2020 Annual Report

ABN: 55 095 006 090

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Contents

Chairman's & CEO's Letter

Dear Shareholders

Consistent with the strategy presented at last year's AGM, the 2020 financial year was a period of transition, change and renewed focus for ReNu Energy Limited ('The Company'). The Company:

- Completed the sale of the solar operations and repaid all debt.
- Implemented Board and management changes and restructured its cost base.
- Prioritised and made substantive steps towards geothermal remediation.
- Reviewed the bioenergy investments, negotiated and agreed terms to divest.
- Actively pursued the identification and negotiation of potential merger or acquisition opportunities.
- Appointed KPMG Corporate Finance as financial advisor for a potential corporate combination transaction.

Completion of solar operations sale

ReNu Energy completed the sale of the solar operations to CleanPeak Energy Pty Ltd on 4 September 2019 for $5.775 million (the sale was first announced to shareholders on 2 August 2019). The sale proceeds provided ReNu Energy with the capital to (i) repay all debt, (ii) continue operations and (iii) undertake a considered assessment of the geothermal remediation obligations in the Cooper Basin and the bioenergy operational assets.

Review of cost structure, Board and management changes

Following the sale of solar operations, the Board and management critically assessed ReNu Energy's cost structure with tangible changes implemented to reduce costs whilst ensuring the Company secured the experience and skills necessary to (i) finalise the abandonment of the two remaining wells in the Cooper Basin and (ii) assess and negotiate strategic corporate combinations and renewable energy development opportunities.

Changes implemented included (i) a material and corresponding reduction in resources and staffing requirements, (ii) board rationalisation and executive renewal and (iii) an office relocation.

Board and management changes during the 2020 financial year included:

- Resignations during September and October 2019 of Craig Ricato as CEO, Warren Leitao as COO and Matthew Scott as CFO and Company Secretary.
- Appointments in September 2019 of Board member Tony Louka as interim CEO and Managing Director and Greg Watson as part-time CFO and Company Secretary.
- The appointment of Tim Scholefield in December 2019 as Executive Director with responsibility to coordinate, implement and oversee the permanent abandonment of the two remaining geothermal wells.
- The appointment of Boyd White as Non-Executive Director in December 2019 and as Chairman in February 2020.
- The resignations of Richard Brimblecombe as Non-Executive Director in December 2019 and Steve McLean as Chairman in June 2020.

- The appointment in February 2020 of Greg Watson (former CFO) as CEO with Tony Louka returning to his previous position as Non-Executive Director.

The credentials of the Board and management are set out in the Directors' report section of this annual report. The Board and management have the skills and experience to lead ReNu Energy forward demonstrated by the steps taken and plans outlined below.

Geothermal operations

During the 2020 financial year, ReNu Energy progressed the abandonment of the two remaining geothermal wells and surrender of the GRL3 geothermal tenement located in the South Australian Cooper Basin. Activities included:

- The appointment of Tim Scholefield in December 2019 as Executive Director Geothermal Remediation. With over 30 years' experience in conventional and unconventional oil and gas and renewables, Tim's technical insight into the geothermal industry has been of significant value to the Company as it focusses on its remediation activities (Tim previously held the role of General Manager Geothermal Developments for Origin Energy).
- The engagement of Wellsafe Pty Ltd in February 2020 as part of the remediation team and the completion of a comprehensive investigation into the history and current status of the wells and undertaking pre-abandonment field work.
- The development of the preferred method of abandonment for the wells and meetings with the South Australian Department for Energy and Mining (Regulator) to discuss the proposed activities.

At the date of this report, the Company is progressing the agreed well programs and costs. Pending the availability of contractors, equipment and COVID-19 impacts, abandonment of the wells is planned to occur during the 2021 financial year. To date, COVID-19 has not impacted the remediation works and is not forecast to affect future activities unless conditions change.

Bioenergy investments

Operations

As part of ReNu Energy's strategy to optimise its bioenergy operations and reduce its cost base, the Company agreed with Hydroflux Utilities Pty Ltd ('Hydroflux') in January 2020 for Hydroflux to replace ReNu Energy as the provider of operations, maintenance and administrative services to the Beaudesert and Goulbourn bioenergy projects. This change occurred following a period of co-operation with Hydroflux and in consultation with our Alliance partner, Resonance Industrial Water Infrastructure Fund ('Resonance').

ReNu Energy successfully completed the additional generator installation works at the Beaudesert facility during the 2020 financial year, with the network connection with Energex occurring in August 2020.

Due to external factors at each site, the Beaudesert and Goulburn bioenergy projects underperformed during the 2020 financial year. A combination of drought, bushfires, processing plant infrastructure damage and the effect of COVID 19 resulted in lower electrical demand and effluent levels for processing. This led to reduced biogas production and electrical generation, and reduced revenue for the Alliance.

Strategic review

With adverse operating conditions expected to continue for the foreseeable future and a capital contribution needed to meet ongoing operational requirements, the Company entered into discussions with Resonance for the sale of its 30% interest in the Beaudesert and Goulburn bioenergy projects. In July 2020 ReNu Energy announced it had entered into a Securities Purchase Agreement ('SPA') with Resonance for it to acquire the Company's interest for $500,000.

In reaching the decision to sell, the Board and management explored and considered several alternatives, including retaining the Company's interest and making the agreed capital contribution, offering to purchase Resonance's interest and divesting part of the interest to a 3rd party. Having assessed these alternatives and taking into account (i) ReNu Energy's available cash and (ii) the focus on closing out the Cooper Basin remediation activities and actively seeking new project opportunities, it was decided the divestment represented the best option to advance the interests of shareholders. As a minority partner in the Alliance, the divestment represented the best opportunity to offset the requirement for a cash call and add to cash holdings. The sale proceeds represented a multiple on FY2020 EBITDA for the bioenergy projects of more than 8 times.

The sale completed on 17 August 2020 with ReNu Energy receiving $500,000 and further payments of approximately $280,000 for the second generator project at the Beaudesert facility, accrued interest on project loans and other services.

Following completion of the sale to Resonance, ReNu Energy is well positioned to complete the works to finalise its geothermal remediation activities in the Cooper Basin and actively seek new opportunities.

Financial Results

The Group's EBITDA loss of $2,514,809 for the 2020 financial year (2019: $2,781,558) was an improvement on the previous year, largely due to the realisation of corporate cost reductions. One-off restructuring costs, receiving only two months of earnings from the solar assets and ceasing the provision of operations and maintenance services to bioenergy projects contributed to the EBITDA loss.

ReNu Energy had $2.45 million in cash reserves on 30 June 2020. On completion of the sale of the bioenergy assets, cash holdings increased by approximately $0.78 million.

The Group's financial results for the 2021 financial year will benefit from the completion in February 2020 of our cost base restructure and will be influenced by the Cooper Basin remediation works and any merger or acquisition opportunities.

Recap and year ahead – our priorities

The Company's 2019 annual report noted:

> *… we believe the prudent approach now is to narrow the focus by completing the restructuring of the business and prioritising the close out of the Cooper Basin remediation obligation for Habanero wells 3 & 4. We are currently exploring options for engaging contractors to manage the final engineering and completion of remediation of the wells, with the aim of commencing a remediation program in early 2020. The finalising of the remediation obligations should assist in progressing corporate combination consideration and future renewable development opportunities with capital market support.*

During the 2020 financial year, the Company (i) successfully restructured its cost base, (ii) assessed the bioenergy assets and executed a decision to divest, and (iii) prioritised and progressed the Cooper Basin geothermal remediation activities.

ReNu Energy has $2.45m in cash reserves at 30 June 2020, which has been boosted under the terms of the SPA with Resonance.

The Company announced in July 2020 the appointment of KPMG Corporate Finance as advisor to assist with the identification of potential merger or acquisition opportunities financed with ReNu Energy scrip and/or external capital. Closing out the remediation obligations and actively pursuing corporate combination opportunities will be the Company's priority and focus for the year ahead.

Thank you

On behalf of the Board, we would like to take this opportunity to thank the following people who contributed greatly and departed from ReNu Energy during the 2020 financial year: Steve McLean as Chairman and Non-Executive Director, Richard Brimblecombe as Non-Executive Director, Craig Ricato as CEO & Managing Director, Matthew Scott as CFO and Company Secretary, Warren Leitao as COO, along with all the departing corporate and operational team members for their tenure, dedication and hard work.

On behalf of the Board, we also acknowledge and thank you, our shareholders, who continue to support the business.

Boyd White
Chairman

Greg Watson
Chief Executive Officer

Directors' Report

Director Profiles

Your Directors submit their report for the period ended 30 June 2020. The names and details of the Directors of ReNu Energy Limited in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name & Qualifications	Experience
Steve McLean B.Economics ***Non-executive Director*** *(Resigned 30 June 2020)*	Steve McLean has over twenty years' experience in investment banking and equity capital markets. He commenced his career with Ernst & Young Corporate Finance, before working with J.P. Morgan in Australia and Europe. He has led equity transactions which have raised over $50 billion. Mr McLean is also a Non-Executive Director of AIM Listed Litigation Capital Management Ltd. Mr McLean had no other listed company directorships in the past three years. Mr McLean was the Chair of the Company's Remuneration and Nominations Committee and had been a Director of the Company since March 2017. Mr McLean resigned from the board on 30 June 2020.
Craig Ricato LLB (First Class Honours), BCom, GDipLP ***CEO and Managing Director*** *(Resigned 30 September 2019)*	Mr Craig Ricato was appointed Acting CEO in April 2018 and was formally appointed as CEO & Managing Director of ReNu Energy Limited in July 2018. Craig has over seventeen years' international experience with listed (ASX and SGX) and private companies in senior executive and director roles across the energy, construction, resource and professional services industries. Craig is a long-time member of the Australian Institute of Company Directors and holds a Bachelor of Laws (1st class honours) from the Queensland University of Technology and a Bachelor of Commerce from the University of Queensland. Craig is currently the non-executive Chairman and a member of the Audit Committee of private Australian construction services company, DB Group Global Pty Ltd, and a non-executive director of Yurra Engineering, Scaffolding & Marine Pty Ltd, a majority indigenous owned company servicing the large industrial industry in Australia. He has previously held CEO, executive director and non-executive director roles in a number of listed companies, where he also gained experience as a member on Audit & Risk Committees. Mr Ricato had no other listed company directorships in the past three years. Prior to his career in corporate roles, Craig was in private practice as a solicitor specialising in construction law and litigation law, following an early career in law enforcement. Mr Ricato resigned from the Board and ceased his employment with ReNu Energy Limited on 30 September 2019.

Directors' Report (Continued)

Name & Qualifications	Experience
Anton Rohner B.Bus, CPA ***Non-executive Director*** *(Resigned 2 August 2019)*	Mr Rohner currently holds the position of Chief Executive Officer for UPC Renewables Australia, and has over twenty years' experience in management, development and finance in the renewable energy and resources sectors. For over five years, he held CFO roles for ASX200 listed companies. Mr Rohner was Managing Director for Renewable Energy and Utilities at Macquarie Bank in Hong Kong where he was responsible for advising and securing developments in renewable energy and utilities across Asia and Africa. He was also Managing Director, Asia, for Roaring 40s, a partnership between China Light & Power and Hydro Tasmania, to develop and operate sources of renewable energy throughout Asia and Australia. This partnership developed and financially closed over 2000MW of wind projects in Asia and Australia. Mr Rohner had no other listed company directorships in the past three years. Mr Rohner was a non-executive Director of the Company from March 2017 to August 2019.
Richard Brimblecombe MBA & MAICD ***Non-executive Director*** *(Resigned 31 December 2019)*	Mr Brimblecombe was an experienced executive in the agri-business and finance sectors, with a deep industry knowledge of agribusiness, renewable energy and financial services. Mr Brimblecombe has experience in operation of agri-business gained through senior leadership roles at Namoi Cotton, Australia's leading cotton processing and marketing organisation, and as General Manager for Qld / NT for Landmark Services, a leading rural services business. Mr Brimblecombe has also served in senior executive roles in the finance industry, specialising in lending to the rural sector, including as Head of Specialised Agribusiness Solutions (Qld/NT) for Commonwealth Bank of Australia and currently as Chief Executive Officer of StockCo (Australia) Pty Ltd, Australia's and New Zealand's largest specialist livestock financier. Mr Brimblecombe's experience in the renewable energy sectors has been developed through roles as Managing Director and subsequently Executive Chairman of Quantum Power Limited. Mr Brimblecombe holds an Executive MBA from Bond University and is a Member of the Australian Institute of Company Directors. Mr Brimblecombe has had no other listed company directorships in the past three years. The Company notes that, due to his previous role as Managing Director of Quantum Power, Mr Brimblecombe is not considered by the ASX Corporate Governance Principles to be independent. Mr Brimblecombe resigned from the board on 31 December 2019.

