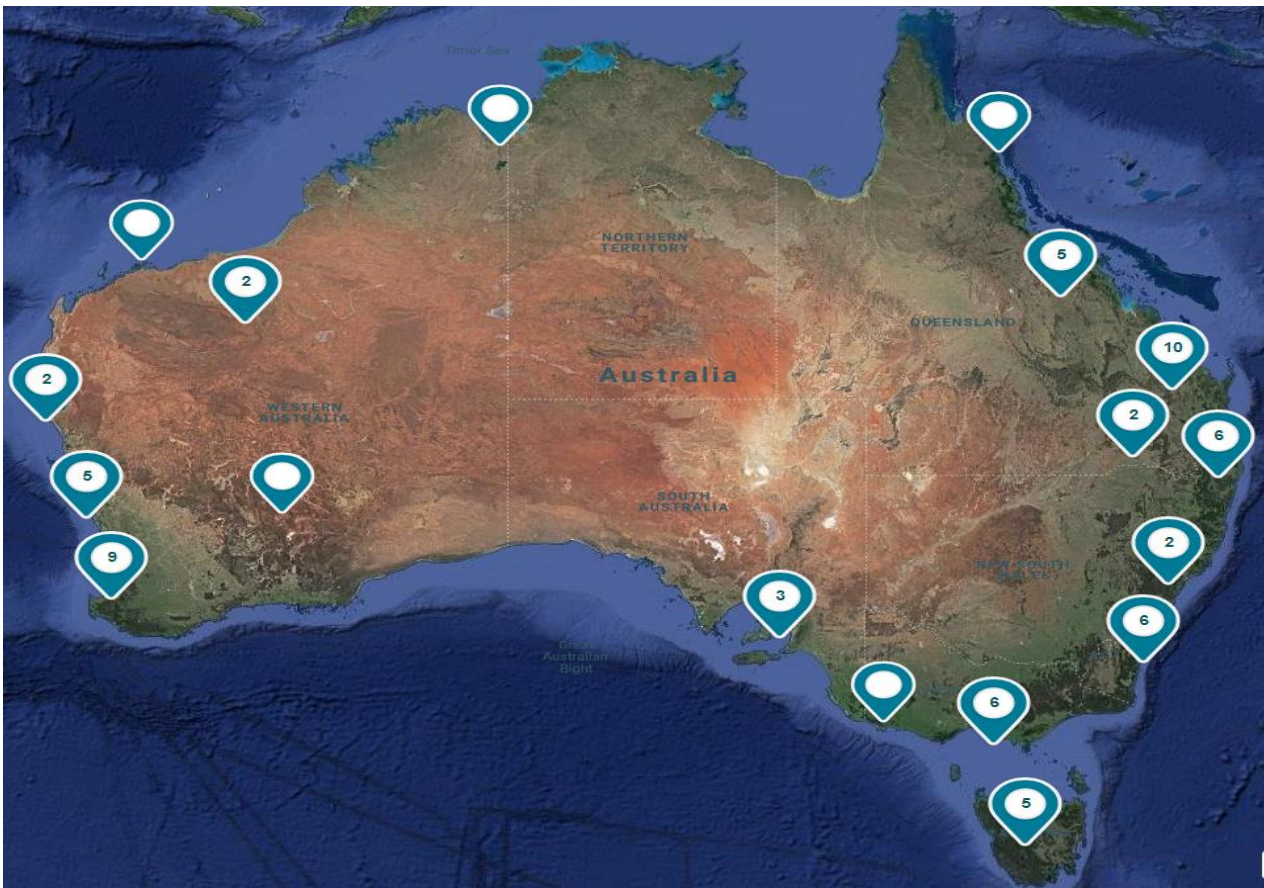
Moreover, it is also an important element to assist nations in achieving their goals within the Paris Agreement. This has recently seen the adoption of greener transport modes such as electric vehicles, where in the US alone it is estimated that all cars must be electric by 2030 to combat a 1.5 degree increase in global temperatures. In line with this strategy, many nations such as Australia have implemented plans to transition all public transport to electric forms. Countrywide’s MHH project aims to take advantage of this ‘electric revolution’ by developing the first renewable hydrogen ‘hub’ which incorporates a supply chain of hydrogen production, refuelling station, fuel cell servicing and training facility.

### 8.3.3 Australian Industry Outlook

Australia has an abundance of natural resources to produce green hydrogen for both domestic and international markets. The Australian Government recently announced a plan to invest \$1.2 billion into building the foundations for large scale hydrogen production for domestic and international consumption.

Figure 8.5 represents the locations of hydrogen projects currently operating or under construction within Australia. Queensland has the highest density of current and prospective projects which include large companies such as Rio Tinto and Origin Energy.

**Figure 8.5: Australian Hydrogen Projects Operating or Under Construction**



Source: CSIRO - Hydrogen large-scale, demonstration and pilot project map 2021

With reference to Figure 8.5, Table 8.1 below summarises the stages of completion of the hydrogen projects. Note that ‘under construction’ includes projects in the early development stages (feasibility studies and applications) which have not begun building.

**Table 8.1: Completion Status of Hydrogen Projects**

Project status	Amount
Operating	7
Advanced development	13
Under construction	60
National funding program	1
<b>Total</b>	<b>81</b>

Source: CSIRO - Hydrogen large-scale, demonstration and pilot project map 2021

### 8.3.4 Challenges of Hydrogen Adoption

The adoption of hydrogen technology will require significant capital outlay on a company and governmental scale. As Australia is in the early adoption phase, there is a lack of infrastructure to support the rising interest in adopting green technology.

In Australia, the distance between optimal renewable resources and end-use locations is often considerable. Typically, inland areas adjacent to mountain ranges provide more reliable wind and solar resources, whereas hydrogen demand by industry or export is typically on the coast. Electrolysers also require water, which is often progressively more constrained moving inland, with increased competition from settlements, agriculture and industry.

Storage costs also provide challenges as further costs are associated with establishing commercially efficient supply chains. Due to the chemical formation of hydrogen, even when compressed, hydrogen’s lower density results in reduced amounts being delivered per trip compared to traditional forms of fuel.

## 8.4 Clean Energy Traceability

### 8.4.1 Overview

As has been discussed, Australia’s renewable energy sector has seen significant growth in the last decade. However a complication of this larger demand is that renewable energy sources generate most of their energy at certain times of the day and these times often do not match with the peak demand hours. This means that in order to fulfil renewable energy power contracts with customers, energy suppliers often have to supplement renewable sources with traditional sources of power such as coal, oil or natural gas. Enosi believes that its technology will solve this problem by enabling users to recognise when they are not using renewable energies so that they can adapt.

### 8.4.2 Pre-Existing Energy Measurement Practices

Currently Australia has several mechanisms that are used to measure energy usage including:

- ▶ Energy Attributes Certificates (‘EAC’) - The EAC system, introduced by the Australian Renewable Energy Act 2000 and administered by the Clean Energy Regulator as part of a regulatory scheme designed to increase renewable electricity usage. EACs are certificates that are issued as proof of electricity produced by renewable sources. The certificates are issued when renewable electricity is produced, and later cancelled when that energy eventually reaches a consumer; and
- ▶ Smart Meters - Smart meters are digital devices which accurately measure electricity usage and power quality and can share information wirelessly to energy consumers, retailers, and distributors. In September 2021, the Australian Energy Market Commission released a directions paper with recommendations and options aimed at accelerating the rollout of smart meters for households and small businesses.

The challenge with the above mechanisms is that it is difficult for consumers to determine where their energy has been generated and specifically, to match each unit of energy used with a unit of energy that is generated at the same time.

Enosi’s Powertracer is a renewable trading and tracing platform that will enable consumers to see where their energy has been generated. Specifically, the platform will match each unit of energy used with a unit of energy that is generated at the same time. To do this, the platform will use smart metering data to trace, match and settle energy production and consumption.

Enosi aims to capitalise on the pre-existing markets shared across EACs and Smart Meters, and create a new class of ‘Energy as a Service’.

## 8.5 Unique water-based battery electrolytes

### 8.5.1 Background

A battery is a device comprised of an anode, a cathode and an electrolyte that stores chemical energy and converts it to electrical energy. The electrolyte sits between the anode and the cathode and allows ions to pass between them.

An electrolyte is typically either water-based or based off an organic solvent. Water-based electrolytes are not expensive or toxic, but have poor stability. More specifically, they are only able to remain stable up to 1.23 volts; after this, the water splits into its hydrogen and oxygen molecules. On the other hand, solvent-based electrolytes have adequate electrochemical stability, but are commonly toxic, and expensive.

### 8.5.2 Overview

After beginning training and research on battery storage in 2017, Allegro has developed a new type of electrolyte which is based off a microemulsion, comprising of both water and a solvent component. A microemulsion is when a surfactant is used to combine water molecules and a hydrophobic liquid. The combination is thermodynamically stable and hence can be used as an electrolyte in a battery.

