RENERGEN LIMITED
Incorporated in the Republic of South Africa
(Registration number: 2014/195093/06)
JSE Share code: REN
A2X Share code: REN
ISIN: ZAE000202610
Australian Business Number (ABN): 93 998 352 675
ASX Share code: RLT
("**Renergen**" or "**the Company**")

AUSTRALIAN STOCK EXCHANGE APPENDIX 4E – PRELIMINARY FINAL REPORT

Reporting Period	Year ended 28 February 2021 (2021)
Previous Period	Year ended 29 February 2020 (2020)

RESULTS ANNOUNCEMENT TO THE MARKET

	2021 Rm	2020 Rm	Change %
Revenue	1.9	2.6	-26.94%
Loss after tax attributable to ordinary shareholders	42.6	52.6	-19.00%
Total comprehensive loss attributable to ordinary shareholders	42.6	52.0	-18.07%
	Cents	**Cents**	**Change %**
Basic loss per share	36.29	47.92	-24.28%
Diluted loss per share	36.29	47.92	-24.28%

- The Group's revenue was negatively impacted by the country-wide hard lockdown imposed by the South African government in the first half of the financial year to assist with curbing the spread of COVID-19. This resulted in Tetra4 Proprietary Limited ("Tetra4"), a wholly owned operating subsidiary of the Group, not generating revenue in April 2020 and May 2020. Production resumed at the Group's Compressed Natural Gas ("CNG") plant in June 2020.
- The loss after tax attributable to ordinary shareholders and the total comprehensive loss for the year attributed to ordinary shareholders decreased markedly primarily due to an improvement in the Group's operating cost base and a reduction in share-based payments expenses. Prior year operating expenses included listing costs totalling R6.4 million (impacted by ASX listing) and net exchange losses totalling R15.0 million, which decreased to R0.4 million and R8.9 million, respectively, in the current year. Share-based payments expenses decreased to R1.8 million (2020: R7.1 million) as the prior year expense included shares granted to advisors pursuant to the listing of the Company on the ASX.
- The Group continues the development of the Virginia Gas Project and the operation is closer to positive cash flow. In this regard, the many risks traditionally associated with green-field projects are rapidly reducing.

	2021 cents	2020 cents	Change %
Tangible net asset value per share	80.21	134.56	-40.39%
	R'000	R'000	Change %
Total assets	780.4	626.5	+24.56

- The decrease in the Group's tangible net asset value can be attributed primarily to the acquisition of additional debt by the Company in June 2020, the loss incurred by the Group for the year and an increase in intangible assets, offset by increases in the Group's assets under construction.
- In June 2020, the Group made a second draw down of US$12.5 million on the DFC loan to fund the construction of the gas plant.

PRELIMINARY FINAL FINANCIAL STATEMENTS

Please refer to pages 5 to 20 of this report wherein the following are provided:

Condensed Consolidated statement of profit or loss and other comprehensive income for the year ended 28 February 2021;
Condensed consolidated statement of financial position as at 28 February 2021;
Condensed consolidated statement of changes in equity for the year ended 28 February 2021;
Condensed consolidated statement of cash flows for the year ended 28 February 2021; and
Notes to the condensed consolidated financial statements.

The condensed consolidated financial statements presented have not been audited or subject to a review by the external auditors. The audit of the Group's financial statements for the year ended 28 February 2021 is currently ongoing.

OTHER DISCLOSURE REQUIREMENTS

Dividend or distribution reinvestment plans
Renergen did not declare dividends during the year ended 28 February 2021 (2020: nil).

Entities over which control has been gained or lost during the year
There was no acquisition or loss of controlling interest during the year ended 28 February 2021.

Details of associates and joint ventures
The Group does not have associates or joint ventures.

Additional Appendix 4E disclosure requirements and commentary on significant features of the operating performance, results of segments, trends in performance and other factors affecting the results for the period are contained in the financial report accompanying this announcement.

RESULTS COMMENTARY

The financial year ended 28 February 2021 has been an exciting one for the Group. We achieved our strategic targets and moved the much-anticipated Virginia Gas Project closer to positive cash flow despite the overwhelming headwinds presented by the COVID-19 pandemic. We believe we are on an even stronger footing towards becoming a significant helium and LNG producer. Key highlights for the year under review include:

- Completion of the pipeline design;
- Drawing the second tranche of the DFC Loan;
- Commencement of drilling of the first inclined well;
- Strategic tie-up with Total South Africa ("Total"), a leading oil super-major, on domestic LNG distribution;
- Announcement of 106.3 billion cubic feet ("BCF") of prospective helium resources with a 2U or 50% probability of recovery;
- Identification of three additional drilling targets;
- Commencement of South Africa's first-ever LNG auction;
- Signing of the LNG supply agreement with Logico Logistics;
- Announcement of the first zero-emissions solution for cold-chain logistics; and
- Adding the N1 route between Johannesburg and Cape Town to the LNG filling routes with Total South Africa.