Directors' Report (Continued)

Name & Qualifications	Experience
Tony Louka MBA & MAICD ***Non-executive Director***	Mr Louka has more than 20 years of industry experience in Board, executive and management roles in the energy and retail sectors. Mr Louka was Head of Energy and Services at Woolworths Group Limited for 10 years and has previous held management roles at Ergon Energy and Emerson Network Power. He has also recently served as a Board Member of the Energy Users Association of Australia and the Transgrid Advisory Council. Mr Louka was appointed as interim Managing Director and Acting CEO on 20 September 2019. Mr Louka returned to his previous position of Non Executive Director effective 28 February 2020. Mr Louka has had no other listed company directorships in the past three years. Mr Louka is a member of the Audit and Risk Management Committee and the Company's Remuneration and Nominations Committee.
Tim Scholefield BAppSc, MBA, GAICD, Cert Gov (Risk) ***Executive Director*** *(Appointed 6 December 2019)*	Mr Scholefield is a senior executive with global experience in project delivery, operations, financial, governance and risk management. Mr Scholefield has more than 30 years' experience across the resources and energy value chain including exploration, production and operations; conventional, unconventional and renewable fuel sources; gas storage and offtake, power generation and the link to customers. Mr Scholefield has experience as a director and as chair and participant on board committees evaluating and developing energy projects. As General Manager – Geothermal Developments for Origin Energy he was responsible for managing Origin's geothermal interests in Chile, Indonesia, Australia and New Zealand. 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 has had no other listed company directorships in the past three years. Mr Scholefield has executive responsibility to coordinate, implement and oversee the permanent abandonment of the Company's geothermal wells in the Cooper Basin.

Directors' Report (Continued)

Name & Qualifications	Experience
Boyd White BBus(Acc) & MBA ***Non-Executive Chairman*** *(Appointed 20 December 2019)*	Mr White has an accomplished record in the power (renewable and thermal), transmission, oil, gas and mining sectors. He has over 30 years of business experience and brings strong strategic, commercial, development and entrepreneurial skills to the ReNu Energy Board. Mr White holds a Bachelor of Business (Accounting) from Queensland University of Technology and an MBA from the University of Queensland. Mr White has held executive roles internationally with US multinationals Halliburton Company and KBR Inc, and domestically with Tarong Energy Ltd, and Territory Generation. Mr White is the Principal of New Energy Capital, developing amongst other things, an integrated bioenergy business in Europe and providing development services for gold exploration projects in Argentina and Finland . Mr White has had no other listed company directorships in the past three years. Mr White is Chair of the Audit and Risk Management Committee.

Company Secretary

Greg Watson

LLB, BCom, GDipLP, CA

Mr Watson joined ReNu Energy as Chief Financial Officer and Company Secretary in September 2019, and was appointed as Chief Executive Officer in February 2020. Greg 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.

Directors' Report (Continued)

Corporate structure

ReNu Energy Limited is a company limited by shares, incorporated and domiciled in Australia.

Its registered office and principal place of business is Corporate House, Kings Row 1, 52 McDougall Street, Level 2, Milton QLD 4064.

The Directors present this financial report on ReNu Energy Limited (the Company) and its subsidiaries (collectively the Group) for the financial year ended 30 June 2020.

Principal activities

ReNu Energy Limited's focus is to operate as an independent power producer delivering clean energy products and services to its customers at a lower price, with no upfront cost.

During the financial period, the Company held a 30% interest in two bioenergy projects (the 1.6 MW Southern Meats bioenergy project in NSW and the 1.1 MW AJ Bush bioenergy project in Queensland) and continued to progress activities required for the remediation of its single remaining geothermal tenement in the Cooper Basin in accordance with the relevant state regulations and environmental requirements.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Company during the financial period were:

- The sale of the Group's solar operations for a consideration of $5,775,000 less debt.
- Undertaking studies and pre-abandonment field work to determine the most appropriate abandonment program for the Group's two remaining geothermal wells located in the South Australian Cooper Basin.
- Undertaking a strategic review of the Group's cost base and implementing operational and management changes.
- Ceasing the provision of operations and maintenance services to the Goulburn and AJ Bush bioenergy projects (with the appointment of Hydroflux Utilities Pty Ltd as the replacement service provider).
- The appointment of KPMG Corporate Finance to advise and assist the Company with new project opportunities.

There were no other significant changes in the state of affairs of the Company during the financial period.

Directors' Report (Continued)

Review and results of operations

The Company realised a loss before tax for the financial period as set out below:

Non-IFRS Measure	**2020 $**	**2019 $**
EBITDA – by business segment		
Bioenergy	(4,179)	(414,121)
Solar	(11,152)	(79,348)
Geothermal	(6,477)	117,961
Corporate overheads	(2,493,001)	(2,406,050)
Total Group EBITDA	**(2,514,809)**	**(2,781,558)**
(Loss) / gain on sell down of subsidiary	(17,516)	321,351
Share of loss from associate	(155,463)	(80,669)
Depreciation	(147,925)	(315,228)
Impairment	(1,327,539)	(508,000)
Borrowing transaction costs	(306,851)	(39,504)
Interest expense	(37,488)	(83,584)
Income tax expense	-	-
Loss after tax	**(4,507,591)**	**(3,487,192)**

Results

The Group's EBITDA loss of $2,514,809 (2019: $2,781,558) was an improvement on the previous year, due to the realisation of the corporate cost reduction. This was somewhat offset by only receiving two months of earnings from the solar assets and ceasing the provision of operations and maintenance services to bioenergy projects.

Directors' Report (Continued)

Operational review

During the year ended 30 June 2020, ReNu Energy's activities centred around: completion of the sale of its solar operations, the provision of operations and maintenance services to the Goulburn and AJ Bush bioenergy projects, restructuring of the business' cost base, prioritising the abandonment of the two remaining geothermal wells and final remediation of the remaining Cooper Basin licence and actively seeking new project opportunities.

Key activities during the year included:

- Completion of the sale of the Group's Embedded Network Operations, including the energy retail authorisation and the Amaroo Solar PV facility, in September 2019 for a consideration of $5,775,000 less debt.
- Undertaking a strategic review, which commenced in September 2019 and completed at the end of February 2020, with the Company implementing management changes and successfully resetting its cost base.
- Progressing works under an Engineering Procurement and Construction contract for a 2nd generator at the AJ Bush bioenergy project.
- The provision of operations and maintenance services to the Goulburn and AJ Bush bioenergy projects until cessation of the contractual arrangements in January 2020 and transition of the services to Hydroflux Utilities Pty Ltd as the replacement service provider.
- Progressing the abandonment of the two remaining geothermal wells and surrender of the GRL3 geothermal tenement located in the South Australian Cooper Basin, including:
  - The appointment of Mr Tim Scholefield in December 2019 as Executive Director Geothermal Remediation and the engagement of Wellsafe Pty Ltd in February 2020 as part of the remediation team.
  - The completion of a comprehensive investigation into the history of the wells, their current status and undertaking pre-abandonment field work.
  - The development of the preferred method of abandonment for the two wells.
- Actively seeking potential new project opportunities, including assessing investment opportunities outside of the Company's bioenergy business and the appointment of KPMG Corporate Finance in April 2020 to advise and assist the Company in connection with the potential identification and acquisition of a business.

COVID-19 Impact

The Directors have assessed the impacts of COVID-19 on the Group as follows:

- A combination of drought, processing plant infrastructure damage and COVID-19 have resulted in the underperformance of the bioenergy assets.
- To date, COVID-19 has had no impact on the remediation works and is not forecast to affect future activities unless conditions change.
- The Company has met the eligibility requirements for the available government relief provided to businesses for the period April to June 2020.
- The Company seeking new project opportunities has not been impacted by COVID-19 to date and this is will continue to be assessed.

Directors' Report (Continued)

Likely developments and expected results

A major focus of the Board and management is cash flow management so as to ensure that the Group has sufficient funds to cover its planned activities and any ongoing obligations. During the financial period, the Group undertook a strategic review of its cost base and implemented a series of operational and management changes that successfully resulted in a reset of the Group's cost base.

At 30 June 2020, ReNu had available cash of $2,448,803. On 31 July 2020, the Company announced that it had accepted an offer from its Alliance Partner, Resonance Industrial Water Infrastructure Fund, to acquire the Group's 30% interest in the Goulburn and AJ Bush bioenergy projects for a consideration of $500,000.

The Board and management believe that ReNu remains well positioned to complete the works to allow the surrender of GRL3 in the Cooper Basin and progress strategic corporate combination opportunities.

Dividend

No dividends were declared or paid during the year ending 30 June 2020.

The Directors do not propose to recommend the payment of a dividend in respect of the period ended 30 June 2020.

Directors' interests in the Shares and Options of the Company

As at the date of this report, the interests of the Directors in the shares of ReNu Energy Limited were nil.

Significant events after the reporting date

Divestment of 30% interest in bioenergy projects

On 31 July 2020, the Company announced that it had accepted an offer from its Alliance Partner, Resonance Industrial Water Infrastructure Fund, to acquire the Group's 30% interest in the Goulburn and AJ Bush bioenergy projects for a consideration of $500,000. Under this arrangement the Company would not recover the costs of $261,399 for capital works made in relation to the Bioenergy assets or the loan of $1,066,140 to the associate company, RE Holding Company One Pty Ltd. As a result an impairment of $1,327,539 (included in the general & administrative expenses) has been recorded against these assets. A gain on the sale of the investment in the bioenergy projects of $168,437 is expected to be recognised in the 2021 financial year.

There has not arisen between 30 June 2020 and the date of this report any other item, transaction or event of a relevant and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations.

Environmental regulations and performance

As a renewable energy generator, environmental sustainability is at the heart of every activity ReNu Energy undertakes.

The Group is required to carry out its activities in accordance with the relevant laws and regulations. The Group will continue to meet its obligations for the final remediation of the Cooper Basin assets and is committed to minimising the impact of its activities on the natural landscape, waterways, flora and fauna in a manner consistent with environmental best practice standards.

Indemnification and insurance of Directors and officers

During the financial year, the Company paid premiums in respect of contracts insuring Directors, Secretaries, and executive officers of the Group and related entities against liabilities incurred as Director, Secretary or executive officer to the extent permitted by the Corporations Act 2001, subject to the terms, conditions,

Directors' Report (Continued)

limitations and exclusions of the policy. Under the terms of the policy, the Group is precluded from disclosing details of premiums paid.

The Company has entered into deeds of indemnity, insurance and access with each person who is, or has been, a Director of the Company. To the extent permitted by law and subject to the restrictions in s199A of the Corporations Act 2001, the Company must continually indemnify each Director against liability (including liability for costs and expenses) for an act or omission in the capacity as Director, subject to certain exclusions. No payment has been made to indemnify a Director during or since the end of the financial year.

Indemnification of auditors

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an auditor of the Company or of any related body corporate against a liability incurred as such an auditor.

Rounding

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

Share Options

Share appreciation rights

As at 30 June 2020 and as at the date of signing this report, there are no share appreciation rights on issue. No ordinary shares of the Company have been issued during or since the end of the financial year ended 30 June 2020 on the exercise of share appreciation rights.

There are no options granted over unissued shares.

Directors' meetings

During the period, there were nine directors' meetings held. The number of directors' meetings and the number of meetings attended by each of the Directors of the Company during the financial period are as follows:

	Directors' meetings		Audit & Risk Management Committee meetings		Remuneration & Nominations Committee meetings	
	A	**H**	**A**	**H**	**A**	**H**
S. McLean	9	9	3	3	1	1
A. Rohner	2	2	-	-	-	-
C. Ricato	4	4	1	1	-	-
R. Brimblecombe	5	5	1	1	-	-
T Louka	9	9	3	3	1	1
B. White	4	4	2	2	1	1
T. Scholefield	4	4	2	2	1	1

A – Number of meetings attended
H – Number of meetings held whilst in office

Directors' Report (Continued)

Committee memberships as at 30 June 2020 and as at the date of this report are:

Audit & Risk Management Committee – Membership comprises two Non-executive Directors being B. White (Chair) and S. McLean (resigned 30 June 2020).

Remuneration & Nominations Committee – Membership comprises two Non-executive Directors S. McLean (Chair) (resigned 30 June 2020) and T. Louka.

Auditor independence

In accordance with section 307C of the Corporations Act 2001, the Directors received a declaration of independence from the auditor of ReNu Energy Limited which is listed immediately after this report and forms part of this Directors' Report and can be found on page 25.

Non-audit services

The Company may decide to employ the auditor on assignments in addition to their statutory audit duties, where the auditor's expertise and experience with the Company and/or the Group are important.

Details of amounts paid or payable to the auditor (BDO Audit Pty Ltd) for audit and non-audit services provided during the year are set out in note 18 to the Financial Statements.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are satisfied that the provision of non-audit services by the auditor, as set out in note 18 to the Financial Statements, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality 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*.

During the year there were nil (2019: nil) fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms.

Proceedings on behalf of the Company

As far as the Directors are aware, no proceedings have been brought or intervened in on behalf of the Company with the leave of the Court, nor has any application for leave been made in respect of the Company, under section 237 of the Corporations Act 2001.

Corporate governance

The Directors recognise the need for the highest standards of corporate behaviour and accountability and therefore support and have adhered to the principles of Corporate Governance. The Company's Corporate Governance Statement is available on the Company's website: http://renuenergy.com.au/about-us/governance/.