Allegro intends to use the invention in supercapacitors and in redox flow batteries. A supercapacitor is a type of capacitor that can store large amounts of energy; it has greater capacitance and a higher energy density than capacitors. A redox flow battery is a battery which stores the electrolytes in external tanks.

Allegro believes that the new unique water-based electrolyte system will make these battery types much cheaper, and more environmentally friendly (as they are less carbon intensive to manufacture than typical electrolytes, and are not toxic).

### 8.5.3 Electrolyte battery manufacturing in Australia

Battery manufacturing in Australia is very limited; currently no battery cell manufacturing occurs in Australia (although there is an active and growing battery assembly industry). With respect to microemulsion battery electrolytes, Allegro's aim is to be the first manufacturer globally. The technology is currently patented in Australia, New Zealand, China and Europe, and patent applications have been lodged in the US and Japan.

## 9.0 Common Valuation Methodologies

A 'fair market value' is often defined as the price that reflects a sales price negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, with both parties at arm's length. The valuation work set out in this Report assumes this relationship.

RG 111 outlines a number of methodologies that a valuer should consider when valuing securities or assets for the purposes of, among other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. The valuation methodologies we have considered in this Report include the discounted cash flow ('DCF'), capitalisation of maintainable earnings ('CME'), asset-based valuation ('ABV') and market-based valuation ('MBV') methodologies.

RG 111 does not prescribe which methodology should be used by the expert, but rather notes that the decision lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the securities or assets being valued.

### 9.1 Discounted Cash Flows ('DCF')

The DCF approach calculates the value of an entity by adding all of its future net cash flows discounted to their present value at an appropriate discount rate. The discount rate is usually calculated to represent the rate of return that investors might expect from their capital contribution, given the riskiness of the future cash flows and the cost of financing using debt instruments.

In addition to the periodic cash flows, a terminal value is included in the cash flow to represent the value of the entity at the end of the cash flow period. This amount is also discounted to its present value. The DCF approach is usually appropriate when:

- ▶ An entity does not have consistent historical earnings but is identified as being of value because of its capacity to generate future earnings; and
- ▶ Future cash flow forecasts can be made with a reasonable degree of certainty over a sufficiently long period of time.

Any surplus assets, along with other necessary valuation adjustments, are added to the DCF calculation to calculate the total entity value.

### 9.2 Capitalisation of Maintainable Earnings ('CME')

The CME approach involves identifying a maintainable earnings stream for an entity and multiplying this earnings stream by an appropriate capitalisation multiple. Any surplus assets, along with other necessary valuation adjustments, are added to the CME calculation to calculate the total entity value.

The maintainable earnings estimate may require normalisation adjustments for non-commercial, abnormal or extraordinary events.

The capitalisation multiple typically reflects issues such as business outlook, investor expectations, prevailing interest rates, quality of management, business risk and any forecast growth not already included in the maintainable earnings calculation. While this approach also relies to some degree on the availability of market data, the multiple is an alternative way of stating the expected return on an asset.

The CME approach is generally most appropriate where an entity has historical earnings and/or a defined forecast or budget. Further, a CME is usually considered appropriate when relevant comparable information is available.

### 9.3 Asset Based Valuation ('ABV')

An ABV is used to estimate the fair market value of an entity based on the book value of its identifiable net assets. The ABV approach using a statement of financial position alone may ignore the possibility that an entity's value could exceed the book value of its net assets. However, when used in conjunction with other methods which determine the value of an entity to be greater than the book value of its net assets, it is also possible to arrive at a reliable estimate of the value of intangible assets including goodwill.

Alternatively, adjustments can be made to the book value recorded in the statement of financial position in circumstances where a valuation methodology exists to readily value the identifiable net assets separately and book value is not reflective of the true underlying value. Examples of circumstances where this type of adjustment may be appropriate include when valuing certain types of identifiable intangible assets and/or property, plant and equipment.

The ABV approach is most appropriate where the assets of an entity can be identified and it is possible, with a reasonable degree of accuracy, to determine the fair value of those identifiable assets.

#### 9.4 Market Based Valuation ('MBV')

An MBV methodology determines a value for an entity by having regard to the value at which securities in the entity have recently been purchased. This approach is particularly relevant to:

- ▶ Entities whose shares are traded on an exchange. The range of share prices observed may constitute the market value of the shares where a sufficient volume of shares is traded and the shares are traded over a sufficiently long period of time; and/or
- ▶ Entities for which it is possible to observe recent transactions relating to the transfer of relatively large parcels of shares (e.g. recent capital raisings).

For listed entities, the range of share prices observed may constitute the market value of the shares in circumstances where sufficient volumes of shares are traded and the shares are traded over a sufficiently long period of time. Share market prices usually reflect the prices paid for parcels of shares not offering control to the purchaser.

## 10.0 Valuation of ReNu Prior to the Proposed Transaction

This section sets out our valuation of the shares in ReNu and is structured as follows:

- ▶ Section 10.1 sets out our view of the most appropriate methodology to value ReNu;
- ▶ Section 10.2 sets out our valuation of ReNu having regard to a sum-of-parts approach;
- ▶ Section 10.3 sets out our valuation of ReNu having regard to a market based approach; and
- ▶ Section 10.4 sets out our conclusion on the value of ReNu for the purposes of this Report.

### 10.1 Our Valuation Approach for ReNu

We have considered each of the valuation methodologies contained in Section 9 of this Report and determined, in our view, the most appropriate methodology for calculating the value of ReNu. In this regard, we have chosen to employ a sum-of-parts ('SOP') and a market based ('MBV') approach. Considerations for the valuation of ReNu prior to the Proposed Transaction include:

- ▶ In completing our SOP approach, each asset and liability of the Company is valued separately. We have completed our calculations having regard to ReNu's unaudited balance sheet as at 31 October 2021 and, where appropriate, made adjustments to reflect ReNu's financial position prior to the Proposed Transaction. To estimate a value for the assets we have considered the recent prices paid for their investments along with a consideration of any movements in key milestones;
- ▶ In completing our MBV methodology, we have considered that ReNu's shares are listed on the ASX and it is possible to observe the market price of trades in ReNu shares. We note that ReNu shares display relatively high levels of liquidity and as such it is our view that the MBV represents an appropriate methodology. Further to the above, ReNu has also completed a private placement in June 2021 which can be considered a material transaction relating to the issue of large parcels of shares in ReNu;
- ▶ In our view, future cash flows of ReNu cannot be determined with the appropriate level of certainty or accuracy at the current time and therefore the DCF methodology was not considered appropriate for calculating the value of ReNu shares; and
- ▶ A CME valuation approach was not considered appropriate, as ReNu's investments have no income earning capacity for a CME valuation at the current time.

### 10.2 Sum-of-Parts Valuation of ReNu

Our SOP valuation of ReNu is set out as follows:

- ▶ Section 10.2.1 sets out our valuation of ReNu's investments;
- ▶ Section 10.2.2 sets out our valuation of ReNu's tax losses;
- ▶ Section 10.2.3 sets out our valuation of ReNu's other assets and liabilities; and
- ▶ Section 10.2.4 sets out our valuation of ReNu prior to the proposed transaction.

#### 10.2.1 Value of ReNu's Investments

Table 10.1 below sets out the prices paid by ReNu to acquire its investments along with a consideration of any factors that may have led to value accretion or dilution.

**Table 10.1: Value of ReNu Investments Having Regard to Acquisition Price**

Investment	Description	Value Having Regard to Acquisition Price
Uniflow	<p>In July 2021, ReNu invested in Uniflow by way of a \$250,000 convertible note. We note that an additional \$50,000 equity payment was made on 1 December 2021 per the investment agreement. We have assumed that the combined amount of \$300,000 is an appropriate value to adopt for the purposes of our analysis. In forming this view we note:</p> <ul style="list-style-type: none"> <li>▶ Greenhouse emissions balance testing Cobber highlights the Cobber has a CO<sub>2</sub> emissions intensity ~90% less than a small diesel generator and ~95% less than a small petrol generator, per kWh of electricity produced;</li> <li>▶ Internationally, Uniflow has agreed a collaboration term sheet for a trial with Argentina's National Institute of Industrial Technology, a government standards and research organisation focusing on rural and agricultural application for the 'Cobber' product. ReNu management have advised that both parties are currently working on a formal agreement; and</li> <li>▶ ReNu management have provided us additional information such as investment strategy and project timelines not disclosed to the public.</li> </ul>	\$300,000