The first COVID-19 case was reported in South Africa on 5 March 2021, which resulted in a nationwide hard lockdown for the greater part of the first quarter of the financial year. This meant that the Group had an unremarkable start to the year as the Group implemented stay-at-home measures according to the government's recommendations. Despite a slow start to the financial year, in June 2020, we completed the design of the Virginia Gas Plant, 22 days ahead of schedule. The customer base for the LNG produced at the Virginia Gas Plant will predominantly be logistics companies operating trucks along the main routes across the country, with a significant portion of the initial production already allocated to customers.

Our strategic partnership with Total, which also commenced in June 2020, could not have come at a better time. This strategic tie-up adds credibility to the Virginia Gas Project and gives the Company access to strategic sites on which to establish filling stations to dispense LNG to customers. The conclusion of the agreement between Total and the Company was seen as a win-win for both entities, making Total part of the rollout of the first LNG in South Africa, which aligns with its global strategy of becoming the largest supplier and distributor of LNG. It also enabled the Group to add the N1 route between Johannesburg and Cape Town as another major transport corridor for LNG, as the N1 carries the most refrigerated trucks in the country.

The construction of the Virginia Gas Plant is ongoing and is nearing completion. The Group made a second drawdown against the DFC loan facility to fund the ongoing construction of the plant, which is expected to become operational in Q4 2021.

During the year under review, we also designed and patented Cyro-Vacc™ for the efficient transportation and storage of cold biologics for periods of up to 25 days or longer in transit, where access to an external power source is not possible. Renergen is well-positioned for the recently released National Department of Health tender for the distribution of vaccines. The Company has made significant progress in a very short space of time, from developing the concept on 4 December 2020 to having a working prototype entering clinical validation just after the middle of March 2021. The completion and successful operation of the Company's first Cryo-Vacc™ prototype were announced on 21 February 2021.

The global helium market is expected to grow at an average rate of approximately 11%. The helium market growth is expected to be driven by the growing demand from the healthcare, technology, and aerospace industry sectors. The decline of existing helium supply sources, particularly in the U.S. Bureau of Land Management's (BLM) system, are causing industrial gas companies and distributors to seek new sources of helium supply *(Source: Global Helium Market Data and Industry Growth Analysis Report, 2021)*.

Financial Review

- The Group's revenue decreased by R0.7 million impacted by the COVID-19 lockdown which resulted in Tetra4 not trading in April and May 2020. Operations resumed in June 2020.
- The Group's other operating expenses declined by R14.7 million primarily due to a decrease in listing costs by R6.0 million (impacted by ASX listing in the prior year) and net foreign exchange losses by R6.1 million. The Group's other operating expenses are disclosed in note 5.
- Share based payments expenses decreased by R5.3 million. The prior year expense included shares granted to advisors pursuant to the listing of the Company on the ASX. The Group's share-based payments are disclosed in note 8.
- Following completion of the Virginia Gas Plant design we spent an additional R125.7 million on assets under construction classified within property, plant and equipment ("PPE"). The Group also capitalised exploration expenditure totalling R21.5 million under intangible assets. The Group's PPE and intangible assets are disclosed in notes 2 and 3.
- Further investment on our non-current assets was partly funded by a second draw-down of US$12.5 million on the DFC loan facility which occurred in June 2020. This resulted in an increase in total borrowings by R183.1 million. The Group's borrowings are disclosed in note 9.
- Unrestricted cash resources of the Group decreased marginally by R10.1 million. The Group's cash flows arising from operating, investing and financing activities are fully set out in the Statement of Cash Flows.
- The net asset value of the Group decreased by R40.8 million impacted mainly by an increase in debt and the loss for the year offset by the additional investment in PPE and intangible assets.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Condensed Consolidated Statement of Financial Position of the Group as at 28 February 2021 is set out below:

R'000	**Notes**	**2021**	**2020**
ASSETS			
Non-current assets		**625 576**	**469 579**
Property, plant and equipment	2	475 558	350 824
Intangible assets	3	112 155	89 223
Deferred taxation	10	34 976	26 803
Restricted cash		2 887	2 729
Current assets		**154 786**	**156 912**
Trade and other receivables		7 769	5 533
Financial assets		-	246
Restricted cash		16 139	10 161
Cash and cash equivalents	4	130 878	140 972
TOTAL ASSETS		**780 362**	**626 491**
EQUITY AND LIABILITIES			
Equity		**206 408**	**247 230**
Share capital	7	453 078	452 254
Share-based payments reserve	8	8 500	7 526
Revaluation reserve		598	598
Accumulated loss		(255 768)	(213 148)
LIABILITIES			
Non-current Liabilities		**541 476**	**358 145**
Borrowings	9	534 293	351 182
Lease liabilities		3 183	2 963
Provisions		4 000	4 000
Current liabilities		**32 478**	**21 116**
Provisions		2 180	2 180
Lease liabilities		3 007	2 549
Trade and other payables		27 291	16 387
TOTAL LIABILITIES		**573 954**	**379 261**
TOTAL EQUITY AND LIABILITIES		**780 362**	**626 491**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

The Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income of the Group for the 12-month period ended 28 February 2021 is set out below:

R'000	**Notes**	**2021**	**2020**
Revenue	11	1 925	2 635
Cost of sales		(2 842)	(3 302)
Gross loss		**(917)**	**(667)**
Other operating income		911	81
Share-based payments expense	8	(1 798)	(7 078)
Other operating expenses	5	(44 969)	(59 641)
Operating loss		**(46 773)**	**(67 305)**
Interest income		672	5 352
Interest expense and imputed interest		(4 691)	(5 325)
Loss before taxation		**(50 792)**	**(67 278)**
Taxation		8 172	14 659
LOSS FOR THE YEAR		**(42 620)**	**(52 619)**
Other comprehensive income:			
Items that may be reclassified to profit or loss in subsequent periods:			
Revaluation of property		-	598
Other comprehensive income for the year net of taxation		-	598
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(42 620)**	**(52 021)**
Loss attributable to:			
Owners of the Company		(42 620)	(52 619)
LOSS FOR THE YEAR		**(42 620)**	**(52 619)**
Total comprehensive loss attributable to:			
Owners of the Company		(42 620)	(52 021)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(42 620)**	**(52 021)**
Loss per ordinary chare			
Basic loss per share (cents)	12	36.29	47.92
Diluted loss per share (cents)	12	36.29	47.92

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The Condensed Consolidated Statement of Changes in Equity of the Group for the 12- month period ended 28 February 2021 is set out below:

R'000	Share capital	Share-based payments reserve	Revalua-tion reserve	Accumulated loss	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
BALANCE AT 1 MARCH 2019	**301 277**	**448**	**-**	**(121 091)**	**180 634**	**(16 401)**	**164 233**
Adjustment on initial adoption of IFRS 16	-	-	-	(37)	(37)	-	(37)
ADJUSTED BALANCE AT 1 MARCH 2019	**301 277**	**448**	**-**	**(121 128)**	**180 597**	**(16 401)**	**164 196**
Loss for the year	-	-	-	(52 619)	(52 619)	-	(52 619)
Other comprehensive income for the year	-	-	598	-	598	-	598
Total comprehensive income/(loss) for the year	-	-	598	(52 619)	(52 021)	-	(52 021)
Issue of shares	159 746	-	-	-	159 746	-	159 746
Share issue costs	(8 769)	-	-	-	(8 769)	-	(8 769)
Change in ownership	-	-	-	(39 401)	(39 401)	16 401	(23 000)
Share-based payments expense	-	7 078	-	-	7 078	-	7 078
BALANCE AT 29 FEBRUARY 2020	**452 254**	**7 526**	**598**	**(213 148)**	**247 230**	**-**	**247 230**
Loss for the year	-	-	-	(42 620)	(42 620)	-	(42 620)
Total comprehensive loss for the year	-	-	-	(42 620)	(42 620)	-	(42 620)
Issue of shares	824	(824)	-	-	-	-	-
Share-based payments expense	-	1 798	-	-	1 798	-	1 798
BALANCE AT 28 FEBRUARY 2021	**453 078**	**8 500**	**598**	**(255 768)**	**206 408**	**-**	**206 408**
Notes	7	8					

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

The Condensed Consolidated Statement of Cash Flows of the Group for the 12- month period ended 28 February 2021 is set out below:

R'000	Notes	2021	2020
Cash flows used in operating activities		**(23 914)**	**(37 471)**
Cash used in operations	6	(24 580)	(42 636)
Interest received		672	5 352
Interest paid		(6)	(187)
Cash flows used in investing activities		**(196 338)**	**(338 814)**
Investment in property, plant and equipment	2	(163 079)	(298 347)
Investment in intangible assets	3	(23 207)	(18 728)
Purchase of options		(16 197)	(8 256)
Proceeds on exercise of options		6 145	9 517
Non-controlling interest buy-out		-	(23 000)
Cash flows from financing activities		**213 186**	**434 349**
Proceeds on share issue	7	-	159 746
Share issue costs	7	-	(8 769)
Proceeds from borrowings	9	216 282	295 976
Loan facility fee paid		-	(4 814)
Settlement of convertible note		-	(5 452)
Right of use – lease payments		(3 096)	(2 338)
TOTAL CASH MOVEMENT FOR THE YEAR		**(7 066)**	**58 064**
Cash and cash equivalents at the beginning of the year	4	140 972	97 956
Effects of exchange rate changes on cash and cash equivalents		(3 028)	(15 048)
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4	**130 878**	**140 972**