Directors' Report (Continued)

Remuneration Report (Audited)

This Remuneration Report for the year ended 30 June 2020 outlines the remuneration arrangements in place for Directors and Executives of ReNu Energy Limited in accordance with the requirements of the *Corporations Act 2001* and its Regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
   A. Remuneration principles and strategy
   B. Approach to setting remuneration
   C. Detail of Incentive Plans
4. Executive remuneration outcomes for FY20 (including link to performance)
5. Summary of executive contractual arrangements
6. Non-executive Director remuneration
7. Share based compensation
8. Other statutory disclosures

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

1 Introduction

The Remuneration Report details the remuneration arrangements for Key Management Personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company directly or indirectly including any Director.

For the purposes of this report, the term 'executive' encompasses the Managing Director and the executive management team of the Company. The KMP covered in this report are set out in the table below.

Non-executive Directors (NEDs)	
B. White (commenced 20 December 2019)	Chairman
S. McLean (ceased 30 June 2020)	Director
R. Brimblecombe (ceased 31 December 2019)	Director
A. Rohner (ceased 2 August 2019)	Director
T. Louka	Director
Executive Directors	
T. Scholefield (commenced 6 December 2019)	Executive Director
Other key management personnel	
G. Watson (commenced 10 September 2019)	Chief Executive Officer & Company Secretary
Key management personnel who ceased in prior year	
W. Leitao (ceased 15 October 2019)	Former Chief Operating Officer
C. Ricato (ceased 30 September 2019)	Former Managing Director & Chief Executive Officer
D. Galvin (ceased 26 July 2019)	Former Chief Financial Officer & Company Secretary
M. Scott (commenced 1 July 2019, ceased 10 September 2019)	Former Chief Financial Officer & Company Secretary

2 Remuneration governance

Remuneration and Nominations Committee

The Remuneration and Nominations Committee has the primary objective of assisting the Board in developing and assessing the remuneration policy and practices of the Directors, Chief Executive Officer (CEO) and senior executives.

Specifically, the Board approves the remuneration arrangements of the CEO, the aggregate annual fixed remuneration salary review, short-term incentives and the methodology for awards made under long-term incentive plans following recommendations from the Remuneration & Nominations Committee. The Board also sets the aggregate remuneration of Non-executive Directors, which is then subject to shareholder approval, and individual Directors' fees.

Committee assessments incorporate the development of remuneration policies and practices which will enable the Group to attract and retain executives who will create value for shareholders. Executives will be fairly and responsibly rewarded having regard to the performance of the Group, the performance of the executive and the general market environment. The Committee also assists the Board in its own self-evaluation by annually reviewing the process for self-evaluation.

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

The Remuneration & Nominations Committee meets throughout the year. The CEO attends Remuneration & Nominations Committee meetings by invitation, where management input is required. The CEO is not present during any discussions related to his own remuneration arrangements.

Further information on the Remuneration & Nomination Committee's role, responsibilities and membership can be found on the Company's web site at www.renuenergy.com.au.

Use of remuneration consultants

The Company did not appoint remuneration consultants for remuneration recommendations during the financial year.

3 Executive remuneration arrangements

3A. Remuneration principles and strategy

ReNu Energy's executive remuneration strategy is designed to attract, motivate and retain highly skilled executives and align the interests of executives and shareholders.

To this end, the company embodies the following principles in its remuneration framework:

- Provide competitive salaries to attract high calibre executives.
- Link executive performance rewards to medium and longer-term shareholder value creation through KPI-linked short term incentives.

The Group aims to reward its executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:

- Reward executives for Group, business division and individual performance against targets set by reference to appropriate benchmarks.
- Link reward with the strategic goals and performance of the Group.
- Ensure total remuneration is competitive by market standards.

3B. Approach to setting remuneration

The key executives' emoluments are structured to retain and motivate executives by offering a competitive base salary and a short term annual cash-based performance-related component.

Remuneration may consist of the following key elements:

- Fixed remuneration – base salary and superannuation; and
- Variable remuneration in the form of cash-based incentives.

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration of the Chief Executive Officer is reviewed annually by the Remuneration and Nominations Committee and approved by the Board. Factors considered include the Group and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice. The Remuneration and Nominations Committee has access to external advice independent of management.

Senior executives receive their fixed (primary) remuneration in cash. The fixed remuneration component of senior executives who are key management personnel is detailed in Table 1 of this report.

3C. Details of Incentive Plans

Short term incentives

The Company uses short term incentives to:

- Reward employees for their contribution in ensuring that ReNu Energy achieves the corporate key deliverables.
- Encourage team work.
- Enhance ReNu Energy attracting and retaining high calibre and high performing employees.
- Link remuneration directly to the achievement of key organisational objectives.

In the FY2020 reporting period no share based payments were awarded to staff or executives. No Key Management Personnel were awarded any cash incentives for the financial year.

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

4 Executive remuneration outcomes for FY20

Company performance and its link to the Company's remuneration principles and strategy

The 2020 financial year was one which saw the Group divest its solar projects, restructure its cost base, prioritise the close out of the Cooper Basin remediation and actively seeking new project opportunities. To allow the Group full flexibility in adapting to its changing landscape, specific measurable short-term targets were not set. Key Management Personnel were not awarded any cash incentives for the financial year.

It is intended that corporate and individual KPIs will be set for FY21, such that executives are rewarded for the achievement of milestones that are both measurable and outcomes based. These milestones will be set by the Board as they represent key drivers for creating short term shareholder value.

The remuneration of senior executives who were Key Management Personnel during the year ended 30 June 2020 is set out below:

Table 1 – Remuneration of senior executives of the Group for the year ended 30 June 2020

	Short-term*	Post-employment*		Share based**			
Name	**Salary $**	**Superannuation $**	**Termination benefits $**	**Shares (amortised cost) $**	**SARs (amortised cost) $**	**Total $**	**Performance related %**
C Ricato[1]	94,111	15,752	187,500	-	-	**297,363**	-
D Galvin[2]	31,716	3,013	-	-	-	**34,729**	-
W Leitao[3]	81,353	27,340	270,400	-	-	**379,093**	-
M Scott[4]	48,439	4,602	-	-	-	**53,041**	-
G Watson[5]	181,474	15,240	-	-	-	**196,714**	-
T Scholefield[6]	112,622	-	-	-	-	**112,622**	-
Totals	549,715	65,947	457,900	-	-	**1,073,562**	**-**

* Fixed remuneration ** Variable remuneration

1 C Ricato ceased employment as Managing Director and Chief Executive Officer on 30 September 2019

2 D Galvin ceased employment as Chief Financial Officer on 26 July 2019

3 W Leitao ceased employment as Chief Operating Officer on 15 October 2019

4 M Scott ceased employment as Chief Financial Officer on 9 September 2019

5 G Watson commenced employment as Chief Financial Officer and Company Secretary on 9 September 2019 and became Chief Executive Officer on 28 February 2020.

6 T Scholefield commenced as Executive Director on 6 December 2019 and is engaged through an associated company Pacific Energy Partners Pty Ltd.

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

Table 2 – Remuneration of senior executives of the Group for the year ended 30 June 2019

	Short-term*	Post-employment*		Share based**			
Name	Salary $	Superannuation $	Termination benefits $	Shares (amortised cost) $	SARs (amortised cost) $	Total $	Performance related %
C. Ricato	375,000	20,531	-	45,338	-	**440,869**	10%
W. Leitao	242,917	18,820	-	30,147	-	**291,884**	10%
D. Galvin[1]	219,178	20,822	-	18,927	-	**258,927**	7%
Totals	837,095	60,173	**-**	94,412	-	**991,680**	

* Fixed remuneration ** Variable remuneration

1 D. Galvin ceased employment as Chief Financial Officer on 26 July 2019

5 Summary of executive contractual arrangements

Remuneration arrangements for KMP are formalised in employment agreements. Details of these contracts agreements are provided below.

Chief Executive Officer and Company Secretary – G Watson

Mr Watson was appointed as Chief Financial Officer and Company Secretary on 9 September 2019 under an Employment Agreement dated 9 September 2019.

Mr Watson entered into a variation to Employment Agreement on 26 February 2020 for appointment as Chief Executive officer. The key terms of Mr Watson's employment are as follows:

- Base remuneration of $320,000 per annum plus superannuation on a pro-rated basis; and
- Part time basis with minimum of 24 hours per week.

Executive Director – T Scholefield

Mr Scholefield was appointed as an Executive Director on 6 December 2019 to provide executive responsibility to coordinate, implement and oversee the permanent abandonment of the Company's geothermal wells in the Cooper Basin.

Mr Scholefield is engaged through an associated company Pacific Energy Partners Pty Ltd to provide consulting services to the Company. The daily rate is $1,850 for a fixed term to 10 December 2020.

Former Managing Director and Chief Executive Officer – C Ricato

Mr Ricato was appointed as Managing Director and CEO on 6 July 2018 and ceased employment on 30 September 2019.

During the period up to 30 September 2019 Mr Ricato was paid a portion of his base remuneration of $375,000 per annum plus superannuation.

Mr Ricato's received a termination payment made on 30 September 2019 per his Executive Service Agreement with the Company of $187,500 which represents the equivalent of 6 months salary component plus a superannuation contribution equal to the minimum amount required by law.

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

Former Chief Operating Officer – W Leitao

Mr Leitao held the position of Chief Operating Officer from 5 April 2018 and ceased employment on 15 October 2019.

During the period up to 15 October 2019 Mr Leitao was paid a portion of his base remuneration of $270,400 per annum plus superannuation.

Mr Leitao received a termination payment made on 15 October 2019 per his Executive Service Agreement with the Company of $270,400 which represents the equivalent of 12 months salary component plus a superannuation contribution equal to the minimum amount required by law.

Former Chief Financial Officer and Company Secretary – M Scott

Mr Scott held the position of Chief Financial Officer and Company Secretary from 1 July 2019 and ceased employment on 9 September 2019.

Mr Scott's remuneration package was formalised in an employment agreement, base remuneration of $240,000 per annum including superannuation.

No termination payment was made to Mr Scott.

6 Non-executive Director remuneration arrangements

Remuneration Policy

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board may consider advice from external consultants as well as the fees paid to Non-executive Directors of comparable companies when undertaking the annual review process. The amounts are set at a level that compensates the Directors for their significant time commitment in overseeing the progression of the Company's business plan.

The Constitution of ReNu Energy and the ASX Listing Rules specify that the aggregate remuneration of Non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 28 November 2007 when shareholders approved a maximum aggregate remuneration of $700,000 per year.

Structure

Each Non-executive Director receives a fee for being a Director of the Company. The current fee structure is to pay Non-executive Directors a gross annual remuneration of $50,000 p.a. with the Chairman paid $65,000 p.a including superannuation. There are no additional fees paid for committee memberships. There are no retirement benefits offered to Non-executive Directors. In accordance with good corporate governance practice, the Non-executive Directors do not participate in equity based remuneration plans of the Company.

The remuneration of Non-executive Directors for the year ending 30 June 2020 is detailed in Table 3 of this report and the remuneration for the comparative year ending 30 June 2019 is detailed in Table 4.

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

Table 3 – Non-executive Directors' Remuneration for the year ended 30 June 2020

Director	Directors fees $	Consulting fees[1] $	Superannuation $	Total $
S. McLean[1]	54,577	-	5,205	**59,782**
R. Brimblecombe	25,000	-	-	**25,000**
T. Louka[2]	31,127	153,964	-	**185,091**
B. White	28,781	-	2,734	**31,515**
Totals	**139,485**	**153,964**	**16,238**	**309,687**

1. Mr S McLean was Chairman till 28 February 2020.
2. Mr T Louka is engaged through an associated company, Maxify Pty Ltd, to provide consulting and director services to the Company. Mr T Louka was appointed as interim CEO from 20 September 2019 to 26 February 2020 with consulting fees paid in relation to this appointment of $153,964.

Table 4 – Non-Executive Directors' Remuneration for the year ended 30 June 2019

Director	Directors fees $	Consulting fees[1] $	Superannuation $	Total $
S. McLean	59,361	-	5,639	**65,000**
R. Brimblecombe	50,000	-	-	**50,000**
A. Rohner	50,000	-	-	**50,000**
T. Louka[1]	37,503	9,000	-	**46,503**
Totals	**196,864**	**9,000**	**5,639**	**211,503**

1. Mr T Louka is engaged through an associated company, Maxify Pty Ltd, to provide consulting and director services to the Company from 1 October 2018 at $1,000 per month.

7 Share based compensation

Loan Share Plan Shares

On 14 December 2018, the Company issued 14,424,000 ordinary shares (Plan Shares) to executives of the Company pursuant to the Loan Share Plan approved by shareholders at the Annual General Meeting. As employment has not continued the vesting conditions have not been meet and therefore will be transferred back to the Company. The transfer will occur after approval at the next Annual General Meeting.

No shares have been issued under the Loan Share Plan in 2020.

The movements of Plan Shares, held directly, indirectly or beneficially by each key management personnel member, including their related parties during the financial year ended 30 June 2020 is set out in Table 5 below.

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

Table 5 - Shares granted to Key Management Personnel as part of remuneration for the year ended 30 June 2020

Executive	Balance at beginning of period (shares)	Fair value of shares granted during the year ($)	Grant date	Expiry date	Shares lapsed during the reporting period (shares)	Balance as at the end of the reporting period[1] (shares)
C Ricato	**8,655,000**	$0.068	28/11/18	28/11/28	-	**8,655,000**
W. Leitao	**5,769,000**	$0.068	29/11/18	29/11/28	-	**5,769,000**
D. Galvin	**1,434,150**	$0.0088	9/11/17	9/11/27	(1,434,150)	-
Total	**15,858,150**				**(14,434,150)**	**14,424,000**

1. Shares did not meet the vesting conditions therefore to be transferred back to the Company of the Plan Shares after approval at the Annual General Meeting for the year ended 30 June 2020.