Investment	Description	Value Having Regard to Acquisition Price
Enosi	<p>In September 2021, ReNu entered into a subscription agreement with Enosi to invest \$500,000 in two equal tranches. The second tranche of the investment was made by ReNu on 30 November 2021. We have assumed that the \$500,000 investment price remains an appropriate value to adopt for the purposes of our analysis. In forming this view we note:</p> <ul style="list-style-type: none"> <li>▶ Other parties have invested in Enosi alongside ReNu on similar terms. These parties include clean tech incubator and advisory firm Energy Estate, Artesian Clean Energy Seed Fund (whose cornerstone commitment is from the Federal Government’s Green Bank - the Clean Energy Finance Corporation) and Mirvac Ventures;</li> <li>▶ Due to Enosi being a relatively new investment, no key milestones have been met since the acquisition. ReNu management have advised that progress is in line with company timelines and that Mirvac Ventures have proposed to deploy Enosi’s ‘Powertracer’ product on renewable energy projects over the coming months; and</li> <li>▶ ReNu management have provided us additional information such as investment strategy and project timelines not disclosed to the public.</li> </ul>	\$500,000
Allegro	<p>In December 2021, ReNu entered into a subscription agreement with Allegro Energy to invest \$450,000 for a 5% stake in the company. We have assumed that the \$450,000 investment price remains an appropriate value to adopt for the purposes of our analysis. In forming this view we note:</p> <ul style="list-style-type: none"> <li>▶ ‘The Melt’ has invested in Allegro alongside ReNu on similar terms as part of Allegro’s broader funding round to raise \$1 million. The Melt is an advanced manufacturing centre and innovator accelerator focused on hardware products; and</li> <li>▶ Due to Allegro being a new investment, no key milestones have been met since the acquisition.</li> </ul>	\$450,000
<b>Total</b>		<b>\$1,250,000</b>

Source: BDOCF analysis

### 10.2.2 Value of ReNu’s Tax Losses

ReNu has carry forward tax losses which can be used to offset future taxable income, accumulating to approximately \$68 million as at 30 June 2021. In our view, it is appropriate to include the present value of the tax benefits that are likely to be realised by utilising the carry forward tax losses as a surplus asset. We note that ReNu will only be able to realise a benefit for its tax losses if the following conditions are met:

- ▶ ReNu derives sufficient taxable income in future periods to utilise the carried forward tax losses;
- ▶ ReNu meets the requirements for continued carry forward of the tax losses;
- ▶ The relevant tax authority accepts the calculated positions; and
- ▶ There are no changes in the applicable tax laws that impact the availability of these losses.

As ReNu does not have a history of taxable profits and their investments have no income earning capacity at present, the deferred tax assets associated with tax losses are not currently regarded as probable of recovery. Considering the factors outlined above, in our view, the carry forward tax losses do not have material value and have not been adjusted for in our SOP valuation of ReNu.

### 10.2.3 Value of ReNu’s Other Assets and Liabilities

We are required to incorporate the value of ReNu’s surplus assets and/or liabilities into our SOP valuation. In our view, it is appropriate to add the Company’s cash and cash equivalents and add/subtract the value of any other surplus assets/liabilities.

We have considered the carrying values recorded in ReNu’s balance sheet as at 30 June 2021 (updated for more current information as appropriate from the management accounts as at 31 October 2021) and have made enquiries of the Directors and management of ReNu. Based on our enquiries, we have summarised the value we have adopted for ReNu’s surplus assets and liabilities in Table 10.2 below.

**Table 10.2: Values Adopted for the Other Assets and Liabilities**

	Value (\$)
Cash and cash equivalents	3,120,605
Other assets of ReNu	301,872
Other liabilities of ReNu	(467,804)
<b>Value of ReNu's Other Asset and Liabilities</b>	<b>2,954,673</b>

Source: ReNu's Financial Statements as at 30 June 2021, management accounts as of 31 October 2021, and BDOCF analysis

In relation to ReNu's other assets and liabilities we note:

- ▶ Cash and cash equivalents: We have adjusted the cash position as at 30 June 2021 for expenses incurred to the end of 31 October 2021 in relation to operating costs. We have also adjusted cash to reflect ReNu's additional investments in Uniflow and Enosi, ReNu's investment in Allegro Energy, a capital raise completed by ReNu on 6 December 2021, and cash received via an R&D incentive;
- ▶ Other assets of ReNu: We have adjusted other assets as at 30 June 2021 for the movements incurred to the end of 31 October 2021. Included in this amount are prepayments, fixed assets, refundable deposits, term deposits, interest receivable and accrued revenue;
- ▶ Other liabilities of ReNu: We have adjusted other assets as at 30 June 2021 for the movements incurred to the end of 31 October 2021. Included in this amount are accounts payable, loans payable, accruals, leave provisions and lease liabilities; and
- ▶ Contingent Liabilities: ReNu management have advised that contingent liabilities exist within the legacy Cooper Basin geothermal project. However, we are informed that any expenditure relating to the final disposal of the GRL3 geothermal tenement is not expected to result in a cost to ReNu.

We have also been informed by the Directors that there are no other material assets, liabilities or off-balance sheet assets and liabilities or unrecognised liabilities as at the date of this Report that have not been included in the above adjustments.

#### 10.2.4 Value of ReNu Prior to the Proposed Transaction

The values set out in Table 10.3 above incorporate the value of all ReNu equity instruments on issue, including ordinary shares and options.

**Table 10.3: Value of ReNu's Ordinary Shares**

	Reference	Estimated Value (\$)
Total value of ReNu investments	Section 10.2.1	1,250,000
Value of ReNu tax losses	Section 10.2.2	-
Other net assets (liabilities)	Section 10.2.3	2,954,673
<b>Equity Value of ReNu to all Security Holders</b>		<b>4,204,673</b>
Value of the Options on Issue <sup>1</sup>	Section 4.1	63,333
<b>Equity Value Attributable to Ordinary Shareholders</b>		<b>4,141,340</b>
Number of shares on issue	Section 5.4.1	159,162,923
<b>Value per ReNu share (\$/share)</b>		<b>\$0.026</b>

Source: BDOCF analysis

<sup>1</sup> In addition to the ordinary shares on issue, we have allowed for 32.4 million ReNu options (refer Table 4.1) with an exercise price of \$0.07 and an expiration date of 31 December 2023 (see Section 5.4.2). We have adopted a Black Scholes option pricing model to calculate the value of the outstanding options. We have adopted a risk free rate of 0.54%, volatility of 60%, dividend yield of 0%, and a time to maturity of 1.92 years. The share price was calculated using an iterative process.

Table 10.3 sets out our value of ReNu's ordinary shares at approximately \$0.026 per share. We note that our sum-of-parts valuation of ReNu provides a value per share for ReNu on a controlling interest basis.

### 10.3 Market Based Valuation of ReNu

Our market based valuation of ReNu prior to the Proposed Transaction is set out as follows:

- ▶ Section 10.3.1 sets out ReNu's recent share trading data;
- ▶ Section 10.3.2 sets out ReNu's capital raising prior to the Proposed Transaction; and
- ▶ Section 10.3.3 sets out our view as to the MBV of ReNu prior to the Proposed Transaction.

### 10.3.1 Analysis of ReNu's Share Trading Data

ReNu's ordinary shares are listed on the ASX and trade under the ticker 'RNE'. Information relating to the recent share trading data of ReNu's ordinary shares along with an analysis of recent announcements made by ReNu to the ASX are set out in Section 5.5.1 of this Report.

For the purposes of our MBV, we have assessed the VWAP of ReNu shares over 1 week, 1 month, 3 months, 6 months, 9 months and 12 months up to 9 November 2021, being the last trading date before the Proposed Transaction was announced. These values are set out below in Table 10.4.

**Table 10.4: ReNu's VWAP for Specified Periods up to 9 November 2021**

Period up to 9 November 2021	VWAP (AUD)
1 Week	\$0.0756
1 Month	\$0.0638
3 Months	\$0.0587
6 Months	\$0.0627
9 Months	\$0.0741
12 Months	\$0.0669

Source: Capital IQ as at 13 December 2021

Information on the liquidity of ReNu shares is set out in Section 5.5.2 of this Report. We consider that ReNu has sufficient liquidity to adopt an MBV approach in this Report.

### 10.3.2 Capital Raising Prior to the Proposed Transaction

In June 2021, ReNu successfully completed a capital raise of approximately \$1.46 million through the issue of 26,552,581 shares at a price of \$0.055. Subscribers to the capital raising were also entitled to receive 1 attaching option for every two shares subscribed for. As a result, 13,276,291 options were issued with a strike price of \$0.07 and an expiry date of 31 December 2023.

After adjusting for the value of the option, it is our view that the share price in the capital raising is \$0.049. The \$0.049 share issue price has been determined by subtracting the value of the attaching option (for each two shares acquired) from the \$0.055 capital raising price. The attaching option was valued at \$0.013 using the Black-Scholes formula with an exercise price = \$0.07, time to maturity = 2.58 years, risk free rate = 0.54%, volatility = 60% and dividend yield = 0%. The estimated share issue price of \$0.049 implied by the placement was determined having regard to an iterative process.

### 10.3.3 Conclusion on MBV

Having regard to the information set out above, in our view it is appropriate to adopt a value of \$0.05 to \$0.075 per ReNu ordinary share on a minority interest basis for our market based valuation. The range reflects both the variation in VWAP values across different periods prior to the Proposed Transaction as well as ReNu's capital raising in June 2021.