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1. Basis of preparation

The consolidated annual financial statements for the year ended 28 February 2021 have been prepared in accordance with the framework concepts, the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and in accordance with and containing the information required by the International Accounting Standard 34: Interim Financial Reporting (IAS 34) as issued by the International Accounting Standards Board (IASB), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the ASX Listing Rules and the requirements of the South African Companies Act No.78 of 2008, as amended. The consolidated annual financial statements have been prepared on the historical cost basis except for land that is carried at a revalued amount and derivative financial assets and liabilities that are measured at fair value. Significant accounting policies applied in the preparation of the consolidated annual financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements. Amendments to accounting standards and new accounting pronouncements which came into effect for the first time during the financial year did not have a material impact on the Group.

These condensed consolidated annual financial statements have been prepared on a going concern basis. The consolidated annual financial statements are presented in South African Rand which is the Company's functional and presentation currency. All monetary information is rounded to the nearest thousand (R'000).

JSE shareholders should note that this form does not meet the JSE reporting requirements as this information is not reviewed or audited and is issued in line with the ASX Listing Rules.

2. Property, plant and equipment

		2021			2020	
R'000	**Cost or valuation**	**Accumulated depreciation**	**Net book value**	**Cost or valuation**	**Accumulated depreciation**	**Net book value**
Assets under construction	451 576	-	451 576	325 886	-	325 886
Right of use asset – head office building	2 243	-	2 243	4 129	(1 376)	2 753
Land – at revalued amount	3 473	-	3 473	3 473	-	3 473
Plant and machinery	20 714	(9 451)	11 263	20 715	(7 767)	12 948
Furniture and fixtures	1 206	(679)	527	1 146	(486)	660
Motor vehicles	2 095	(2 051)	44	2 050	(1 725)	325
Office equipment	208	(132)	76	209	(104)	105
IT equipment	541	(438)	103	542	(365)	177
Right of use assets - motor vehicles	4 526	(547)	3 979	2 359	(516)	1 843
Office building	2 065	(270)	1 795	2 065	(63)	2 002
Leasehold improvements:						
Office equipment	152	(110)	42	152	(84)	68
Furniture and fixtures	887	(450)	437	887	(303)	584
TOTAL	**489 686**	**(14 128)**	**475 558**	**363 613**	**(12 789)**	**350 824**

2. Property, plant and equipment (continued)

2021 R'000	At 1 March 2020	Additions	Depreciation	Disposals	At 28 February 2021
Assets under construction	325 886	125 690	-	-	451 576
Plant and machinery	12 948	-	(1 685)	-	11 263
Land – at revalued amount	3 473	-	-	-	3 473
Right-of-use assets - motor vehicles	1 843	3 022	(519)	(367)	3 979
Right-of-use assets - head office building	2 753	2 243	(1 262)	(1 491)	2 243
Office building	2 002	-	(207)	-	1 795
Furniture and fixtures	660	60	(193)	-	527
Motor vehicles	325	46	(327)	-	44
Office equipment	105	-	(29)	-	76
IT equipment	177	-	(74)	-	103
Leasehold improvements:					
Office equipment	68	-	(26)	-	42
Furniture and fixtures	584	-	(147)	-	437
TOTAL	**350 824**	**131 061**	**(4 469)**	**(1 858)**	**475 558**

Additions include foreign exchange losses totalling R37.3 million and interest totalling R28.9 million capitalised as part of borrowing costs in line with the Group's policy (attributable to the DFC loan), and non-cash additions of right of use assets. These costs were capitalised within assets under construction. Excluding these components, additions for the year total R163.1 million.

The Group's borrowings are disclosed in note 9.