Table 6 - Shares granted to Key Management Personnel as part of remuneration for the year ended 30 June 2019

Executive	Balance at beginning of period (shares)	Share Consolidation during the reporting period (shares)	Shares granted during the reporting period[(1)] (shares)	Fair value of shares at grant date ($)	Grant date	Expiry date	Balance as at the end of the reporting period (shares)
C Ricato	-	-	8,655,000	$0.068	28/11/18	28/11/28	**8,655,000**
W. Leitao	-	-	5,769,000	$0.068	29/11/18	29/11/28	**5,769,000**
D. Galvin	14,341,500	(12,907,350)	-	$0.0088	9/11/2017	9/11/2027	**1,434,150**
Total	**14,341,500**	**(12,907,350)**	**14,424,000**				**15,858,150**

1. Shares granted as part of remuneration have been accounted for as share-based payments.

No Plan Shares have vested at the end of the reporting period

8 Other statutory disclosures

Related party transactions with Directors

The Group engaged Maxify Pty Ltd to provide consulting services. The key resource from Maxify is T. Louka (Non-executive Director). Consulting fees of $153,964 (2019: $9,000) were paid during the year.

The Group engaged Pacific Energy Partners Pty Ltd to provide consulting services. The key resource from Pacific Energy Partners Pty Ltd is T. Scholefield (Executive Director). Consulting fees of $112,622 were paid during the year (2019: nil).

Shareholdings of Key Management Personnel

The movements of the Company's ordinary shares, held directly, indirectly or beneficially by some Key Management Personnel member, including their related parties during the financial year ended 30 June 2020 are set out in Table 7 below.

Directors' Report (Continued)

Remuneration Report (Audited) (continued)

Table 7 - Shareholdings of Key Management Personnel

	Balance at Beginning of Period 01/07/19	Issued under loan share plan	Other Movements[1]	Balance at End of Period 30/06/20
Directors				
R. Brimblecombe	**3,281,420**	-	(3,281,420)	**-**
C. Ricato				
- Unrestricted	**151,515**	-	(151,515)	**-**
- Unvested[2]	**8,655,000**	-	(8,655,000)	**-**
Executives				
W. Leitao				
- Unvested[2]	**5,769,000**	-	(5,769,000)	**-**
D. Galvin				
- Unrestricted	**113,556**	-	(113,556)	**-**
- Unvested[2]	**1,434,150**	-	(1,434,150)	**-**
Total	**19,404,461**	**-**	**(19,404,461)**	**-**

1. Ceased, or commenced being Key Management Personnel during the year
2. Ordinary Shares issued under the Loan Share Plan are subject to vesting conditions – refer to section 7 of the Remuneration Report for further details

End of Remuneration Report (Audited)

Signed in accordance with a resolution of the Directors.

Boyd White
Chairman
Brisbane
27 August 2020

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

As lead auditor of ReNu Energy Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane

27 August 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020	Note	2020 $	2019 $
Continuing operations			
Revenue from contracts with customers	3A(i)	151,198	205,724
Total operating income		**151,198**	**205,724**
Interest income		90,869	79,471
Other income	3A(ii)	401,487	138,568
Total income		**643,554**	**423,763**
Personnel expenses	3B	(1,608,361)	(2,010,320)
Other operating expenses	3C	(634,107)	(116,613)
General & administrative expenses	3D	(2,318,875)	(1,149,895)
Finance costs	3E	(8,985)	(8,327)
Total expenses		**(4,570,328)**	**(3,285,155)**
Share of loss of associates	**8**	**(155,463)**	**(80,669)**
Loss before income tax expense		**(4,082,237)**	**(2,942,061)**
Income tax expense	4	-	-
Loss after income tax expense from continuing operations		**(4,082,237)**	**(2,942,061)**
Loss from discontinued operations after tax	17	(425,354)	(548,131)
Net loss for the year after income tax attributable to the owners of the parent		**(4,507,591)**	**(3,490,192)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss after tax			
Exchange differences on translation of foreign operations	13	-	3,330
Other comprehensive income for the period		-	3,330
Total comprehensive loss for the period attributable to the owners of the parent		**(4,507,591)**	**(3,486,862)**
Earnings Per Share attributable to the owners of the parent			
Basic and Diluted Loss per share from continuing operations (cents per share)	15	(3.38)	(2.82)
Basic and Diluted Loss per share (cents per share)	15	(3.74)	(3.35)

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

Consolidated Statement of Financial Position

AS AT 30 JUNE 2020	Note	2020 $	2019 $
Current Assets			
Cash and cash equivalents	21(A)	2,448,803	1,424,915
Trade and other receivables	5	477,540	777,580
Inventories	6	-	59,300
Prepayments		214,104	360,984
Assets held for sale	17(b)	390,863	-
Total current assets		**3,531,310**	**2,622,779**
Non-Current Assets			
Other receivables	5	694,585	1,636,140
Property, plant and equipment	7	39,650	6,097,674
Investment in associates	8, 17(c)	-	530,377
Total non-current assets		**734,235**	**8,264,191**
Total assets		**4,265,545**	**10,886,970**
Current Liabilities			
Trade and Other Payables	9	423,535	836,520
Borrowings	10	27,358	301,713
Provisions	11	1,431,940	1,456,857
Total current liabilities		**1,882,833**	**2,595,090**
Non-Current Liabilities			
Borrowings	10	-	1,131,476
Provisions	11	-	114,575
Total non-current liabilities		**-**	**1,246,051**
Total liabilities		**1,882,833**	**3,841,141**
Net assets		**2,382,712**	**7,045,829**
Equity			
Issued capital	12	357,069,848	357,074,708
Other reserves	13	63,771	168,656
Accumulated losses		(354,750,907)	(350,197,535)
Total equity		**2,382,712**	**7,045,829**

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

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020	Note	2020 $	2019 $
Operating Activities			
Receipts from customers		892,170	1,935,040
Payments to suppliers and employees		(3,911,025)	(5,251,878)
Proceeds from R&D tax incentive		57,399	198,675
Payments for rehabilitation expenditure		(270,497)	(183,729)
Payments for rectification obligations		-	(13,448)
Net Goods and Services Tax received (paid)		(6,281)	2,941
Interest received		119,074	85,517
Interest paid		(47,979)	(83,649)
Net cash flows used in operating activities	**21(B)**	**(3,167,139)**	**(3,310,531)**
Investing Activities			
Proceeds from sale of assets held for sale	17	-	3,800,070
Proceeds from sale of business	17(a)	5,775,000	-
Purchase of property, plant & equipment		(20,508)	(1,658,203)
Investment in associate		-	(290,760)
Loans advanced to associate		-	(346,140)
Loans repaid from associate		39,687	-
Distributions received from associates		-	100,000
Net payments of cash held as security		236,896	(86,510)
Net cash from / (used in) investing activities		**6,031,075**	**1,518,457**
Financing Activities			
Proceeds from issue of shares	12	-	2,006,941
Proceeds from borrowings	10	-	328,707
Repayment of borrowings	10	(1,433,189)	(351,252)
Repayment of lease liabilities	10	(86,248)	-
Transaction costs of share issues		(4,760)	(194,725)
Transaction costs of loans and borrowings		(315,851)	(26,080)
Net cash flow provided by financing activities		**(1,840,048)**	**1,763,591**
Net decrease in cash and cash equivalents		**1,023,888**	**(28,483)**
Add: Opening cash and cash equivalents at 1 July		**1,424,915**	**1,453,398**
Cash and cash equivalents at 30 June	21(A)	**2,448,803**	**1,424,915**

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

Consolidated Statement of Changes in Equity

FINANCIAL YEAR ENDED 30 JUNE 2020	Issued Capital $	Share Based Payment Reserve (Note 13) $	Foreign Currency Translation Reserve (Note 13) $	Accumulated Losses $	Total Equity $
At 1 July 2019	**357,074,708**	**153,192**	**15,464**	**(350,197,535)**	**7,045,829**
Adoption of AASB16 Leases (see Note 2C)	-	-	-	(45,781)	(45,781)
Restated balance at 1 July 2019 upon adoption of AASB16	357,074,708	153,192	15,464	(350,243,316)	7,000,048
Loss for the period	-	-	-	(4,507,591)	(4,507,591)
Total loss for the year	-	-	-	(4,507,591)	(4,507,591)
Transactions with owners in their capacity as owners:					
Shares issued	-	-	-	-	-
Share issue costs	(4,860)	-	-	-	(4,860)
Share Based Payments (Note 3B)	-	(104,885)	-	-	(104,885)
At 30 June 2020	**357,069,848**	**48,307**	**15,464**	**(354,750,907)**	**2,382,712**

FINANCIAL YEAR ENDED 30 JUNE 2019					
At 1 July 2018	**355,286,612**	**58,780**	**12,134**	**(346,707,343)**	**8,650,183**
Loss for the period	-	-	-	(3,490,192)	(3,490,192)
Other comprehensive income	-	-	3,330	-	**3,330**
Total loss for the year	-	-	3,330	(3,490,192)	(3,486,862)
Transactions with owners in their capacity as owners:					
Shares issued	2,006,941	-	-	-	2,006,941
Share issue costs	(218,845)	-	-	-	(218,845)
Share Based Payments (Note 3B)	-	94,412	-	-	94,412
At 30 June 2019	**357,074,708**	**153,192**	**15,464**	**(350,197,535)**	**7,045,829**

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

Notes to the Financial Statements

Note 1 – Corporate information

The financial report of ReNu Energy Limited (the Company) and its subsidiaries (collectively the Group) for the year ended 30 June 2020 was authorised in accordance with a resolution of the Directors on 27 August 2020.

ReNu Energy Limited is a for profit Company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors' Report.

Note 2 – Summary of significant accounting policies

A. Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

B. Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

C. New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New and revised Standard and amendments thereof and Interpretations effective for the current year that are relevant to the Group are disclosed below. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

AASB 16 *Leases*

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use (ROU) assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in general & administration expenses) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Notes to the Financial Statements (Continued)

The Group has applied the modified retrospective transition approach, which does not require comparative information to be restated in the financial statements for the year ended 30 June 2020. Any cumulative effect of adopting AASB 16 was recognised as an adjustment to the opening balance of accumulated losses at 1 July 2019. On transition to AASB 16, the Group elected to apply paragraph C8(b)(i) and measure all leases previously classified as operating leases under AASB 117 at the right-of-use asset's carrying amount as if AASB 16 had been applied since commencement date but discounted using the lessee's incremental borrowing rate at the date of initial application. The lease liabilities were measured at the present value of the remaining lease payments, discounted using the lease's incremental borrowing rate of 10%.

Impact on adoption at 1 July 2019

Based on the chosen transition approach, the Group recognised $737,652 of lease liabilities included in borrowings (see Note 10) and $691,869 of ROU assets included in property, plant & equipment (see Note 7) on 1 July 2019. This has resulted in an impact of $45,781 to accumulated losses on the initial application date.

Measurement of lease liabilities and reconciliation to operating lease commitments

The following table reconciles the minimum lease commitments disclosed in the group's 30 June 2019 annual financial statements to the amount of lease liabilities recognised on 1 July 2019:

Minimum operating lease commitments disclosed as at 30 June 2019	$1,212,010
Less: effect of discounting using the lessee's incremental borrowing rate of at the date of initial application	($478,660)
Lease liabilities for leases classified as operating type under AASB 117	
Add/(less): adjustments relating to changes in the index or rate affecting variable payments	($4,300)
Lease liabilities recognised as at 1 July 2019	$737,652

D. Going Concern

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

As disclosed in the financial statements, the Group has net operating cash outflows for the year of $3,167,139 and as at 30 June 2020 has cash and cash equivalents of $2,448,803. The Group also generated a loss after tax of $4,507,591. The ability of the Group to continue as a going concern is principally dependent upon one or more of the following conditions:

- securing appropriate projects and related funding for project investment;
- successful divestment of its bioenergy assets;
- effective cash flow management; and
- raising additional capital or securing other forms of financing, as and when necessary to meet the levels of expenditure required for the Group to complete its geothermal remediation requirements, to meet the Group's working capital requirements and to pursue new project opportunities.