## 10.4 Conclusion on the Value of ReNu Shares

In our view, for the purpose of our assessment of the Proposed Transaction set out in this Report, it is appropriate to adopt a value in the range of \$0.026 to \$0.075 per ReNu share. This valuation range was determined having regard to:

- ▶ Our SOP approach provided a value of a ReNu share of approximately \$0.026 per share (refer Section 10.2.5) on a controlling interest basis. We believe that the SOP is relevant to our valuation range and have incorporated it at the lower end; and
- ▶ Our adopted MBV of a ReNu share is within the range of \$0.05 to \$0.075 per share (refer Section 10.3.3) on a minority interest basis.

The valuation range adopted above is a relatively wide range. It is our view that it is appropriate to adopt a relatively wide range having regard to the relatively early stage of development of ReNu's portfolio of investments.

Given the reliance on the MBV methodology, we consider our valuation range to be reflective of a minority interest in ReNu. For completeness, we note that we consider that any control premium applied to our valuation range for a controlling interest would be minimal (e.g. we consider the SOP valuation methodology to be reflective of a controlling interest and the MBV exceeds the SOP valuation methodology).

One explanation for the differential between the MBV and SOP is that the market has an optimistic view of ReNu's renewable and clean energy incubator/accelerator strategy and is prepared to place a premium on ReNu above its ABV as a result of this optimism. Another potential explanation is that the market places value above the capital invested on ReNu's investments in Enosi, Uniflow and Allegro.

## 11.0 Valuation of the Combined Entity Following the Proposed Transaction

This section sets out our valuation of the shares in ReNu and is structured as follows:

- ▶ Section 11.1 sets out our view of the most appropriate methodology to value the Combined Entity;
- ▶ Section 11.2 sets out our valuation of the Combined Entity having regard to an MBV approach;
- ▶ Section 11.3 sets out the implied value of Countrywide adopting the share price from our sum-of-parts valuation of ReNu prior to the Proposed Transaction; and
- ▶ Section 11.4 sets out our conclusion on the value of the Combined Entity, post the transaction, on a minority basis.

### 11.1 Our Valuation Approach for the Combined Entity Post the Proposed Transaction

In our view, it is appropriate to adopt an MBV methodology as our primary valuation methodology for the Combined Entity. If the Proposed Acquisition is approved, individual ReNu shareholders will have a portfolio interest in the Combined Entity and be minority shareholders.

We note that market prices of a company's shares should generally incorporate the influence of all publicly available information relevant to value, including information in relation to a takeover offer. Where the market is fully informed and liquid, the market price of a company's shares can be expected to provide an objective assessment of the fair value of those shares. We consider that the market price of ReNu shares post the announcement of the Proposed Transaction represents an appropriate price for the consideration offered and the price at which shares in the Combined Entity may trade following implementation of the Proposed Transaction based on the following factors:

- ▶ ReNu shares display a reasonable level of liquidity (refer to Section 5.5.2 of this Report). We note that in the period from 1 November 2020 to 9 November 2021 (last date prior to the announcement of the Proposed Transaction), approximately 128.45% of the total issued capital in ReNu was traded. In the period from the date of the announcement of the Proposed Transaction to 10 December 2021, approximately 74% of the total issued capital in ReNu was traded;
- ▶ ReNu has provided continuous disclosures in relation to the Proposed Transaction process, including information in relation to the strategic benefits which may result from the Proposed Transaction;
- ▶ ReNu provides quarterly cash flow and operational updates which provide the market with up-to-date information; and
- ▶ ReNu is in exclusive negotiations with Countrywide in relation to the Proposed Transaction.

Having regard to the factors directly above, it is our view that it is appropriate to adopt the recent trading prices of ReNu shares on the ASX as a reasonable estimate for the price at which shares in the Combined Entity may trade on the ASX immediately following the Proposed Transaction.

In our view, the movements in the price of ReNu shares since the announcement of the Proposed Transaction on 10 November 2021 will incorporate the market's view of the prospects of the Combined Entity. We note that the recent prices of ReNu shares may however incorporate some discount due to the risk of the Proposed Transaction not being approved by ReNu shareholders. Accordingly, the price at which shares in the Combined Entity may trade following the Proposed Transaction could be different to the recent trading prices of ReNu shares. Notwithstanding this, it remains our view that the recent trading prices of ReNu shares represents the best estimate for the price at which shares in the Combined Entity will trade following the Proposed Transaction.

To provide additional information to the Shareholders we have set out the implied value of Countrywide based on our SOP valuation.

In our view, it is not appropriate to apply the DCF or CME valuation methodologies to determine a value of the Combined Entity for the following reasons:

- ▶ In our view, future cash flows of the Combined Entity cannot be determined with the appropriate level of certainty or accuracy at the current time and therefore the DCF methodology was not considered appropriate for calculating the value of shares in the Combined Entity; and
- ▶ A CME valuation approach was not considered appropriate, as the Combined Entity has no income earning capacity for a CME valuation at the current time.

### 11.2 Market Based Valuation of the Combined Entity Post the Proposed Transaction

We have considered an MBV post the Proposed Transaction announcement to assist in providing a like-for-like comparison with our MBV of ReNu prior to the Proposed Transaction. The methodology applied is broadly consistent with Section 10.3. Our market based valuation of ReNu post the Proposed Transaction is set out as follows:

- ▶ Section 11.2.1 sets out ReNu's recent share trading data following the Proposed Transaction announcement;
- ▶ Section 11.2.2 sets out ReNu's capital raising following the Proposed Transaction announcement;
- ▶ Section 11.2.3 sets out ReNu's liquidity of ordinary shares following the Proposed Transaction announcement; and

► Section 11.2.4 sets out our view as to the MBV of the combined entity following the Proposed Transaction.

#### 11.2.1 Analysis of ReNu's Share Trading Data Following the Proposed Transaction Announcement

Table 11.1 below summarises the low and high share price of ReNu over the period 10 November 2021 to 10 December 2021 (representing the period after the Proposed Transaction was announced) along with ReNu's VWAP over this period.

**Table 11.1: ReNu's Share Price from 10 November 2021 to 10 December 2021**

Period 10 November 2021 to 10 December 2021	Share Price (\$)
High daily VWAP	0.1414
Monthly VWAP	0.1135
Low daily VWAP	0.0871

Source: Capital IQ as at 13 December 2021

#### 11.2.2 Capital Raising Following the Proposed Transaction Announcement

In December 2021, ReNu successfully completed a capital raise of approximately \$2.376 million through the issue of 26,400,000 shares at a price of \$0.09. Subscribers to the capital raising were also entitled to receive one attaching option for every four shares subscribed for. As a result, 6,600,000 options were issued with a strike price of \$0.07 and an expiry date of 31 December 2023.

After adjusting for the value of the option, it is our view that the share price in the capital raising is \$0.082. The \$0.082 share issue price has been determined by subtracting the value of the attaching option (for each four shares acquired) from the \$0.09 capital raising price. The attaching option was valued at \$0.032 using the Black-Scholes formula with an exercise price = \$0.07, time to maturity = 2.07 years, risk free rate = 0.54%, volatility = 60% and dividend yield = 0%. The estimated share issue price of \$0.082 implied by the placement was determined having regard to an iterative process.

#### 11.2.3 Conclusion on MBV of the Combined Entity

Having regard to the information set out above, in our view it is appropriate to adopt a value of \$0.08 to \$0.11 per ordinary share in the Combined Entity on a minority interest basis for our market based valuation. The range reflects both the variation in trading values during the period following the Proposed Transaction as well as ReNu's capital raising announced on 6 December 2021, which is a date following the Proposed Transaction announcement.

### 11.3 Implied Value of Countrywide's Assets in an SOP

As set out in Section 10.4 above, our MBV of ReNu exceeds our SOP valuation of ReNu. While we consider the MBV to be appropriate as the primary valuation methodology of the Combined Entity post the Proposed Transaction, to provide additional information to the Shareholders, in Table 11.2 below we have set out the implied value of Countrywide's assets as part of the Combined Entity post the Proposed Transaction based on our SOP valuation.

**Table 11.2: Calculation of the Implied Value of Countrywide's Projects**

	SOP (\$)
Adopted share value from ReNu SOP (\$/share)	0.026
Number of shares issued to Countrywide	134,659,520
<b>Implied value of Countrywide</b>	<b>3,501,148</b>

Source: BDOCF analysis

In addition to Table 11.2 above, we note:

- Countrywide's convertible noteholders will receive approximately 23.7% of the approximately 130.7 million shares being issued to the Countrywide founders and convertible noteholders. As set out in Section 6.4.2, the Countrywide convertible noteholders acquired approximately \$1.4 million of convertible notes between December 2020 and May 2021. Effectively, the convertible note holders paid \$1.4 million (excluding interest accrued post the issue date) for their 23.7%. This price implies a \$5.9 million value for 100% of Countrywide and is greater than the \$3.5 million value set out in Table 11.2 above. That is, the implied value of Countrywide is less than the value ascribed to Countrywide by the convertible noteholders (assuming a \$1.4 million purchase price for 23.7% of Countrywide); and
- Countrywide's net tangible assets based on the draft pro forma balance sheet as at 30 September 2021 are equal to \$529k. Assuming a \$3.5 million implied value for Countrywide in total, this results in an implied value of Countrywide's projects of approximately \$3 million. Noting the work that has been completed over the last 2 years by Countrywide, the value being ascribed to the projects does not appear unreasonable.