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

3. Intangible assets

	2021			2020			
R'000	**Cost**	**Accumulated Amortisation**	**Carrying Value**	**Cost**	**Accumulated Amortisation**	**Disposal**	**Carrying Value**
Exploration and development costs	109 026	(32)	108 994	87 511	(32)	-	87 479
Computer software	3 303	(439)	2 864	3 115	(474)	(938)	1 703
Other intangible assets	297	-	297	41	-	-	41
TOTAL	**112 626**	**(471)**	**112 155**	**90 667**	**(506)**	**(938)**	**89 223**

2021 R'000	**At 1 March 2020**	**Additions**	**Amortisation**	**At 28 February 2021**
Exploration and development costs	87 479	21 515	-	108 994
Computer software	1 703	1 436	(275)	2 864
Other intangible assets	41	256	-	297
TOTAL	**89 223**	**23 207**	**(275)**	**112 155**

The Company has not updated its Competent Person's Report (CPR) for its exploration and evaluation assets primarily due to the current operations not consuming a material amount gas, thus not materially changing the Reserves and Resources since the last CPR was undertaken. In addition, all new exploration activities were delayed due to COVID-19, and are still currently underway. We anticipate updating the CPR in the financial year ending February 2022.

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

4. Cash and cash equivalents

Cash and cash equivalents consist of:

R'000	2021	2020
Cash at banks and on hand	24 219	140 972
Short-term deposits	106 659	-
TOTAL	**130 878**	**140 972**

Cash at banks earns interest at floating rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates. Included in cash at banks and on hand is R17.2 million (2020: R8.7 million) denominated in United States Dollars.

5. Other operating expenses

R'000	2021	2020
Operating expenses by nature:		
Consulting and advisory fees[1]	6 099	2 342
Listing fees	437	6 388
Employee costs[2]	6 417	12 970
Depreciation and amortisation[3]	3 060	3 542
Net foreign exchange losses	8 916	15 048
Computer and IT expenses	2 619	1 295
Security	1 095	512
Corporate costs	1 139	1 609
Insurance	1 534	730
Loss on disposal of asset	-	938
Other operating costs	5 329	1 878
Director fees – Non-executive	2 162	2 581
Directors' fees – Executive[4]	6 162	9 808
TOTAL	**44 969**	**59 641**

[1] The increase in consulting and advisory fees is due to the additional consultancy services required to enhance and further define the Group's exploration strategy.

[2] Excludes employee costs amounting to R0.8 million (2020: R0.7 million) relating to the manufacturing of gas sold which are included in the Group cost of sales.

[3] Excludes depreciation of plant and machinery amounting to R1.8 million (2020: R2.1 million) which is included in the Group cost of sales.

[4] Directors fees amounting to R7.1 million were capitalised to assets under construction (note 2) during the year under review.

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

6. Cash used in operations

R'000	2021	2020
Loss before taxation	(50 792)	(67 278)
Cash adjustments:		
Interest received	(672)	(5 352)
Cash interest paid	6	187
Capitalised interest on convertible notes	-	264
Allocation of restricted cash	(6 136)	(551)
Non-cash adjustments:		
Imputed interest	4 113	4 442
Right of use liability – interest expense	572	430
Depreciation and amortisation	4 744	4 760
Loss on disposal of intangible assets	-	938
Net fair value loss/(gains) on put option contracts	10 298	(3 661)
Share-based payment expenses	1 798	7 078
Deposits written off	-	143
(Profit)/loss on disposal of leases	(460)	78
Provision for IDC (reversal)	-	(3 649)
Decrease in leave pay accrual	(924)	-
Decrease in bonus accrual	(2 340)	-
Effects of exchange rate changes on cash and cash equivalents:		
Net foreign exchange losses	3 028	15 048
Changes in working capital:		
Trade and other receivables	(1 985)	(1 050)
Trade and other payables	14 170	5 537
CASH USED IN OPERATIONS	**(24 580)**	**(42 636)**

7. Share capital

R'000	2021	2020
Authorised number of shares		
500 000 000 no par value shares	500 000	500 000
Reconciliation of number of shares issued:		
Balance at 1 March	117 427	100 135
Issue of shares	81	17 292
BALANCE AT 28/29 FEBRUARY	**117 508**	**117 427**
Reconciliation of issued share capital:		
Balance at 1 March	452 254	301 277
Issue of shares – ordinary shares issued for cash	-	159 746
Issue of shares – share incentive scheme, non-cash	824	-
Share issue costs	-	(8 769)
BALANCE AT 28/29 FEBRUARY	**453 078**	**452 254**

7. Share capital (continued)

In September 2020 shares granted to a director and member of senior management pursuant to the Group Bonus Share Scheme vested. This resulted in the issuance of 80 648 shares on 30 October 2020 for no consideration.

During the prior year Renergen issued 12.5 million shares at AU$0.80 (R8.25) per share on 6 June 2019 under specific share issue as part of its initial public offering on the ASX. An additional 4.8 million shares were issued under general share issue on the ASX in January 2020 at AU$1.20 (R11.83) per share. These offerings raised R103.1 million and R56.8 million, respectively.