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

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

Notes to the Financial Statements (Continued)

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

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

E. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at 30 June 2020. Subsidiaries are all entities which the Group controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

Material controlled entity/subsidiaries

The consolidated financial statements include the financial statements of the ultimate parent company, ReNu Energy Limited, and its controlled entities. Principal subsidiaries, all of which are incorporated in Australia, are listed in the following table:

		Equity Interest %	
Name	**Principal activities**	**2020**	**2019**
Quantum Power Pty Ltd	Bioenergy project development	100	100
EN Project Company One Pty Ltd	Electricity supply from solar embedded networks[1]	-	100
SP Project Company One Pty Ltd	Electricity supply from solar assets[1]	-	100
BioEnergy Projects Pty Ltd	Electricity supply from bioenergy assets	100	100
ReNu Energy Retail Pty Ltd	Holds an electricity Retailer Authorisation to supply electricity to customers in 2018/2019	-	100

1. In its capacity as trustee

Notes to the Financial Statements (Continued)

Investments in associates

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

Investments in associates are accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Group's share in the associate is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

The following entities have been included in the consolidated financial statements using the equity method:

		Equity Interest %	
Name	**Principal activities**	**2020**	**2019**
RE Holding Company One Pty Ltd	Holding company for SM Project Company Pty Ltd and AJB Projects Pty Ltd(1)	30	30
SM Project Company Pty Ltd	Electricity supply from the Goulburn bioenergy project(1)	30	30
AJB Energy Projects Pty Ltd	Electricity supply from the AJ Bush bioenergy project(1)	30	30

1. In its capacity as trustee

F. Foreign currency translation

Both the functional and presentation currency of ReNu Energy is Australian dollars ($A). Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Differences arising on the settlement or translation of monetary items are recognised in the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising from the translation of financial statements of foreign subsidiaries are taken to the foreign currency translation reserve at the reporting date.

G. Property, plant & equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is provided on a straight line basis on all property, plant and equipment. All classes are depreciated over periods ranging from 3 to 25 years (2019: 3 to 25 years). The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Notes to the Financial Statements (Continued)

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

H. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for a cash-generating unit (CGU). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in the profit or loss in the year the loss is recognised.

I. Cash and cash equivalents

Cash and cash equivalents on the Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand and in banks and short term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

J. Inventories

Inventories include spare parts and consumable items used in operations and are valued at the lower of cost and net realisable value.

K. Contributed equity

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

L. Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

M. Borrowings

Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Notes to the Financial Statements (Continued)

Transaction costs of borrowings

Fees and other costs incurred in relation to the establishment of borrowing facilities are treated as transaction costs to the extent that it is probable that some or all of the facility will be drawn down and are included in the initial fair value of the financial liability. Costs for facilities which do not eventuate or for which the probability of utilisation is not probable are expensed in profit or loss.

N. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

O. Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables or provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee entitlements – refer to note 11 for further details.

P. Share-based payment transactions

The Group provides benefits to employees (including executive Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The expense or credit recognised in the profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Notes to the Financial Statements (Continued)

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award provided the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. When the award is cancelled by the entity or by the counterparty any remaining element of the fair value of the award is expensed immediately through the profit or loss.

Q. Revenue recognition

Revenues from contracts with customers

The Group's primary revenue streams relate to the retail sale of electricity to business customers in Australia. Revenue from contracts from customers is recognised when control of the goods or services is transferred to a customer at an amount that reflects the consideration to which the group expects to be entitled to receive in exchange for those goods or services.

Revenue: Electricity and renewal energy credits

Electricity revenue relates to the supply of electricity and related services to customers and the generation of renewable energy credits and certificates from the government. Revenue from the sale of electricity is recognised on delivery of the product. Renewable energy credits income is recognised when earned.

This accounting policy relates to the Solar segment which has been classified as discontinued operations. Please refer to Note 17.

Revenue: projects

Project revenue relates to income earned for the construction and delivery of biogas energy systems to customers. Revenue is recognised as each stage of the performance obligation in regards to the bioenergy asset is complete. Stage of completion is measured by reference to project costs incurred to date as a percentage of total estimated costs for each contract which is determined by a set quotation with the customer.

This accounting policy relates to the Bioenergy segment which has been classified as discontinued operations. Please refer to Note 17.

Interest income

Interest income is recorded as the interest accrues, using the effective interest rate (EIR) in accordance with AASB9. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

R. Government grants

Government Grants (including R&D tax incentives) are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants relating to rehabilitation costs are recorded as an offset against expenditure. To the extent the government grant is greater than the associated expenditure the residual amount is recorded as other income.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset or liability, the fair value is credited to a deferred income account until such time as all conditions associated with the grant are met. Once these conditions are achieved the credit is allocated to the relevant asset or liability. The amount of the grant is then released to net income over the expected useful life (by way of reduced depreciation or amortisation) of the relevant asset.

Notes to the Financial Statements (Continued)

S. Earnings per share

Basic earnings per share is determined by dividing the profit/(loss) after tax by the weighted average number of ordinary shares outstanding during the financial period. Diluted earnings per share is determined by dividing the profit/(loss) after tax adjusted for the effect of earnings on potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) outstanding during the financial period.

T. Income tax

Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and / or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are

Notes to the Financial Statements (Continued)

recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

U. Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the Statement of Cash Flow on a net basis and the GST component arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

V. Segment reporting

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. Operating segments are identified on the basis of internal reports that are regularly reviewed and used by the Board of Directors in order to allocate resources to the segment and assess its performance and are reported in note 16.

W. Parent Entity financial information

The financial information for the parent entity, ReNu Energy, included in note 25, has been prepared on the same basis as the consolidated financial statements.

X. Comparative figures

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

Notes to the Financial Statements (Continued)

Y. Rounding of amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest dollars.

Z. Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss and other comprehensive income.

AA. Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs. The Group does not have financial asset or liability carried at fair value. Subsequent measurement of financial assets and financial liabilities carried at amortised cost are described below.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables fall into this category of financial instruments

Notes to the Financial Statements (Continued)

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Refer to Note 2M for accounting policy for borrowings.

BB. Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The the Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred. Right-of-use assets has been included in property, plant and equipment in the statement of financial position.

CC. Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down. Lease liability has been included in borrowings in the statement of financial position.

DD. Significant accounting judgements, estimates and assumptions

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

Rehabilitation provision

The Company reviews rehabilitation requirements for its geothermal tenements by undertaking an analysis of the planned activities and costs to rehabilitate the sites including the plugging and abandoning of wells as appropriate. The estimated costs reflect the planned work required to satisfy the obligations. The plugging and abandoning of wells are subject to geological complexities and other downhole risks and the ultimate cost incurred may differ materially to the current estimate. The Company utilised $263,123 of the rehabilitation provision during the year and on review increased its current rehabilitation requirements for its existing Cooper Basin tenements by $293,486.

Notes to the Financial Statements (Continued)

Impairment

The Company announced on 30 July 2020 that it had entered into an agreement to dispose of the remaining 30% interest in Bioenergy assets. Under this arrangement the Company would not recover the costs of $261,399 for capital works made in relation to the Bioenergy assets or the loan of $1,066,140 to the associate company, RE Holding Company One Pty Ltd. As a result an impairment of $1,327,539 (included in the general & administrative expenses) has been recorded against these assets.

Note 3A – Income

	2020 $	2019 $
(i) Revenue from contracts with customers		
Operating and maintenance services	151,198	205,724
	151,198	**205,724**
(ii) Other income		
Recoupment of rehabilitation costs	206,621	-
R&D tax incentive received*	57,399	106,900
Grant income	68,000	-
Other	69,467	31,668
	401,487	**138,568**

* Total R&D incentive received or receivable at 30 June 2020 is $57,399 (2019: $nil) in relation to rehabilitation costs and $nil (2019: $106,900) in relation to bioenergy costs.

Disaggregation of Revenue from contracts with customers

The Group derives revenue from the transfer of services over time in the following major product lines and geographical regions:

Year ended 30 June 2020	Operating and maintenance services $	Total $
Primary Geographic Market		
Queensland	56,895	56,895
New South Wales	94,303	94,303
Total	**151,198**	**151,198**
Project		
Bioenergy Project O&M	151,198	151,198
Total	**151,198**	**151,198**

Notes to the Financial Statements (Continued)

Year ended 30 June 2019	Operating and maintenance services $	Total $
Primary Geographic Market		
Queensland	52,998	52,998
New South Wales	152,726	152,726
Total	**205,724**	**205,724**
Project		
Bioenergy Project O&M	205,724	205,724
Total	**205,724**	**205,724**

Note 3B – Personnel expenses

	2020 $	2019 $
Loss before income tax has been determined after charging the following specific items:		
Employee expenses	1,195,184	1,915,908
Termination payments	518,062	-
Share based payments	(104,885)	94,412
	1,608,361	**2,010,320**

Note 3C – Other operating expenses

	2020 $	2019 $
Business development costs	20,736	105,359
Depreciation of operational plant & equipment	8,975	6,001
Credit impairment losses	149,249	-
Facility operating costs	184,650	296,527
Project rectification costs	-	8,726
Rehabilitation costs	236,984	(275,000)
Research and development	-	(25,000)
Project management	33,513	-
	634,107	**116,613**

Notes to the Financial Statements (Continued)

Note 3D – General & administrative expenses

	2020 $	2019 $
Governance and investor relations	144,730	278,809
External advisory	288,080	197,600
Facility, IT and communications	155,376	310,636
Travel	45,566	82,841
Insurance	260,968	214,102
Depreciation of plant and equipment	-	10,223
Depreciation on right of use asset	77,618	-
Impairment of loan	1,066,140	-
Impairment of plant and equipment	261,399	-
Other	18,998	55,684
	2,318,875	**1,149,895**

Note 3E – Finance costs

	2020 $	2019 $
Interest expense	7,379	8,327
Interest on lease liabilities	1,606	-
	8,985	**8,327**

Note 3F – Other expenses and losses/(gains)

	2020 $	2019 $
General and administrative expenses have been determined after charging/(crediting) the following specific items (amounts may be included above in notes 3B, 3C and 3D):		
Depreciation	86,593	16,224
Operating lease rentals paid	-	111,800
Foreign exchange loss/(gain)	-	3,330
Employer superannuation contributions paid or payable	112,981	170,857
	199,574	**302,211**

Notes to the Financial Statements (Continued)

Note 4 – Income tax	2020 $	2019 $
Income tax expense		
The prima facie tax benefit on loss of 27.5% (2019 – 27.5%) differs from the income tax provided in the financial statements as follows:		
Prima facie tax benefit on loss	1,239,587	959,803
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
R&D Tax Incentive receivable	-	-
Change in R&D incentive for the prior year *	15,785	29,397
Other income/(expenses)	(30,092)	(101,449)
Utilisation of Losses not recognised	-	88,364
Income tax benefit/(expense)	1,225,280	976,115
Adjustments for current tax of prior periods	-	-
Deferred tax assets for tax losses and other temporary differences not recognised	(1,225,280)	(976,115)
Income tax expense	**-**	**-**

* Change in R&D incentive represents amounts received in excess of carrying receivable balances

Income tax expense comprises:

Current tax	-	-
Deferred tax	(1,225,280)	(976,115)
Adjustment for current tax of prior periods	-	-
Deferred tax asset	1,225,280	976,115
Total income tax expense	**-**	**-**

Notes to the Financial Statements (Continued)

Tax losses	2020 $	2019 $
Unused tax losses for which no deferred tax asset has been recognised[1]	276,499,461	268,533,449
Potential tax benefit at 27.5%	**76,037,352**	**73,846,698**

Deferred income tax

Deferred income tax at the end of the reporting period relates to the following:

	2020 $	2019 $
Deferred tax liabilities		
Other deferred tax liability	(4,064)	(861)
Total deferred tax liabilities (A)	**(4,064)**	**(861)**
Deferred tax assets		
Losses available for offset against future taxable income:		
Company	73,698,068	71,597,271
Subsidiary	2,339,284	2,249,427
Other deferred tax asset	639,942	873,476
Total deferred tax assets (B)	**76,677,294**	**74,720,174**
Net deferred tax assets (A) + (B)	76,673,230	74,719,313
Deferred tax assets not recognised[1]	(76,673,230)	(74,719,313)
Recognised net deferred income tax assets	-	-

1 Deferred tax assets arising from tax losses and temporary differences are only brought to account to the extent that it offsets the Group's deferred tax liabilities arising from temporary differences. As the Group does not have a history of taxable profits, the deferred tax assets associated with tax losses and temporary differences in excess of the Group's deferred tax liabilities arising from temporary differences is not yet regarded as probable of recovery at 30 June 2020.

Movement in deferred tax assets	2020 $	2019 $
Balance at the beginning of the year	74,720,174	74,425,171
(Charged)/credited to profit or loss:		
Tax losses	2,190,653	827,369
Trade and other payables	53,099	(29,261)
Provisions	(25,911)	(101,980)
Adjustment for deferred tax of prior periods	(260,222)	(23,131)
Accounting impairment	367,823	139,700
Recognition/(Derecognition) of DTA of Associated Entities	(181,432)	(417,516)
Rights issue costs recognised through equity	-	56,817
Other balances and transactions	(186,890)	(156,995)
Balance at the end of the year	**76,677,294**	**74,720,174**

Notes to the Financial Statements (Continued)

Movement in deferred tax liabilities	**2020 $**	**2019 $**
Balance at the beginning of the year	(861)	37,008
(Charged)/credited to profit or loss:		
Trade and other receivables	(3,203)	(13,277)
Other balances and transactions	-	(22,870)
Balance at the end of the year	**(4,064)**	**(861)**

Note 5 – Trade and other receivables

	2020 $	**2019 $**
Current		
Cash held as security	150,000	429,687
Trade receivables	228,960	88,859
GST Receivable	27,966	63,257
Interest Receivable	14,777	15,721
Other receivables and deposits	55,837	180,056
Total current trade and other receivables	**477,540**	**777,580**
Non-current		
Loan to associate[1]	-	1,066,140
R&D Tax Incentive receivable	694,585	570,000
Total non-current trade and other receivables	**694,585**	**1,636,140**

1 Loan to associate impaired to nil as result of the sale of the Bioenergy investment announced on 31 July 2020.

Assets pledged as security

Of the cash held as security nil (2019: $39,687) is provided as security for borrowings (refer note 10) and $150,000 (2019: $390,000) for bank guarantees (refer note 22).