#### 11.4 Conclusion on the Value of Shares in the Combined Entity

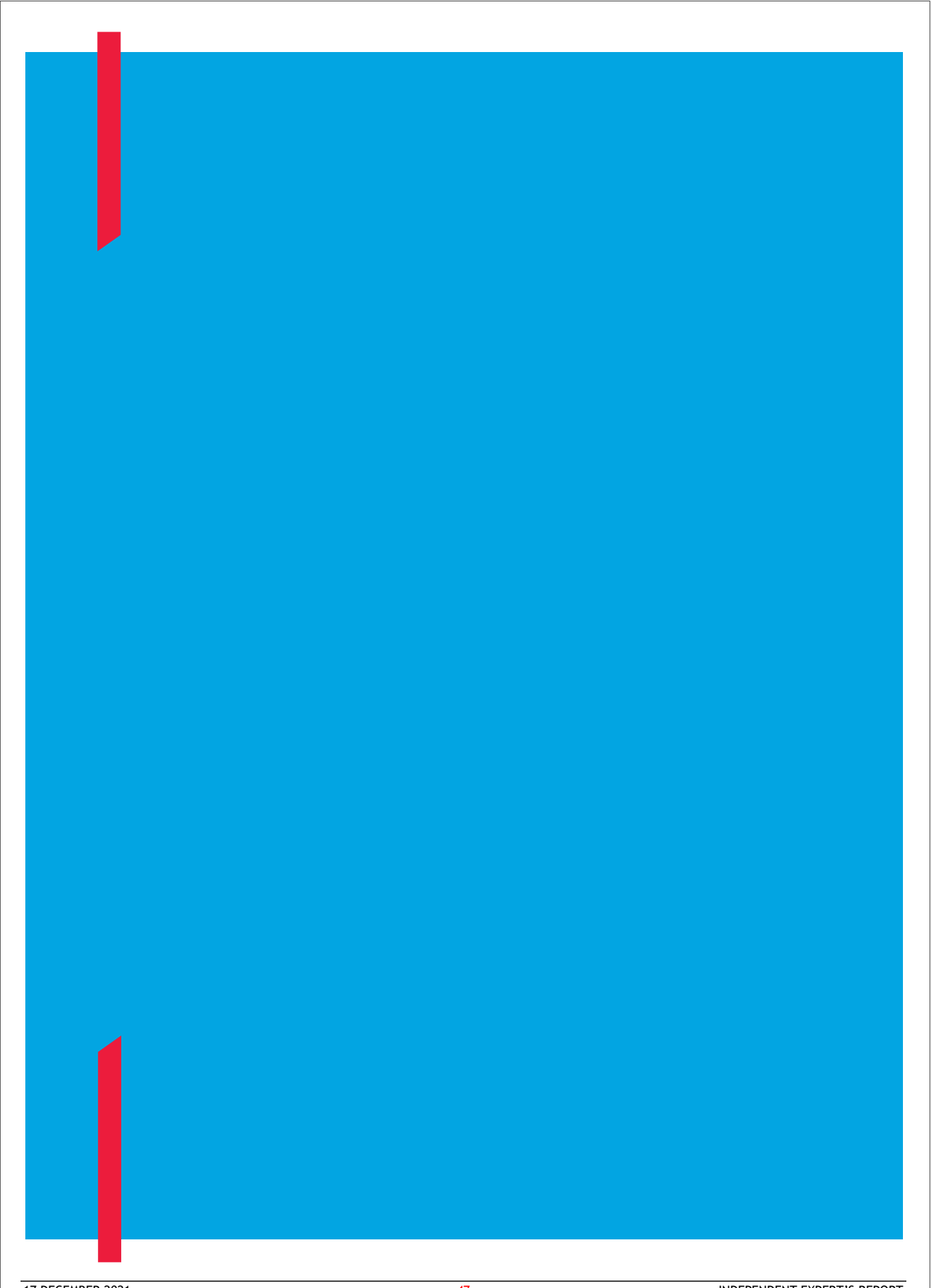
In our view, the most relevant measure of value for the Shareholders is the price at which they may be able to sell their shares in the Combined Entity, either immediately or in the short-term. Any decision to hold shares in the Combined Entity for a longer period of time is a separate investment decision to be made having regard to each shareholders' individual circumstances and view on the long term prospects of the Combined Entity.

Having regard to the above, in our view, for the purposes of the analysis set out in this Report it is appropriate to adopt a value for the Combined Entity based on our MBV of \$0.08 to \$0.11 per share following the Proposed Transaction on a minority interest basis. We consider that greater weighting should be placed on the lower end of the MBV range as this is reflective of the capital raisings completed by ReNu post the announcement of the Proposed Transaction and the share trading of ReNu following the announcement of these capital raisings.

To provide additional information to the Shareholders, we completed an analysis in Section 11.3 of the implied value of Countrywide based on our SOP value. This analysis showed that the implied value of Countrywide was less than the value ascribed to Countrywide by the convertible noteholders (assuming a \$1.4 million purchase price for 23.7% of Countrywide).

In considering our valuation range, we note that the assets of both ReNu and Countrywide are yet to prove that they can generate sustainable positive operating cash flows. In our view, the value of such companies may increase or decrease materially over short time periods depending on the ability to meet certain milestones.

We regard any investment in the Combined Entity as high risk and speculative and shareholders should consider that there is a risk that the share price may move materially before shareholders are able to sell and realise the proceeds of their shares.



### Annexure B - Pro-forma Balance Sheet

The table below is the proforma balance sheet of ReNu Energy as at 30 June 2021 adjusted to reflect the Proposed Transaction Assumptions and the payment of approximately \$55,000 representing the expenses of the SPP.

	ReNu Energy's balance sheet as at 30 June 2021	Proposed Transaction adjustments	Capital raising adjustments (full subscription)	Proforma on Completion
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	2,468,210	802,212	3,821,000	7,091,422
Trade and other receivables	779,787	15,311		795,098
Prepayments	150,714	3,333		154,047
<b>Total Current Assets</b>	<b>3,398,711</b>	<b>820,856</b>	<b>3,821,000</b>	<b>8,040,567</b>
<b>NON-CURRENT ASSETS</b>				
Other receivables	-			-
Property, plant and equipment	25,389	2,815		28,204
<b>Total non-current assets</b>	<b>25,389</b>	<b>2,815</b>	<b>-</b>	<b>28,204</b>
<b>TOTAL ASSETS</b>	<b>3,424,100</b>	<b>823,671</b>	<b>3,821,000</b>	<b>8,068,771</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables	585,276	94,261		679,537
Borrowings	120,531	-		120,531
Provisions	20,832	23,585		44,417
<b>Total Current Liabilities</b>	<b>726,639</b>	<b>117,846</b>	<b>-</b>	<b>844,485</b>
<b>TOTAL LIABILITIES</b>	<b>726,639</b>	<b>117,846</b>	<b>-</b>	<b>844,485</b>
<b>NET ASSETS</b>	<b>2,697,461</b>	<b>705,825</b>	<b>3,821,000</b>	<b>7,224,286</b>
<b>EQUITY</b>				
Contributed equity	358,435,465	705,825	3,821,000	362,962,290
Accumulated losses	(355,738,004)	-		(355,738,004)
<b>Total Equity</b>	<b>2,697,461</b>	<b>705,825</b>	<b>3,821,000</b>	<b>7,224,286</b>

**Annexure C - CRH 2021 Annual Report**

See attached

# **Countrywide Renewable Hydrogen Limited**

**ABN 12 345 678 901**

**Annual Report - 30 June 2021**

**Countrywide Renewable Hydrogen Limited**  
**Corporate directory**  
**30 June 2021**

Directors	Ms Susan Oliver AM (Non-Executive Chair) Mr Geoffrey Drucker (Director) Mr Stephen Nossal (Director) Ms Ingeborg Drucker (Director)
Company secretary	Ms Melanie Leydin
Registered office	Level 4, 100 Albert Road South Melbourne, VIC 3205 Australia +61 3 9692 7222
Principal place of business	Level 4, 100 Albert Road South Melbourne VIC, 3205 Australia +61 3 9692 7222
Share register	Automic Pty Ltd
Auditor	BDO Audit Pty Ltd Tower 4 Level 18, 727 Collins Street Melbourne, VIC, 3008
Solicitors	K&L Gates Level 25 South Tower 525 Collins Street Melbourne VIC 3000
Website	<a href="https://crh2.com.au/">https://crh2.com.au/</a>

## **Countrywide Renewable Hydrogen Limited**

### **Directors' report**

**30 June 2021**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Countrywide Renewable Hydrogen Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

#### **Directors**

The following persons were directors of Countrywide Renewable Hydrogen Limited during the financial year and up to the date of this report, unless otherwise stated:

Mr Geoffrey Drucker (Director) (Appointed on 7 December 2020)

Mr Stephen Nossal (Director) (Appointed on 7 December 2020)

Ms Ingeborg Drucker (Director) (Appointed on 7 December 2020)

Ms Susan Oliver AM (Non-Executive Chair) (Appointed on 4 January 2021)

#### **Principal activities**

Countrywide Renewable Hydrogen (CRH) is a renewable energy business that develops green hydrogen production projects to decarbonise the environment and inject growth into the regional and metropolitan areas and provide sustainable emission-free energy.