8. Equity settled share-based payments

On 1 October 2017 Renergen granted shares to senior management and an Executive Director pursuant to the approval of the Bonus Share Scheme by shareholders on 29 September 2017. Further shares were granted to executive directors, senior management and general employees on 6 July 2018, 17 May 2019 and 1 March 2020. All shares vest after 3 years of employment with the Group and there are no other vesting conditions. Shares granted to participants which have not yet vested lapse if the director or employee leaves the Group. Shares granted to senior management and an executive director on 1 October 2017 vested on 30 September 2020.

The fair value per share on grant date relates to the 30-day volume weighted average price per share on the JSE on the grant date (VWAP).

Reconciliation of shares granted:

	2021			2020		
	Number of shares granted (‘000)	**Fair Value per share at grant date**	**Value of shares at grant date (R’000)**	**Number of shares granted (‘000)**	**Fair value of shares at grant date**	**Value of shares at grant date (R’000)**
At 1 March	**277**		**2 479**	**108**		**1 095**
Granted during the year	**252**	**13.55**	**3 411**	**169**	**8.17**	**1 384**
Executive Directors	195	13.55	2 648	144	8.17	1 176
Senior management	53	13.55	715	18	8.17	148
General employees	4	13.55	48	7	8.17	60
Vested during the year	**(81)**	**10.22**	**(824)**	**-**	**-**	**-**
Executive Directors	(59)	10.22	(600)	-	-	-
Senior management	(22)	10.22	(224)	-	-	-
Lapsed during the year	**(15)**	**13.34**	**(202)**	**-**	**-**	**-**
Senior management	(11)	13.55	(147)	-	-	-
General employees	(4)	12.81	(55)	-	-	-
AT 28/29 FEBRUARY	**433**		**4 864**	**277**		**2 479**

8. Equity settled share-based payments (continued)

	2021
Balance at the beginning of the year	**7 526**
Bonus share scheme - share-based payments expense for Renergen participants charged to profit or loss	1 007
Executive Directors	921
Senior management	86
General employees	-
Bonus share scheme - share-based payments expense for Tetra4 participants allocated to the investment in subsidiary as an equity contribution	791
Executive Directors	463
Senior management	310
General employees	18
Share options - share-based payments expense charged to profit or loss	52
Lead advisor	-
Corporate advisor	-
Non-executive Director	52
Shares which lapsed during the year	(52)
Vested shares issued during the year	(824)
Balance at the end of the year	**8 500**

9. Borrowings

R'000	2021	2020
Held at amortised cost:		
U.S International Development Finance Corporation ("DFC")	491 241	312 242
Molopo Energy Limited ("Molopo")	43 052	38 940
TOTAL	**534 293**	**351 182**

The movement in borrowings for the year under review is outlined below:

2021 R'000	At 1 March 2020	Additions	Non-cash movements: imputed interest expense and foreign exchange losses	At 28 February 2021
Molopo	38 940	-	4 112[1]	43 052
DFC	312 242	216 282	(37 283)[2]	491 241
Total	**352 182**	**216 282**	**(33 171)**	**534 293**

[1]- Imputed interest [2] - foreign exchange losses

9. Borrowings (continued)

Molopo

Tetra4 entered into a R50.0 million loan agreement on 1 May 2013. This loan was part of the conditions of the sale of shares in Tetra4 from Molopo Energy Limited to Windfall Energy Proprietary Limited. The loan agreement is for the period from inception of the loan on 1 May 2013 until 31 December 2022. During this period, the loan is unsecured and interest free. The loan can only be repaid when Tetra4 declares a dividend, utilising a maximum of 36% of the distributable profits to pay the dividend. If by 31 December 2022 the loan is not repaid, the loan shall bear interest at prime overdraft plus 2% and will have no repayment terms. The shareholder loan can only be repaid after the loan from Molopo Energy Limited have been settled.

The loan is discounted to present value for the period that it is interest free, at a discount rate which is equal to the prime lending rate plus 2% which at 28 February 2021 is 9.00% (prime lending rate of 7.00% plus 2%). The imputed interest expense is included in profit and loss. The fair value of the loan amount outstanding at 28 February 2021 amounts to R43.1 million.

DFC

Tetra4 entered into a US$40.0 million finance agreement with DFC on 20 August 2019. The first draw down of US$20.0 million took place in September 2019 and the second draw down of US$12.5 million in June 2020. Tetra4 shall repay the loan in approximately equal quarterly instalments on each payment date beginning 1 August 2022 and ending no later than the thirty-seventh payment date, 15 August 2031.The first draw down of the loan (US$20.0 million) bears a coupon rate of 2.11% and the second drawdown (US$ 12.5 million) bears a coupon rate of 1.49%. The loan is secured.