Foreign exchange, interest rate and liquidity risk

Information about the Group's exposure to foreign exchange risk, interest rate risk and liquidity risk is provided in note 24. Trade and other receivables are non-interest bearing.

Fair value and credit risk

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 24 for more information on the risk management policy of the Group.

Notes to the Financial Statements (Continued)

Impairment

The Group assesses impairment on a forward looking basis for its trade and other receivables carried at amortised cost. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. No expected credit loss has been recognised by the Group during the year.

Note 6 – Inventories

	2020 $	2019 $
Spares[1]	-	59,300

1 Reclassified to assets held for sale as part of the sale of the Bioenergy investment announced on 31 July 2020. Refer to Note 17(c)

Note 7 – Property, plant & equipment

	2020 $	2019 $
Plant and equipment at cost	20,057,836	30,135,887
Less: accumulated depreciation and impairment	(20,042,740)	(24,038,213)
Right of use assets at cost	41,150	-
Less: accumulated depreciation and impairment	(16,596)	-
Total Property, Plant and Equipment	**39,650**	**6,097,674**
Reconciliation of Plant & Equipment		
Carrying amount at beginning of the period	6,097,674	5,967,739
Recognition of right of use assets on 1 July 2019 (Note 1C)	691,869	-
Additions	82,008	706,184
Disposals	(6,421,331)	-
Reclassification to Assets Held for Sale	-	232,466
Impairment[1]	(261,399)	(508,000)
Depreciation / amortisation expense	(149,171)	(300,715)
Carrying amount at the end of the period	**39,650**	**6,097,674**

1 Impairment of property, plant and equipment as result of the sale of the Bioenergy investment announced on 31 July 2020.

Assets pledged as security

Plant and equipment with a carrying value of nil (2019: $5,775,000) is pledged as security for current and non-current borrowings. Refer to note 10 for details of borrowing.

Notes to the Financial Statements (Continued)

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Solar assets	Property	Equipment	Total
As at 1 July 2019 (restated)	**648,227**	**37,472**	**6,170**	**691,869**
Additions	-	58,530	-	58,530
Depreciation expense	(12,803)	(72,682)	(4,936)	(90,421)
Disposals	(635,424)	-	-	(635,424)
As at 30 June 2020	**-**	**23,320**	**1,234**	**24,554**

Note 8 – Investment in Associates

Interests in associates

Name of entity	Ownership interest		Carrying amount	
	2020	2019	2020 $	2019 $
RE Holding Company One Pty Ltd	30%	30%	-	530,377

RE Holding Company One Pty Ltd, in its capacity as trustee for the RE Holding Trust One, acts as holding company for entities which own bioenergy projects in Australia. In July 2018, the Company sold a 70% interest in RE Holding Company One Pty Ltd as described in note 17.

On 31 July 2020, the Company announced that it had accepted an offer from its Alliance Partner, Resonance Industrial Water Infrastructure Fund, to acquire the Group's 30% interest in the Goulburn and AJ Bush bioenergy projects for a consideration of $500,000.

As a result the investment in associate carrying value is nil as it has been reclassified as an asset held for sale (refer to note 17(c)). A gain on sale of the investment of $168,437 is expected to be recognised in the 2021 financial year.

Notes to the Financial Statements (Continued)

Summarised financial information for associates	2020 $	2019 $
Summarised Statement of financial position		
Current assets	421,377	905,240
Non-current assets	5,443,848	5,128,879
Total assets	5,865,225	6,034,119
Current liabilities	(628,367)	(278,022)
Non-current liabilities	(3,570,062)	(3,570,062)
Total liabilities	(4,198,429)	(3,848,084)
Net assets	1,666,796	2,186,035
Reconciliation to carrying amount		
Group's interest	30%	30%
Group's interest in net assets	500,039	655,811
Elimination of Group interest in (profits)/losses arising from transactions with associates	(168,476)	(125,434)
Reclassification as asset held for sale	(331,563)	-
Carrying amount of investment in associates	**-**	**530,377**

	2020 $	2019 $
Summarised statement of profit or loss and other comprehensive income		
Revenue	948,982	834,674
Loss from continuing operations	(518,209)	(268,896)
Total comprehensive loss	(518,209)	(268,896)
Group's share of loss of associates at 30%	**(155,463)**	**(80,669)**

Note 9 – Trade and other payables

	2020 $	2019 $
Current		
Trade creditors	301,816	398,613
Accrued and other liabilities	106,168	383,278
GST payable	15,551	54,629
Trade creditors and accruals	**423,535**	**836,520**

Notes to the Financial Statements (Continued)

Terms and conditions

Accounts payable and accrued liabilities are non-interest bearing. Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company. All amounts are normally settled within 30 days, and discounts for early payment are normally taken where it is considered advantageous for the Company to do so. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

Note 10 – Borrowings

	2020 $	2019 $
Current borrowings		
Lease liability	27,358	-
Secured loan	-	55,183
Other borrowings	-	246,530
Total current borrowings	**27,358**	**301,713**
Non-current borrowings		
Secured loan	-	1,131,476
Total Non-current borrowings	**-**	**1,131,476**

Changes in borrowings resulting from financing activities	2020 $	2019 $
Balance as at beginning of financial year as previously reported	1,433,189	1,431,293
Lease liabilities recognised at 1 July 2019 on AASB 16 adoption (Note 1C)	737,652	-
Balance as at 1 July 2019	**2,170,841**	**1,431,293**
Cash proceeds from borrowings	-	328,707
Disposal of lease liabilities on sale of solar business	(689,045)	-
Movement in lease liabilities	(21,249)	-
Repayment of lease liabilities	-	-
Expensing of transaction costs (non-cash)	-	24,442
Repayments of principal	(1,433,189)	(351,253)
Balance at the end of the financial year	**27,358**	**1,433,189**

Notes to the Financial Statements (Continued)

Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under borrowings) and the movements during the period:

Changes in lease liabilities	**2020 $**	**2019 $**
At 1 July 2019	-	-
Lease liabilities recognised at 1 July 2019 on AASB 16 adoption (Note 1C)	737,652	-
Disposal of lease liabilities from solar business	(689,045)	**-**
Additions	**63,393**	**-**
Interest	1,606	-
Lease payments	(86,248)	-
At 30 June 2020	**27,358**	**-**
Current	27,358	-
Non-current	-	-
	27,358	**-**

The maturity analysis of lease liabilities are disclosed in Note 24(B).

Fair value of borrowings

The fair values of borrowings are not materially different from their carrying values as interest rates on those borrowings are either close to current market rates or the borrowings are of a short term nature.

Note 11 – Provisions

	Employee Entitlements $	**Rehabilitation Provision $**	**Other Provisions $**	**Total Provisions $**
At 1 July 2019	**73,858**	**1,394,838**	**102,736**	**1,571,432**
Provision raised during the year	69,330	293,486	5,915	**368,731**
Utilised	(136,449)	(263,123)	(2,984)	**(402,556)**
Divestment of solar operations	-	-	(105,667)	**(105,667)**
At 30 June 2020	**6,739**	**1,425,201**	**-**	**1,431,940**
Current 2020	6,739	1,425,201	-	1,431,940
Non current 2020	-	-	-	-
At 30 June 2020	**6,739**	**1,425,201**	**-**	**1,431,940**
Current 2019	50,039	1,394,838	11,980	1,456,857
Non current 2019	23,819	-	90,756	114,575
At 30 June 2019	**73,858**	**1,394,838**	**102,736**	**1,571,432**

Notes to the Financial Statements (Continued)

Employee entitlements

The provision for employee entitlements includes accrued annual leave and long service leave. All annual leave is expected to be taken within 12 months of the respective service being provided, so annual leave obligations are classified as current.

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. 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 end of the reporting period of high quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Rehabilitation provision

The rehabilitation provision relates to the Group's share of the expected cost to complete the remaining rehabilitation of the Group's legacy geothermal sites. This provision amount includes internal project management costs, abandonment engineering and fieldwork and remediation work estimates. The rehabilitation works are planned for late 2020 pending the availability of contractors.

Bank guarantees totalling $150,000 have been issued to the relevant government departments to cover tenement rehabilitation obligations.

Other provisions

Other provisions have been recognised for the present value of expected future costs to 'make good' or remove the Group's plant and equipment from the property of its customers at the end of the relevant contracts.

Note 12 – Issued capital

	2020 $	2019 $
Authorised Shares		
120,634,341 (2019 – 122,068,491) fully paid ordinary shares	**357,069,848**	**357,074,708**

MOVEMENT IN ORDINARY SHARE CAPITAL:		NUMBER OF SHARES	ISSUE PRICE $ PER SHARE	$'000
30/06/18	**Balance at end of financial year**	**859,157,346**		**355,286,612**
27/7/18	Shares issued pursuant to entitlement offer 1:2	106,113,451	0.012	1,273,364
11/12/18	Share consolidation 1:10	(868,741,056)		-
14/12/18	Shares issued pursuant to loan share plan(1)	14,424,000		-
7/6/19	Shares issued pursuant to rights issue	11,114,750	0.066	733,577
	Share issue costs			(218,845)
30/06/19	**Balance at end of financial year**	**122,068,491**		**357,074,708**
10/9/19	Share issue costs	-		(4,860)
17/9/19	Share cancellation(2)	(1,434,150)		-
30/06/20	**Balance at end of financial year**	**120,634,341**		**357,069,848**

1. Shares issued pursuant to an employee loan share plan are scheduled to be bought back for failure to satisfy vesting conditions.
2. Employee share scheme buy back due to failure to satisfy vesting conditions.

Notes to the Financial Statements (Continued)

Terms and conditions of contributed equity

Ordinary Shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Share appreciation rights (SARS)

In addition to the ordinary shares, the Company has issued Share Appreciation Rights (SARs) to Key Management Personnel. The SARs can convert into Ordinary Shares upon the satisfaction of certain vesting conditions. Further details are set out in note 19.

MOVEMENT IN SHARE APPRECIATION RIGHTS:		NUMBER OF SARs
30/06/19	Balance at end of financial year	-
30/06/20	Balance at end of financial year	-

Note 13 – Reserves

	2020 $	2019 $
Share based payment reserve	48,307	153,192
Foreign currency translation reserve	15,464	15,464
	63,771	**168,656**
Reconciliation of Reserves		
Carrying amount at beginning	168,656	70,914
Net share based payments expense recognised	(104,885)	94,412
Recognition of foreign currency translation reserve	-	3,330
	63,771	**168,656**

Nature and purpose of reserves

Share based payment reserve

The employee share based payment reserve is used to record the value of share appreciation rights and share loan plan shares granted to employees, including Key Management Personnel, as part of their remuneration. Refer to note 19 for further details.

Foreign currency translation reserve

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

Note 14 – Expenditure commitments

Geothermal tenement commitments

In order to maintain current rights of its geothermal tenements, the Company is required to outlay annual rentals and to meet certain expenditure requirements of the Department of State Development, South Australia. These obligations are subject to renegotiation upon expiry of the tenements. The obligations are not provided for in the financial report and are payable as follows:

Notes to the Financial Statements (Continued)

	2020 $	2019 $
Payable not later than one year	17,200	64,000

Operating Leases (non-cancellable)

The Group leases or holds licences to occupy various offices for terms of up to 6 months. Under some of the agreements, the Group has an option to extend the lease or licence for additional periods on various terms. Future payments for some licences escalate annually at a rate which approximates expected inflation rates.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2020 $	2019 $
Payable within one year	-	135,051
Payable later than one year but not later than five years	-	390,142
Payable later than five years	-	686,817
	-	**1,212,010**

From 1 July 2019, the group has recognised right-of-use assets for its non-cancellable operating leases, see note 2(C) and note 7 for further information.

Note 15 - Earnings per share

	2020 Cents per share	2019 Cents per share
Basic and diluted earnings/(loss) per share attributable to the equity holders of the Company:		
From continuing operations	(3.38)	(2.82)
From discontinued operations	(0.36)	(0.53)
	(3.74)	**(3.35)**

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:	2020 $	2019 $
Net profit/(loss) attributable to equity shareholders:		
From continuing operations	(4,082,237)	(2,942,061)
From discontinued operations	(425,354)	(548,131)
	(4,507,591)	**(3,490,192)**

	2020 Shares	2019 Shares
Weighted average number of ordinary shares used in calculation of basic and diluted earnings per share	**121,247,251**	**104,268,504**

As the Group has generated a loss, potential ordinary shares have been deemed to be anti-dilutive.

Notes to the Financial Statements (Continued)

Note 16 - Segment information

The Company operated in three segments, being: solar; bioenergy; and geothermal energy exploration and evaluation. The geothermal segment exists only to complete remediation activities. Solar and bioenergy segments have been included in the discontinued operations. All operations are located in Australia.

Unless otherwise stated, all amounts reported to the Managing Director and Board of Directors as the chief operating decision makers are in accordance with the Group's accounting policies.