CRH is looking to become a leading originator of renewable hydrogen projects in Australia first, and then overseas, generating its revenue from the sale of renewable or 'green' hydrogen at both the wholesale and retail levels, green ammonia production, hydrogen supplementing and replacing natural gas, as well as oxygen capture and supply, and in the longer term using hydrogen for synthetic gas and jet fuel production.

#### **Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

#### **Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$611,704 (30 June 2020: loss of \$28,433)

The net liabilities of the Company increased by \$611,171 to \$641,344 as at 30 June 2021 (30 June 2020: net liabilities of \$30,173).

The consolidated entity had cash outflows from operating activities for the period of \$513,527 (30 June 2020:10,083). The total cash and cash equivalents at the end of the financial year ended amounted to \$802,212 (30 June 2020: \$206).

#### **Corporate developments**

Continued the development of our renewable hydrogen projects and progressed strategic alliances and relationships with project partners, engineers, technology opportunities, corporate advisers, board members, key stakeholders and investors.

#### **Looking ahead**

Progress scoping and feasibility for three CRH Australian projects with financial investment decision and financial close targets in H2 2022, continue to build value in CRH and progress investment at the project and headco levels and continue to build early project opportunities in Canada and Pacific North West USA.

#### **Significant changes in the state of affairs**

During the financial year, the consolidated entity entered into convertible note agreements receiving \$1,405,000 before transaction costs. The convertible notes were issued at \$1 with maturity date being 18 months from the date notes are first issued under the agreement and 8.0% interest payable on notes per annum. Please refer to note 11 for more details.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

## Countrywide Renewable Hydrogen Limited

### Directors' report

30 June 2021

#### Matters subsequent to the end of the financial year

On 10 November 2021 ReNu Energy Limited (RNE) announced to the ASX that it had entered into a Share Purchase Agreement to acquire 100% of the issued capital of Countrywide Renewable Hydrogen Limited (CRH) under a scrip-for-scrip transaction. The acquisition of CRH is targeted to complete in January 2022 subject to satisfaction of various completion conditions precedent, including approval by ReNu Energy shareholders, and by CRH convertible noteholders to accept RNE shares in exchange for CRH shares.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

#### Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

#### Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

#### Information on directors

Name: Geoffrey Drucker  
Title: Director  
Experience and expertise: 15 years' experience in the renewable energy sector complemented by a career in business development

Other current directorships:  
Former directorships (last 3 years):  
Interests in shares: 17,307,701 CRH Ordinary shares

Name: Stephen Nossal  
Title: Director  
Experience and expertise: 20 plus years in corporate finance advisory and senior management roles in ASX-Listed companies, including substantial experience in project management and transaction origination, structuring and execution

Other current directorships:  
Former directorships (last 3 years):  
Interests in shares: 15,384,601 CRH Ordinary shares

Name: Inge Drucker  
Title: Director  
Experience and expertise: Extensive career in corporate, marketing, company management and operation.  
Other current directorships:  
Former directorships (last 3 years):  
Interests in shares: 17,307,701 CRH Ordinary shares

## Countrywide Renewable Hydrogen Limited

### Directors' report

30 June 2021

Name: Susan Oliver  
Title: Non-Executive Chair  
Experience and expertise: An experienced listed and unlisted company director and Chair, served on boards since 1996.

Other current directorships:

Former directorships (last 3 years):

Interests in shares: None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

### Company secretary

#### Ms Melanie Leydin- BBus (Acc. Corp Law) CA FGIA

Melanie Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants, Fellow of the Governance Institute of Australia and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of Leydin Freyer. The practice provides outsourced company secretarial and accounting services to public and private companies across a host of industries including but not limited to the Resources, technology, bioscience, biotechnology and health sectors.

Melanie has over 25 years' experience in the accounting profession and over 15 years' experience holding Board positions including Company Secretary of ASX listed entities. She has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Geoffrey Drucker	5	5
Stephen Nossal	5	5
Inge Drucker	5	5
Susan Oliver	5	5

Held: represents the number of meetings held during the time the director held office.

### Share-based compensation

#### Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021.

#### Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2021.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2021.

## **Countrywide Renewable Hydrogen Limited**

### **Directors' report**

**30 June 2021**

#### **Shares under option**

There were no unissued ordinary shares of Countrywide Renewable Hydrogen Limited under option outstanding at the date of this report.

#### **Shares issued on the exercise of options**

There were no ordinary shares of Countrywide Renewable Hydrogen Limited issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

#### **Indemnity and insurance of auditor**

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

#### **Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

#### **Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 17 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 17 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

#### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.


#### **Auditor**

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001

**Countrywide Renewable Hydrogen Limited**  
**Directors' report**  
**30 June 2021**

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



---

Ms Ingeborg Drucker  
Director

10 December 2021

**Countrywide Renewable Hydrogen Limited  
Auditor's independence declaration**



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**DECLARATION OF INDEPENDENCE BY SALIM BISKRI TO THE DIRECTORS OF COUNTRYWIDE RENEWABLE  
HYDROGEN LIMITED**

As lead auditor of Countrywide Renewable Hydrogen Limited for the year ended 30 June 2021, 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 audits; and
2. No contraventions of any applicable code of professional conduct in relation to the audits.

This declaration is in respect of Countrywide Renewable Hydrogen Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'Salim Biskri', with a long horizontal flourish extending to the right.

**Salim Biskri** Director

**BDO Audit Pty Ltd**

Melbourne, 10 December 2021

**Countrywide Renewable Hydrogen Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2021**

	Note	Consolidated 2021 \$	2020 \$
<b>Revenue</b>			
Government grants		-	60,000
<b>Expenses</b>			
Corporate and administration expenses	5	(118,730)	(7,234)
Employee benefit expenses		(373,985)	-
Project costs		(59,320)	(81,199)
Depreciation expense		(1,437)	-
Finance costs		(58,232)	-
<b>Loss before income tax expense</b>		(611,704)	(28,433)
Income tax expense	6	-	-
<b>Loss after income tax expense for the year attributable to the owners of Countrywide Renewable Hydrogen Limited</b>	13	(611,704)	(28,433)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the owners of Countrywide Renewable Hydrogen Limited</b>		<u>(611,704)</u>	<u>(28,433)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	23	(2.22)	(0.57)
Diluted loss per share	23	(2.22)	(0.57)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Countrywide Renewable Hydrogen Limited**  
**Statement of financial position**  
**As at 30 June 2021**

	Note	Consolidated 2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	802,212	206
Trade and other receivables	8	15,311	-
Other	9	3,333	-
Total current assets		<u>820,856</u>	<u>206</u>
<b>Non-current assets</b>			
Property, plant and equipment		<u>2,815</u>	-
Total non-current assets		<u>2,815</u>	-
<b>Total assets</b>		<u>823,671</u>	<u>206</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	94,261	30,379
Employee benefits		23,585	-
Convertible Notes	11	1,279,639	-
Total current liabilities		<u>1,397,485</u>	<u>30,379</u>
<b>Non-current liabilities</b>			
Convertible Notes	11	<u>67,530</u>	-
Total non-current liabilities		<u>67,530</u>	-
<b>Total liabilities</b>		<u>1,465,015</u>	<u>30,379</u>
<b>Net liabilities</b>		<u>(641,344)</u>	<u>(30,173)</u>
<b>Equity</b>			
Issued Capital	12	1,733	1,200
Accumulated losses	13	<u>(643,077)</u>	<u>(31,373)</u>
<b>Total deficiency in equity</b>		<u>(641,344)</u>	<u>(30,173)</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Countrywide Renewable Hydrogen Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2021**