Interest

On each payment date, beginning on the payment date immediately following the first closing date (15 November 2019) and ending on the loan maturity date (15 August 2031), Tetra4 shall pay to the order of DFC interest in arrears on the daily outstanding principal balance of each note, less any amount of principal on which interest is payable at the default rate accrued at a rate per annum, equal to the sum of the following DFC note interest rate of 2.11% on the first drawdown and 1.49% on the second drawdown.

Commitment fee

During the commitment period Tetra4 shall pay to DFC, in arrears, on each payment date beginning on the first payment date after the date of this agreement and on the last day of the commitment period, or, if earlier, the date this agreement is terminated, a commitment fee accruing on a daily basis at the rate of one half of one percent (0.50%) per annum, calculated for each day during the commitment period, on the undisbursed and uncancelled amount of the basic commitment

Facility fees

The Tetra4 shall pay DFC a facility fee in the amount of $350 000 less any unused balance of the retainer fee paid by Tetra4, on or prior to the first disbursement.

Maintenance fee

Tetra4 shall pay DFC an annual maintenance fee to cover DFC's administrative costs and expenses (including, but not limited to systems infrastructure costs) in the amount of $35 000, payable to DFC on the first anniversary of the payment date following the first closing date and on each anniversary of such payment date for so long as any portion of the loan remains outstanding.

10. Deferred taxation

2021 R'000	At 1 March 2020	Recognised in profit or loss	At 28 February 2021	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(4 041)	(36 136)	(40 177)	-	(40 177)
Intangible assets	(2 123)	-	(2 123)	-	(2 123)
Put option contracts	(69)	69	-	-	-
Provisions	-	3 165	3 165	3 165	-
Unutilised tax losses	33 036	41 075	74 111	74 111	-
TOTAL	**26 803**	**8 173**	**34 976**	**77 276**	**(42 300)**

As at 28 February 2021 the Group's estimated tax losses were R603.0 million (2020: R425 million). These tax losses do not expire unless the entity concerned ceases to operate for a period longer than a year.

11. Segmental analysis

The Group has identified reportable segments that are used by the Group Executive Committee (chief operating decision-maker) to make key operating decisions, allocate resources and assess performance. For management purposes the Group is organised and analysed as follows:

Corporate head office
Corporate head office is a segment where all investment decisions are made. Renergen is an investment holding company focussed on investing in prospective green projects.

Tetra4
Tetra4 explores for, develops and sells compressed natural gas ("CNG") to the South African market. It operates in the Gauteng Province in Johannesburg, Free State Province in the towns of Virginia and Welkom and Mpumalanga Province in the town of Evander.

The analysis of reportable segments as at 28 February 2021 is set out below:

2021 R'000	Corporate Head Office	Tetra4	Total	Eliminations	Consolidated
Revenue	**16 442**	**1 925**	**18 367**	**(16 442)**	**1 925**
External	-	1 925	1 925	-	1 925
Inter-segmental	16 442	-	16 442	(16 442)	-
Depreciation and amortisation	(1 572)	(3 173)	(4 745)	-	(4 745)
Interest income	621	51	672	-	672
Imputed interest	-	(4 113)	(4 113)	-	(4 113)
Interest expense	(246)	(332)	(578)	-	(578)
Taxation	1 324	6 848	8 172	-	8 172
PROFIT/(LOSS) FOR THE YEAR	**4 167**	**(46 787)**	**(42 620)**	**-**	**(42 620)**
TOTAL ASSETS	**1 026 538**	**774 202**	**1 800 740**	**(1 020 378)**	**780 362**
TOTAL LIABILITIES	**(1 353)**	**(968 376)**	**(969 729)**	**395 775**	**(573 954)**

NOTES TO THE CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

11. Segmental analysis (continued)

2020 **R'000**	**Corporate Head Office**	**Tetra4**	**Total**	**Eliminations**	**Consolidated**
Revenue	**21 129**	**2 635**	**23 764**	**(21 129)**	**2 635**
External	-	2 635	2 635	-	2 635
Inter-segmental	21 129	-	21 129	(21 129)	-
Depreciation and amortisation	(1 963)	(2 797)	(4 760)	-	(4 760)
Impairment	(938)	-	(938)	-	(938)
Interest income	(3 340)	(2 012)	(5 352)	-	(5 352)
Imputed interest	-	(4 442)	(4 442)	-	(4 442)
Interest expense	(883)	-	(883)	-	(883)
Taxation	732	13 927	14 659	-	14 659
LOSS FOR THE YEAR	**(15 642)**	**(36 977)**	**(52 619)**	**-**	**(52 619)**
TOTAL ASSETS	**1 030 938**	**590 272**	**1 621 210**	**(994 719)**	**626 491**
TOTAL LIABILITIES	**11 727**	**738 441**	**750 168**	**(370 907)**	**379 261**

During the year ended 28 February 2021, R1.9 million or 100% (2020: R2.6 million or 100%) of the Group's revenue depended on the sales of CNG to one customer. This revenue is reported under the Tetra4 operating segment. All of the Group's revenue from contracts with customers relates to the sale of CNG.