The following table represents revenue and profit information for the Group's operating segments for the year ended 30 June 2020.

Year Ended 30 June 2020						Reconciliation to loss from discontinued operations after tax	
	Bioenergy*	Solar	Geothermal	Corporate**	Segment totals	Discontinued operations***	Consolidated
	$	$	$	$	$	$	$
Revenue and income							
- From external customers	151,198	240,874	264,020	-	656,092	(240,874)	**415,218**
- Other income	-	-	-	137,468	137,468	-	**137,468**
- Interest income	-	35	-	90,869	90,904	(35)	**90,869**
Expenses	(155,377)	(252,061)	(270,497)	(2,721,338)	(3,399,273)	252,061	**(3,147,212)**
EBITDA	**(4,179)**	**(11,152)**	**(6,477)**	**(2,493,001)**	**(2,514,809)**	**11,152**	**(2,503,657)**
Gain on sale of fixed assets	-	-	-	-	**-**	-	**-**
Gain on sale of subsidiary	-	(17,516)	-	-	**(17,516)**	17,516	**-**
Statutory EBITDA	(4,179)	(28,668)	(6,477)	(2,493,001)	**(2,532,325)**	28,668	**(2,503,657)**
Share of loss from associate	(155,463)	-	-	-	**(155,463)**	-	**(155,463)**
Depreciation	-	(61,332)	-	(86,593)	**(147,925)**	61,332	**(86,593)**
Impairment	-	-	-	(1,327,539)	**(1,327,539)**	-	**(1,327,539)**
Borrowing transaction costs	-	(306,851)	-	-	**(306,851)**	306,851	**-**
Interest expense	-	(28,503)	-	(8,985)	**(37,488)**	28,503	**(8,985)**
Income tax expense	-	-	-	-	**-**	-	**-**
Profit /(Loss) after tax	**(159,642)**	**(425,354)**	**(6,477)**	**(3,916,118)**	**(4,507,591)**	**425,354**	
Loss from continuing operations after tax							**(4,082,237)**

* Bioenergy segment included in the discontinued operations in 2019 related to the sale of 70% interest in Goulburn Bioenergy Project completed in July 2018 (refer Note 17). After the disposal, the Bioenergy segment has changed the nature of its operation to providing operating and maintenance services of Bionergy assets to associate companies up to February 2020.

Notes to the Financial Statements (Continued)

** Related to grant income corporate overheads and recharge income which cannot be attributable to each individual segment.

*** Discontinued operations relate entirely to Solar segment.

Year Ended 30 June 2019

	Bioenergy $	Solar $	Geothermal $	Corporate** $	Segment totals $	Reconciliation to loss from discontinued operations after tax: Discontinued operations* $	Consolidated $
Revenue and income - From external customers	572,231	1,012,164	-	-	1,584,395	(1,240,103)	**344,292**
- Interest income	45,809	669	-	33,662	80,140	(669)	**79,471**
Expenses	(1,032,161)	(1,092,181)	117,961	(2,439,712)	(4,446,093)	1,185,488	**(3,260,605)**
EBITDA	**(414,121)**	**(79,348)**	**117,961**	**(2,406,050)**	**(2,781,558)**	**(55,284)**	**(2,836,842)**
Gain on sale of fixed assets	145,223	-	-	-	**145,223**	(145,223)	**-**
Gain on sale of subsidiary	173,128	-	-	-	**173,128**	(173,128)	**-**
Statutory EBITDA	(95,770)	(79,348)	117,961	(2,406,050)	**(2,463,207)**	(373,635)	**(2,836,842)**
Share of loss from associate	(80,669)	-	-	-	**(80,669)**	-	**(80,669)**
Depreciation	(14,514)	(284,490)	-	(16,224)	**(315,228)**	299,005	**(16,223)**
Impairment	-	(508,000)	-	-	**(508,000)**	508,000	**-**
Borrowing transaction costs	-	(39,504)	-	-	**(39,504)**	39,504	**-**
Interest expense	-	(75,257)	-	(8,327)	**(83,584)**	75,257	**(8,327)**
Income tax expense	-	-	-	-	**-**	-	**-**
Profit /(Loss) after tax	**(190,953)**	**(986,599)**	**117,961**	**(2,430,601)**	**(3,490,192)**	**548,131**	
Loss from continuing operations after tax							**(2,942,061)**

*Discontinued operations relate to the Bioenergy and Solar segments.

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

Notes to the Financial Statements (Continued)

Note 17 – Discontinued Operations and Assets Classified as Held for Sale

During the year ended 30 June 2020, the Group disposed of a 100% interest in the solar projects. On 4 September 2019, the Company completed the sale of a 100% interest in RE Holding Company Two Pty Ltd, RE Holding Company Three Pty ltd and ReNu Energy Retail Pty Ltd, recognising a loss of $17,516. The result from the solar operations up until the date of sale have been classified as discontinued operations.

During the year ended 30 June 2019, the Group disposed of a 70% interest in two bioenergy projects:

(i) On 17 July 2018, the Company completed the sale of a 70% interest in RE Holding Company One Pty Ltd whose subsidiary owns the Goulburn Bioenergy Project to an entity in which the Company has a 30% interest, recognising a gain of $145,000; and

(ii) On 13 December 2018, a Group company sold the property, plant and equipment of a bioenergy business to an entity in which the Company has a 30% interest, recognising a gain of $173,000.

The results from these two bioenergy projects up until the date of sale have been classified as discontinued operations. The results from these projects from the date of sale have been accounted-for using the equity method of accounting.

(a) Profit from discontinued operations after tax	**2020 $**	**2019 $**
Revenue – sales income	240,874	1,240,103
Interest revenue	35	669
Expenses	(252,061)	(1,185,488)
Depreciation	(61,332)	(299,005)
Borrowing costs	(306,851)	(39,504)
Interest	(28,503)	(75,257)
Impairment	-	(508,000)
Gain on disposal of subsidiary – refer to (b) below	(17,516)	145,223
Gain on sale of property, plant and equipment	-	173,128
Net loss from discontinued operations	**(425,354)**	**(548,131)**
Income tax expense	**-**	**-**
Net loss from discontinued operations after tax	**(425,354)**	**(548,131)**
Net cash flows from discontinued operations		
Net cash inflow from operating activities	234,301	360,115
Net cash inflow from investing activities	5,775,000	2,658,252
Net cash outflow from financing activities	(306,851)	(108,393)

Notes to the Financial Statements (Continued)

(b) Details of the sale of the subsidiaries	2020 $	2019 $
Consideration received or receivable		
Cash	5,775,000	2,800,000
Receivables	-	788,888
Loan receivable from associate	-	720,000
Fair value of investment in associate received	-	453,360
Carrying amount of net assets sold / derecognised	(5,757,032)	(4,514,922)
Transaction costs	(35,484)	-
Gain/(loss) on sale	**(17,516)**	**247,326**
Gain/(loss) on sale (net of retained 30% interest)[1]	**-**	**173,128**

[1] Relates to the disposal of 70% interest in bioenergy projects in 2019.

(c) Assets and liabilities of discontinued operation	2020 $[1]	2019 $[2]
Assets		
Cash	-	14,714
Trade and other receivables	319,681	774,424
Property, plant & equipment	5,756,266	3,740,558
Right of use assets	638,513	-
Total assets	**6,714,460**	**4,529,696**
Liabilities		
Trade and other payables	(162,624)	-
Lease liability	(689,045)	-
Provisions	(105,759)	(14,774)
Total liabilities	**(957,428)**	**(14,774)**
Net assets	**5,757,032**	**4,514,922**

1 Relates to the carrying amount of the net assets and liabilities of RE Holding Company Two Pty Ltd, RE Holding Company Three Pty Ltd, ReNu Energy Retail Pty Ltd as at the date of the sale.

2 Relates to the carrying amount of the net assets and liabilities of RE Holding Company One and its subsidiaries as at the dates of the sales.

(d) Assets held for sale	2020 $	2019 $
Investment in Bioenergy Alliance	331,563	-
Inventories	59,300	-
Total assets held for sale	**390,863**	**-**

In June 2020, the Board approved the sale of its remaining 30% interest in RE Holding Company One Pty Ltd whose subsidiary owns the Goulburn Bioenergy Projects. On 30 July 2020, ReNu Energy Limited entered into a Securities and Asset Sale and Purchase Agreement with Resonance Water Finance UK Limited for

Notes to the Financial Statements (Continued)

$500,000 and the sale completed on 13 August 2020. At 30 June 2020, the 30% interest in RE Holding Company One Pty Ltd and inventories were classified as assets held for sale in the statement of financial position.

There were no liabilities directly associated with assets held for sale.

Note 18 – Remuneration of Auditors

	2020 $	2019 $
Auditors of the Group - BDO		
Audit and review of the financial statements	44,050	49,500
Other assurance services	-	-
Total services provided by BDO	**44,050**	**49,500**

During the year there were nil (2019: nil) fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms.

Note 19 – Key Management Personnel

Compensation of Key Management Personnel

	2020 $	2019 $
Short-term employee benefits	843,164	1,042,958
Post-employment benefits	82,185	65,813
Termination benefits	457,900	-
Share based payment	-	94,413
	1,383,249	**1,203,184**

Further information on remuneration of Key Management Personnel is shown in the Remuneration Report contained within the Directors' Report.

Note 20 – Related party disclosures

Related party transactions with Directors

The Group engaged Maxify Pty Ltd to provide consulting services. The key resource from Maxify is T. Louka (Non-executive Director). Consulting fees of $153,964 (2019: $9,000) were paid during the year.

The Group engaged Pacific Energy Partners Pty Ltd to provide consulting services. The key resource from Pacific Energy Partners Pty Ltd is T. Scholefield (Executive Director). Consulting fees of $112,622 were paid during the year (2019: nil).

Notes to the Financial Statements (Continued)

Note 21 - Notes to the Cash Flow Statement

	2020 $	2019 $
A. Reconciliation of cash		
Cash balance comprises:		
Cash at bank	2,448,803	1,411,011
Term deposits	-	13,904
Total cash – excluding cash held by disposal group held for sale	**2,448,803**	**1,424,915**
B. Reconciliation of the operating loss after tax with the net cash flows used in operations		
Loss after income tax	(4,507,590)	(3,490,192)
Depreciation and amortisation	86,593	314,456
Impairment of property, plant and equipment	261,399	508,000
Impairment of loans	1,066,140	-
Net (profit)/loss on disposal of property, plant & equipment	-	(317,744)
Share based payments expense	4,760	94,412
Share of losses of associates	155,463	80,669
Prior year R&D claim received	-	91,775
Credit impairment losses	149,249	-
Items treated as cash flows from financing activities:		
Transaction costs of loans and borrowings	315,851	26,080
Changes in Operating Assets & Liabilities		
(Increase)/decrease in receivables and prepayments	17,983	472,996
Increase/(decrease) in other creditors and accruals	(474,376)	(792,191)
Decrease in provisions	(242,611)	(298,792)
Net Cash Flow used in Operating Activities	**(3,167,139)**	**(3,310,531)**

Notes to the Financial Statements (Continued)

Note 22 – Contingent liabilities

Bank guarantees

The Group's bankers have issued bank guarantees as security for various obligations:

(a) To relevant Government authorities in respect of tenement rehabilitation obligations of the Company: $150,000 (2019: $150,000);

As noted in note 5, these amounts are secured over cash deposits.

Note 23 – Subsequent events

Sale of Investment in Bioenergy alliance

On 31 July 2020, the Company announced that it had accepted an offer from its Alliance Partner, Resonance Industrial Water Infrastructure Fund, to acquire the Group's 30% interest in the Goulburn and AJ Bush bioenergy projects for a consideration of $500,000. Under this arrangement the Company would not recover the costs of $261,399 for capital works made in relation to the Bioenergy assets or the loan of $1,066,140 to the associate company, RE Holding Company One Pty Ltd. As a result an impairment of $1,327,539 (included in the general & administrative expenses) has been recorded against these assets. A gain on the sale of the investment in the bioenergy projects of $168,437 is expected to be recognised in the 2021 financial year.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Note 24 – Financial risk management

The Group's principal financial instruments comprise cash, short-term deposits and borrowings. The Group has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations. The Group does not trade in financial instruments. The main risks arising from the Group's financial instruments are credit risk and liquidity risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Primary responsibility for identification and control of financial risks rests with the board of Directors, however the day-to-day management of these risks is under the control of the Chief Executive Officer. The Board agrees the strategy for managing future cash flow requirements and projections.

(A) Credit risk

The Group's maximum exposures to credit risk at balance date in relation to financial assets, is the carrying amount of those assets as recognised on the reporting of financial position. There are no derivative financial instruments currently being used by the Group to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties for material transactions and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. The Group's retail business does have exposure to small business customers for whom credit records may not be readily available, however individual exposures have not been assessed as posing a material credit risk to the Group.