	<b>Issued Capital \$</b>	<b>Accumulated Losses \$</b>	<b>Total deficiency in equity \$</b>
<b>Consolidated</b>			
Balance at 1 July 2019	1,200	(2,940)	(1,740)
Loss after income tax expense for the year	-	(28,433)	(28,433)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(28,433)	(28,433)
Balance at 30 June 2020	<u>1,200</u>	<u>(31,373)</u>	<u>(30,173)</u>
	<b>Issued capital \$</b>	<b>Accumulated Losses \$</b>	<b>Total deficiency in equity \$</b>
<b>Consolidated</b>			
Balance at 1 July 2020	1,200	(31,373)	(30,173)
Loss after income tax expense for the year	-	(611,704)	(611,704)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(611,704)	(611,704)
Issued Capital	<u>533</u>	<u>-</u>	<u>533</u>
Balance at 30 June 2021	<u><u>1,733</u></u>	<u><u>(643,077)</u></u>	<u><u>(641,344)</u></u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Countrywide Renewable Hydrogen Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2021**

	Note	Consolidated 2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from grants (inclusive of GST)		-	60,000
Payments to suppliers and employees (inclusive of GST)		<u>(513,527)</u>	<u>(70,083)</u>
Net cash used in operating activities	22	<u>(513,527)</u>	<u>(10,083)</u>
<hr/>			
Net cash from investing activities		<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Issue Capital		533	-
Proceeds from convertible notes		<u>1,315,000</u>	<u>-</u>
Net cash from financing activities		<u>1,315,533</u>	<u>-</u>
<hr/>			
Net increase/(decrease) in cash and cash equivalents		802,006	(10,083)
Cash and cash equivalents at the beginning of the financial year		<u>206</u>	<u>10,289</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>802,212</u></u>	<u><u>206</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Countrywide Renewable Hydrogen Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 1. General information**

Countrywide Renewable Hydrogen Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4, 100 Albert Road  
South Melbourne  
VIC 3205

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 10 December 2021.

**Note 2. Significant accounting policies**

**Convertible notes**

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

**Going concern**

The consolidated entity incurred an operating loss of \$611,704 (30 June 2020: \$28,433) and had cash outflows from operating activities of \$513,527 (30 June 2020: \$10,083). In addition, the consolidated entity had a net current deficiency position of \$576,629 at 30 June 2021 (30 June 2020: net current deficiency of \$30,173) and net deficiency position of \$641,344 at 30 June 2021 (30 June 2020: net deficiency of \$30,173). The consolidated entity is in start-up phase and does not yet have a revenue stream

These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern. The ability of the consolidated entity to continue as a going concern is dependent upon a number of factors, one being the ability of the consolidated entity to successfully raise sufficient capital and availability of funds. The acquisition of the company by RNE is designed to address this matter.

The following matters have been considered by the directors in determining the appropriateness of the going concern basis of preparation:

- As at 6 December 2021, the consolidated entity had a cash position of \$492,497
- On 10 November 2021 ReNu Energy Limited (RNE) announced to the ASX that it had entered into a Share Purchase Agreement to acquire 100% of the issued capital of Countrywide Renewable Hydrogen Limited (CRH) under a scrip-for-scrip transaction. The acquisition of CRH is targeted to complete in January 2022 subject to satisfaction of various completion conditions precedent, including approval by ReNu Energy shareholders, and by CRH convertible noteholders to accept RNE shares in exchange for CRH shares.
- The company has recent history of successful fund raising, with total proceeds of \$1.405m raised through the issuance of convertible notes in December 2020, January 2021, February 2021 and May 2021.
- Memoranda of Understanding have been signed with a number of parties for the Melbourne Hydrogen Hub project.

Based on the above, the directors are satisfied that the consolidated entity has access to sufficient sources of funding to meet its commitments over the next 12 months, and for that reason the financial statements have been prepared on the basis that the consolidated entity is a going concern.

Should the consolidated entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts and classification of liabilities that might be necessarily incurred should the consolidated entity not continue as a going concern.

**Countrywide Renewable Hydrogen Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 2. Significant accounting policies (continued)**

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 20.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Countrywide Renewable Hydrogen Limited ('company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Countrywide Renewable Hydrogen Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

**Note 2. Significant accounting policies (continued)**

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office equipment	1-3 years
------------------	-----------

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

**Note 2. Significant accounting policies (continued)**

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Earnings per share**

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Countrywide Renewable Hydrogen Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

**Note 2. Significant accounting policies (continued)**

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Corporate Reorganisation**

On 11 December 2020, Countrywide Renewable Energy Pty Ltd (CRE) undertook a corporate restructure. Under this corporate restructure the shareholders of CRE exchanged their shares in the company for shares in Countrywide Renewable Hydrogen Limited (CRH) in a "top hat restructure" (restructure). Each shareholder's proportionate interest in CRE was not altered as a result of the restructure.

Prior to the restructure, CRE was a stand-alone entity. Post the restructure, CRH became the new legal parent of CRE. However this did not result in a business combination for accounting purposes. When preparing the financial report for CRH, the restructure has been accounted for as a capital reorganisation by CRH. The financial statements of CRH present a continuity of the existing financial performance and financial position of CRE. Assets and liabilities are recorded at their existing values in the statement of financial position for CRH. The statement of financial performance for CRH is a continuation of the existing statement of financial performance for CRE.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Fair value measurement hierarchy*

The consolidated entity is required to classify all assets and liabilities, measured 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; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

*Estimation of useful lives of assets*

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Income tax*

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

*Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

*Employee benefits provision*

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**Note 4. Operating segments**

*Identification of reportable operating segments*

A segment is a component of the consolidated entity that engages in business activities to provide products or services within a particular economic environment. The consolidated entity operates in one business segment, being the renewable energy that develops green hydrogen productions projects to decarbonise the environment. The Board of Directors assess the operating performance of the group based on management reports that are prepared on this basis. The group has established activities in more than one geographical area, however these activities support the projects conducted by the consolidated entity and are considered immaterial for the purposes of segment reporting.

*Accounting policy for operating segments*

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the managing director who is the Chief Operating Decision Maker ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

**Countrywide Renewable Hydrogen Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 5. Corporate and administration expenses**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Corporate and administration expenses	<u>118,730</u>	<u>7,234</u>

Corporate costs include professional costs such as accounting & company secretarial, tax consulting fees, legal fees, consultancy fees, audit fees, share register fees and ASIC fees and key items in administration costs include IT expenses, printing & stationery, subscriptions and telephone & Internet expenses.

**Note 6. Income tax expense**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>The components of income tax expense/ (benefit) comprise:</i>		
Current income tax charge / (benefit)	(148,286)	(20,201)
Relating to origination and reversal of temporary differences	(10,757)	(4,118)
Deferred tax assets not brought to account	<u>159,043</u>	<u>24,319</u>
Aggregate income tax expense	<u>-</u>	<u>-</u>

*Numerical reconciliation of income tax expense and tax at the statutory rate*

Loss before income tax expense	<u>(611,704)</u>	<u>(28,433)</u>
Tax at the statutory tax rate of 26% (2020: 27.5%)	(159,043)	(7,819)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other Items	-	87
Non assessable income	<u>-</u>	<u>(16,587)</u>
Deferred tax assets not brought to account	<u>(159,043)</u>	<u>(24,319)</u>
Income tax expense	<u>-</u>	<u>-</u>

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	<u>672,421</u>	<u>102,091</u>
Potential tax benefit at 26% (2020: 27.5%)	<u>174,829</u>	<u>28,075</u>

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

**Countrywide Renewable Hydrogen Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 6. Income tax expense (continued)**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Blackhole and other deductions	34,818	173
Accruals	13,500	7,793
Tax losses	<u>174,829</u>	<u>28,075</u>
Total deferred tax assets not recognised	<u><u>223,147</u></u>	<u><u>36,041</u></u>

The above potential tax benefit, which includes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The taxation benefits of tax losses and temporary difference not brought to account will only be obtained if:

- (i) the Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) the Consolidated Entity continues to comply with the conditions for deductibility imposed by law; and
- (iii) no change in tax legislation adversely affects the Company in realising the benefits from deducting the losses.

**Note 7. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Cash at bank	<u>802,212</u>	<u>206</u>

**Note 8. Trade and other receivables**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Other receivables - GST receivable	<u>15,311</u>	<u>-</u>

**Note 9. Other**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Prepayments	<u>3,333</u>	<u>-</u>

**Countrywide Renewable Hydrogen Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 10. Trade and other payables**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Trade payables	76,670	30,379
Related party payable	17,591	-
	<u>94,261</u>	<u>30,379</u>

Refer to note 15 for further information on financial instruments.

**Note 11. Convertible Notes**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Convertible notes	1,279,639	-
<i>Non-current liabilities</i>		
Convertible notes	67,530	-
	<u>1,347,169</u>	<u>-</u>

Refer to note 15 for further information on financial instruments.

During the financial year, the consolidated entity entered into convertible note agreements receiving \$1,405,000 before transaction costs. The convertible notes have a term of 18 months and have an annual interest charge of 8%. They are due to convert into fully paid ordinary shares on the following terms:

- (i) immediately prior to a Conversion Event (defined as completion of an IPO or completion of an exit event) or
- (ii) immediately after an Election Event ( at the consolidated entity's discretion to convert all or a portion of the notes issued).