Notes to the Financial Statements (Continued)

(B) Liquidity risk

The Group's objective is to maintain adequate capital to finance its current operations and near-term growth opportunities while maintaining sufficient funds to meet its obligations in the event of a business downturn. The Group plans to introduce conservative levels of debt financing to fund its growth plans, with repayment profiles which match the expected cash flows from the relevant business operations. The Group's financial liabilities and their contractual maturities are:

Contractual maturities of financial liabilities

2020	Less than 6 months $'000	Between 6 months & 1 year $'000	Between 1 year & 2 years $'000	Between 2 years & 5 years $'000	Total contractual cash flows $'000	Total carrying value $'000
Trade payables	301,816	-	-	-	**-**	301,816
Lease liabilities	30,820	-	-	-	**-**	30,820
Total financial liabilities	**332,636**	**-**	**-**	**-**	**-**	**332,636**

2019	Less than 6 months $'000	Between 6 months & 1 year $'000	Between 1 year & 2 years $'000	Between 2 years & 5 years $'000	Total contractual cash flows $'000	Total carrying value $'000
Trade payables	836,520	-	-	-	**836,520**	836,520
Borrowings	250,708	153,646	140,698	1,209,329	**1,754,381**	1,433,189
Total financial liabilities	**1,087,228**	**153,646**	**140,698**	**1,209,329**	**2,590,901**	**2,269,709**

(C) Market risk

Currency risk

The Group does not have any material exposure to foreign currency risk (2019: nil), but may cover the expected cost of firm orders denominated in foreign currencies with forward contracts from time to time.

Interest rate risk

The Group's cash balances are held in a combination of interest-bearing term deposits and bank accounts. For each 10% movement in the interest rate, the Group's profit/loss after tax would increase/decrease by $2,200 if the year end cash balance was invested at those rates for 12 months.

The Group's borrowings are at fixed rates of interest and there is no exposure to interest rate risk.

Notes to the Financial Statements (Continued)

Note 25 – Information relating to ReNu Energy Limited (The Parent)

	2020 $	2019 $
Current Assets	3,251,568	6,049,921
Total Assets	3,686,045	8,243,168
Current Liabilities	(1,306,045)	(2,036,228)
Total Liabilities	(1,306,045)	(2,260,047)
Contributed Equity	357,069,845	357,074,605
Accumulated Losses	(354,738,153)	(351,248,598)
Other Reserves	48,308	157,114
	2,380,000	**5,983,121**
Profit or (loss) of the Parent Entity	(3,489,555)	(5,164,754)
Total comprehensive income of the Parent Entity	(3,489,555)	(5,164,754)

Contractual obligations

In order to maintain current rights of its geothermal tenements, ReNu Energy Limited is required to outlay annual rentals and to meet certain expenditure requirements of the Department of State Development, South Australia. These obligations are subject to renegotiation upon expiry of the tenements.

The obligations are not provided for in the financial report and are payable as follows:

	2020 $	2019 $
Geothermal obligations: payable not later than one year	17,200	64,000
Property, plant and equipment: payable not later than one year	-	54,000
	17,200	**118,000**

Directors' Declaration

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

1. In the opinion of the Directors:

The financial statements, notes and additional disclosures included in the Directors' Report designated as audited of the Company are in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of their performance for the period ended on that date; and

(b) complying with Accounting Standards and Corporations Regulations 2001;

(c) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and

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

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial period ended 30 June 2020.

On behalf of the Board.

Boyd White
Chairman
Brisbane
27 August 2020

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INDEPENDENT AUDITOR'S REPORT

To the members of ReNu Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ReNu Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 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 the Group, 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 2020 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Disposal of the Solar Business to CleanPeak Energy

Key audit matter	*How the matter was addressed in our audit*
Refer to note 17 to the financial statements. During the year, the Group disposed of a 100% interest in the solar projects. This was deemed to be a key audit matter because the assets disposed were material to the group.	Our audit procedures included but were not limited to the following: • Reviewing the sale and purchase agreement and other documents related to the disposals to obtain an understanding of the transaction and to confirm the consideration • Assessing the carrying amount of the disposed assets, debts and liabilities at date of disposal and recalculated any gain or loss is to be recognised from disposal • Checking that the adoption of AASB16 Leases has been properly accounted up until date of disposal • Reviewing the adequacy of the Group's disclosures around disposal of assets within the financial statements

Rehabilitation Provision

Key audit matter	*How the matter was addressed in our audit*
Refer to note 11 to the financial statements. The Group has rehabilitation provision which relates to the Group's share of the expected cost to complete the remaining rehabilitation of the Group's legacy geothermal sites. The measurement of the rehabilitation provision has been identified as a key audit matter as it involves significant uncertainty and judgments, with rehabilitation costs estimates varying in response to many factors. The provision is also material balance and important to the users of the financial statements.	Our audit procedures included but were not limited to the following: • Evaluating management's processes for estimating and measuring the rehabilitation provision. • Holding discussions with management in relation to the status of discussions with relevant government body in respect of the outstanding rehabilitation work to assess the adequacy of the provision • Assessing the reasonableness of the estimated provision at year-end and tested the processed used by management to calculate the estimate including checking key assumptions and inputs used • Reviewing the adequacy of the Group's disclosures around the rehabilitation provision within the financial statements

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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, 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: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 21 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of ReNu Energy Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

R M Swaby
Director

Brisbane, 27 August 2020

Corporate Governance & Shareholder Information

The Board of Directors of ReNu Energy Limited are responsible for the corporate governance of the Company and are committed to achieving and demonstrating the highest standards of corporate governance.

ReNu Energy Limited's corporate governance practices were in place throughout the year ended 30 June 2020 and were fully compliant with the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) except for the following:

Recommendation 1.5(a) - *Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them*. The Company has adopted a Diversity Policy that encourages the participation and provision of opportunity to all people interested in working at ReNu Energy. As the Company has a relatively small workforce with many roles requiring specific skills that may not be widely available, the Company has not deemed it appropriate to set specific numeric targets as these could be inappropriately skewed by the small sample size.

Recommendation 1.5(c)(1) - *Companies should disclose at the end of each reporting period the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board*. The Company has adopted a Diversity Policy that encourages the participation and provision of opportunity to all people interested in working at ReNu Energy. As the Company has a relatively small workforce with many roles requiring specific skills that may not be widely available, the Company does not believe it appropriate to publish specific employment numbers as Company does not believe this information adds any meaningful value due to its small workforce.

Recommendation 2.4 – *A majority of the Board should be independent*. The Company did not satisfy this condition for the financial year ended 30 June 2020, as 50% of its directors were not independent at times during the year. The Board believes that it is currently structured to act in the best interest of the shareholders and its composition is appropriate at the current time.

Recommendations 4.1 and 7.1 – *The Board of a listed entity should have an audit committee and a risk committee which has at least three members, all of whom are Non-executive directors and a majority of whom are independent directors*. The Company did not satisfy this recommendation for the financial year ended 30 June 2020 as its Audit and Risk Management Committee (Committee) had two members at times during the year, both of whom were Non-executive Directors. The Committee, at that date of this report, comprises three members, two of whom are Non-executive and independent Directors. The Company considers that given the size and composition of the Board, the current composition of the committee is sufficient to ensure independent judgement is exercised in relation to the Company's corporate reporting processes to satisfy its responsibilities.

Recommendation 8.1 - *The Board of a listed entity should have a remuneration committee which has at least three members, all of whom are non-executive directors and a majority of whom are independent directors.* The Company does not satisfy this recommendation as its Remuneration and Nomination Committee has two members, both of whom are Non-executive Directors. The Company considers that given the size and composition of the Board, the current members of the committee are sufficient to exercise independent judgement in order to satisfy its responsibilities.

ReNu Energy's Corporate Governance Statement can be downloaded in the Governance section of our website http://renuenergy.com.au/about-us/governance/.

Distribution of Fully Paid Ordinary Shares

Analysis of number of equity holders by size and holding as at 13 October 2020.

Range	No. of holders	Securities	% of issued capital
100,001 and Over	176	79,172,595	65.63
10,001 to 100,000	983	29,759,850	24.67
5,001 to 10,000	608	4,403,430	3.65
1,001 to 5,000	2,165	5,158,770	4.28
1 to 1,000	6,844	2,139,969	1.77
Total	**10,775**	**120,634,341**	**100.00**
Unmarketable Parcels	9,950	15,940,105	13.21

Twenty Largest Holders

Rank	Name	Shares Held	% of issued capital
1	CWSC Pty Ltd	8,655,000	7.17
2	Warren Leitao	5,769,000	4.78
3	North Western Surveys Pty Ltd	3,954,571	3.28
4	Borneo Capital Pty Ltd	3,294,495	2.73
5	Stockton Capital Management Pty Ltd	3,281,420	2.72
6	Tata Power International Pte Limited	2,940,000	2.44
7	Indevco Group Holdings Pty Limited	1,649,334	1.37
8	Jetosea Pty Ltd	1,418,636	1.18
9	Mr Ian Graham Douglas & Mr Basil James Cook	1,317,754	1.09
10	Mr Benjamin Douglas Kmita	1,210,709	1.00
11	Hirlgrove Pty Ltd	1,161,547	0.96
12	Mrs Daijun Lin	1,091,000	0.90
13	Johan A Le Roux	1,037,632	0.86
14	Mr Anthony James Cotter & Mrs Deborah Joanne Cotter	949,239	0.79
15	Mr Anthony James Cotter & Mrs Deborah Joanne Cotter	900,040	0.75
16	Woodistan Pty Ltd	869,683	0.72
17	Mr Mark Tindale & Mrs Barbara Tindale	850,001	0.70
18	J P Morgan Nominees Australia Pty Limited	808,711	0.67
19	Ry-Kin Constructions No2 Pty Ltd	800,000	0.66
20	Ms Sallee Anne Lorenz	779,635	0.65
	Total	**42,738,407**	**35.42**

Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2011 are:

		Shares Held	% of issued capital
1	CWSC Pty Ltd	8,655,000	7.17%

Voting Rights

The voting rights attaching to each class of equity securities are set out below:

(a) 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.

(b) Options:

No voting rights.

Securities Exchange Listing

The shares of the Company are listed under the symbol RNE on the Australian Securities Exchange Limited. The Company's home branch is Sydney.

Shareholder Enquiries

Shareholders with queries about their shareholdings should contact the Company's Share Registry as follows:

Link Market Services

Locked Bag A14

Sydney South NSW 1235

Telephone Australia: 1300 554 474

Telephone International: +61 1300 554 474

Fax +61 2 9287 0303

Email: registrars@linkmarketservices.com.au

Change of Address

Issuer sponsored shareholders should notify the share registry immediately upon any change in their address quoting their Securityholder Reference Number (SRN). This can be done by phoning the share registry, by writing to them, or through their web portal at www.linkmarketservices.com.au. Changes in addresses for broker sponsored holders should be directed to the sponsoring brokers with the appropriate Holder Identification Number (HIN).

Annual Report

The Company's Annual Report is posted on its web site immediately upon release to ASX. Shareholders will not be mailed a copy of the Annual Report unless they have specifically opted in to request one.

Notice of Meeting and Proxy Voting

The Company offers online voting and shareholders may elect to receive the Company's notice of meeting and proxy form via email. The Company encourages this form of electronic communication. Voting can be undertaken online, by logging in to the Link website using the holding details as shown on the proxy form. Shareholders who do not register for online access will continue to receive these documents by post. Shareholder who would like to opt in to receive these documents by email should register their communication preferences at the share registry's web portal at www.linkmarketservices.com.au

Consolidation of Multiple Shareholdings

If you have multiple shareholding accounts that you wish to consolidate into a single account, please advise the Share Registry in writing. If your holdings are broker sponsored, please contact the sponsoring broker directly.

Register for Email Alerts

Please note, that as a shareholder you can register through the 'Email Alerts' section of our web site to receive electronic communications from the Company. To do so, you should select the 'Investor Centre' tab on our web site at www.renuenergy.com.au. Registration will provide you with an email advice with a link to www.renuenergy.com.au each time a relevant announcement is made by the company and posted on this site. At www.renuenergy.com.au shareholders can view:

- Annual and half-year Reports
- Securities Exchange Announcements
- ReNu Energy Share Price Information
- General Shareholder Information

Corporate Directory

BOARD OF DIRECTORS

Mr Steve McLean (to 30 June 2020)
(Non-executive Director. Non-executive Chairman to 28 February 2020)

Mr Richard Brimblecombe
(to 31 December 2019)
(Non-executive Director)

Mr Anton Rohner (to 2 August 2019)
(Non-executive Director)

Mr Craig Ricato (to 30 September 2019)
(Managing Director and CEO)

Mr Tony Louka
(Non-executive Director. Interim Managing Director 20 September 2019 to 28 February 2020)

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

Boyd White (from 28 February 2020)
(Non-executive Chairman)

CEO

Mr Greg Watson (from 28 February 2020)

COMPANY SECRETARY

Mr Damian Galvin (to 5 July 2019)

Mr Matthew Scott (from 1 July 2019 to 10 September 2019)

Mr Greg Watson (from 10 September 2019)

PRINCIPAL AND REGISTERED OFFICE

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BANKER

Westpac Banking Corporation

AUDITOR

BDO

SOLICITOR

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SHARE REGISTRY

Link Market Services Limited

Phone: +61 1300 554 474

Fax: +61 2 9287 0303

Postal address: Locked Bag A14, Sydney South NSW 1235

Website: www.linkmarketservices.com.au

Email: registrars@linkmarketservices.com.au

SECURITIES EXCHANGE LISTING

ReNu Energy Limited shares are listed on the Australian Securities Exchange. Ticker: RNE

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