**Note 12. Issued Capital**

	<b>2021</b>	<b>Consolidated</b>		<b>2020</b>
	<b>Shares</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
		<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	50,000,003	5,000,000	1,733	1,200

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2020	5,000,000		1,200
Stephen Mark Nossal issued	8 December 2020	2,222,222	\$0.00	533
Shares swap**	11 December 2020	(7,222,222)	\$0.00	(1,733)
Geoffrey Charles Drucker Allotment**	11 December 2020	17,307,701	\$0.00	600
Ingeborg Ursula Drucker Allotment**	11 December 2020	17,307,701	\$0.00	600
Stephen Mark Nossal Allotment**	11 December 2020	15,384,601	\$0.00	533
Balance	30 June 2021	<u>50,000,003</u>		<u>1,733</u>

**Countrywide Renewable Hydrogen Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 12. Issued Capital (continued)**

\* As at 1 July 2020, a balance of \$1,200 was held in the share capital account in relation to cash due to be received in respect of shares issued to the CRE operating entity.

\*\* Relates to shares issued to the former shareholders of CRE, refer to Corporate Reorganisation in Note 2 for details.

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

*Capital risk management*

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2020 Annual Report.

**Note 13. Accumulated losses**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Accumulated losses at the beginning of the financial year	(31,373)	(2,940)
Loss after income tax expense for the year	<u>(611,704)</u>	<u>(28,433)</u>
Accumulated losses at the end of the financial year	<u><u>(643,077)</u></u>	<u><u>(31,373)</u></u>

**Note 14. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Countrywide Renewable Hydrogen Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 15. Financial instruments**

The Board of Directors ensures that the Group maintains a competent management structure capable of defining, analysing, measuring and reporting on the effective control of risk inherent in the Group's underlying financial activities and the instruments used to manage risk. Key financial risks including interest rate risk are reviewed by management on a regular basis and are communicated to the Board so that it can evaluate and impose its oversight responsibility. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

*Price risk*

The consolidated entity is not exposed to any significant price risk.

*Interest rate risk*

The Group's exposure to market interest rates relates primarily to the Group's convertible notes. The variance in market interest rates on interest income is not material.

*Remaining contractual maturities*

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

<b>Consolidated - 2021</b>	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	76,670	-	-	-	76,670
Related party payable	-	17,591	-	-	-	17,591
<i>Interest-bearing - fixed rate</i>						
Convertible notes payable	-	1,279,639	67,530	-	-	1,347,169
Total non-derivatives		<u>1,373,900</u>	<u>67,530</u>	<u>-</u>	<u>-</u>	<u>1,441,430</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

***Fair value of financial instruments***

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 16. Key management personnel disclosures**

*Directors*

The following persons were directors of Countrywide Renewable Hydrogen Limited during the financial year:

Ms Susan Oliver AM	(Non-Executive Chair)
Mr Geoffrey Drucker	Director
Mr Stephen Nossal	Director
Ms Ingeborg Drucker	Director

**Countrywide Renewable Hydrogen Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 16. Key management personnel disclosures (continued)**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	320,000	-
Post-employment benefits	30,400	-
	350,400	-
	350,400	-

**Note 17. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd , the auditor of the company:

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Audit or review of financial statements	22,000	7,000
	22,000	7,000

**Note 18. Contingent liabilities**

There were no contingent liabilities at 30 June 2021.(2020: Nil).

**Note 19. Related party transactions**

*Parent entity*

Countrywide Renewable Hydrogen Limited is the parent entity.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 16 and the remuneration report included in the directors' report.

*Transactions with related parties*

The related party balances relate to consulting services provided by the directors of the consolidated entity as well as of the directors' remuneration in accordance with their respective agreements signed with the consolidated entity.

*Receivable from related parties*

There were no trade receivables from related parties at the current and previous reporting date.

*Related parties payables*

The following balances are outstanding at the reporting date in relation to related parties:

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Current borrowings:		
Related parties payables	17,591	13,738

**Countrywide Renewable Hydrogen Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 19. Related party transactions (continued)**

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 20. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(610,845)	-
Total comprehensive income	(610,845)	-

*Statement of financial position*

	<b>Parent</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Total current assets	820,762	-
Total assets	823,577	-
Total current liabilities	1,379,159	-
Total liabilities	1,432,689	-
Equity		
Issued Capital	1,733	-
Accumulated losses	(610,845)	-
Total deficiency in equity	(609,112)	-

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 (2020: Nil).

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2021 (2020: Nil).

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 (2020: Nil).

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

**Countrywide Renewable Hydrogen Limited**  
**Notes to the financial statements**  
**30 June 2021**

**Note 21. Events after the reporting period**

On 10 November 2021 ReNu Energy Limited (RNE) announced to the ASX that it had entered into a Share Purchase Agreement to acquire 100% of the issued capital of Countrywide Renewable Hydrogen Limited (CRH) under a scrip-for-scrip transaction. The acquisition of CRH is targeted to complete in January 2022 subject to satisfaction of various completion conditions precedent, including approval by ReNu Energy shareholders, and by CRH convertible noteholders to accept RNE shares in exchange for CRH shares.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 22. Reconciliation of loss after income tax to net cash used in operating activities**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax expense for the year	(611,704)	(28,433)
Adjustments for:		
Depreciation and amortisation	1,437	-
Movements in trade and other payables	96,740	18,350
Net cash used in operating activities	<u>(513,527)</u>	<u>(10,083)</u>

**Note 23. Losses per share**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Countrywide Renewable Hydrogen Limited	<u>(611,704)</u>	<u>(28,433)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>27,534,248</u>	<u>5,000,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>27,534,248</u>	<u>5,000,000</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(2.22)	(0.57)
Diluted loss per share	(2.22)	(0.57)

**Countrywide Renewable Hydrogen Limited**  
**Directors' declaration**  
**30 June 2021**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.



---

Ms Ingeborg Drucker  
Director

10 December 2021



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Fax: +61 3 9602  
3870  
[www.bdo.com.au](http://www.bdo.com.au)

Collins Square, Tower Four  
Level 18, 727 Collins Street  
Melbourne VIC 3008  
GPO Box 5099 Melbourne VIC  
3001Australia

## **INDEPENDENT AUDITOR'S REPORT**

To the members of Countrywide Renewable Hydrogen Limited

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of Countrywide Renewable Hydrogen Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of Countrywide Renewable Hydrogen Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### **Basis for opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainty related to going concern**

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



### **Other information**

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf)

This description forms part of our auditor's report.

### **BDO Audit Pty Ltd**

A handwritten signature in blue ink, appearing to read 'Salim Biskri', with the letters 'BDO' written above it in a smaller, less legible script.

Salim Biskri  
Director

Melbourne, 10 December 2021

**Countrywide Renewable Hydrogen Limited**  
**Shareholder information**  
**30 June 2021**

The shareholder information set out below was applicable as at 8 December 2021.

**Equity security holders**

*Quoted equity securities*

There are no unquoted equity securities.

**Substantial holders**

There are no other substantial holders in the company.

**Voting rights**

The voting rights attached to ordinary shares are set out below:

*Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.



ACN 095 006 090

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

ReNu Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND\*

Link Market Services Limited  
Parramatta Square, Level 22, Tower 6,  
10 Darcy Street, Parramatta NSW 2150; or  
Level 12, 680 George Street, Sydney NSW 2000

\*During business hours Monday to Friday



### ALL ENQUIRIES TO

Telephone: 1300 554 474      Overseas: +61 1300 554 474

## LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **2:00pm (Melbourne time) on Sunday, 30 January 2022**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to participate in the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to participate in the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU. THIS WILL ASSIST IN REGISTERING YOUR PARTICIPATE INANCE.**

NAME SURNAME  
ADDRESS LINE 1  
ADDRESS LINE 2  
ADDRESS LINE 3  
ADDRESS LINE 4  
ADDRESS LINE 5  
ADDRESS LINE 6



X99999999999

## PROXY FORM

I/We being a member(s) of ReNu Energy Limited and entitled to participate in and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **2:00pm (Melbourne time) on Tuesday, 1 February 2022 at BDO Australia, Tower 4, Level 18, 727 Collins Street, Melbourne VIC 3008** (the Meeting) and at any postponement or adjournment of the Meeting.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Acquisition of Shares by CRH Founders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Issue of CY21 Bonus Shares to Mr Tim Scholefield	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Change to scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Issue of CY21 Bonus Shares to Mr Greg Watson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of prior issue under Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Issue of Plan Shares to Mr Boyd White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Grant of Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Issue of Plan Shares to Mr Tony Louka	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Grant of SPP Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Issue of Plan Shares to Mr Tim Scholefield	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Grant of SPP Options to Mr Boyd White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Issue of Plan Shares to Ms Susan Oliver AM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of CY21 Bonus Shares to Mr Boyd White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Issue of Plan Shares to Mr Geoffrey Drucker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Issue of CY21 Bonus Shares to Mr Tony Louka	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16 Issue of Plan Shares to Mr Greg Watson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

RNE PRX2201B