Inter-segment revenues are eliminated upon consolidation and are reflected in the 'eliminations' column. The Group's revenue is attributable to the sale of CNG. Intersegment revenue which has been eliminated relates to management fees charged to Tetra4.

12. Loss per share

	2021	**2020**
Basic (cents)	(36.29)	(47.92)
Diluted (cents)	(36.29)	(47.92)
Loss attributed to equity holders of the Company used in the calculation of basic and diluted loss per share (R'000)	(42 620)	(52 619)
Weighted average number of ordinary shares used in the calculation of basic loss per share: (000's)	117 427	109 799
Issued shares at the beginning of the year (000's)	117 427	100 135
Effect of shares issued during the year (weighted) ('000s)	-	9 664
Add: Dilutive share options	27	-
Weighted average number of ordinary shares used in the calculation of diluted loss per share (000's)	117 454	109 799
Headline loss per share		
Basic (cents)	(36.29)	(47.31)
Diluted (cents)	(36.29)	(47.31)
Reconciliation of headline loss		
Loss attributed to equity holders of the Company (R'000)	(42 620)	(52 619)
Loss on disposal of assets (R'000)	-	938
Tax effects on loss on disposal of assets (R'000)	-	(263)
Headline loss (R'000)	(42 620)	(51 944)

13. Contingent liabilities and commitments

Contingent liabilities
There are no contingent liabilities in the annual financial statements for 28 February 2021 (2020: nil).

Commitments

	Spent to date	Committed but not spent	Total approved
Capital equipment	321.6	207.5	529.1
TOTAL	**321.6**	**207.5**	**529.1**

The Board approved total project costs amounting to R529.1 million relating to the construction of the Virginia Gas Plant. As at the end of the reporting period the Group had incurred construction and drilling costs as disclosed above and had R207.5 million committed under various contracts.

14. Events after the reporting period

Successful drilling campaign
On 9 March 2021, the Company announced that its wild card well P007 was successful. The success of P007 is very significant, as the well is in an area outside the primary focus area for reserves to be exploited in Phase 1 development (which is currently under construction), but importantly, it is in close proximity to the Phase 1 gas gathering system. Shortly thereafter the Company announced on 11 March that the redrilling of a previously abandoned well MDR1 was successful. The gas flow initially recorded at 86 000 standard cubic feet per day has slowly increased up to 160 000 standard cubic feet day as the loss circulation material has dried up and reduced friction in the wellbore. The well is important as it is located 600 metres from the New Plant under construction, and it demonstrates that the well spacing can be significantly reduced without impacting other wells and leads to a more efficient drilling campaign for future expansion.

Exceptional helium concentrations
On 29 March 2021, Renergen obtained laboratory results on the helium concentrations from recently drilled wells P007 and MDR1 for the wells mentioned above). MDR1 has returned a helium concentration of 3.15%, and wildcard well P007 a concentration of 4.38%.

Completion of 5th project milestone
On 1 April 2021, the Company announced that it had timeously completed the fifth major milestone at the Virginia Gas Project, as the Company works towards the commencement of production in 2021. The milestone includes the shipment of the following equipment from China to South Africa:

- EAG heater, LN2 vaporiser, BOG heater, LNG vaporiser, and electrical control equipment;
- Cryogenic vacuum jacketed piping;
- LNG/LHe process plant compressor modules; and
- LNG bulk storage tanks."

Conclusion of a helium sales agreement
On 12 April 2021, the Company announced that it had concluded its first helium sales agreement with a global tier-one automotive supplier in the Company's first "Direct-to-Customer" helium deal with iSi Automotive. The landmark transaction will see helium from Phase 2 placed directly with the customer

14. Events after the reporting period (continued)

through the agreement and is one of the key contracts underpinning the Phase 2 development at the Virginia Gas Project ("Virginia").

Sales of the first 110 Cryo-Vacc™ units to DPD Laser
The Company announced that it had have entered into an agreement for the manufacture and purchase of the first 110 Cryo-VaccTM cases, following the launch of Renergen's Cryo-Vacc™ storage solution (see ASX announcement dated 15 February 2021), for the movement of vaccines and other biologics at ultra-cold temperatures. The importance of this order is that it signifies that the technology works, and it demonstrates Renergen's ability to think out the box, innovate and build out scalable solutions that will ultimately complement its core business offering, which is the production, sales and marketing of both liquid helium and liquid natural gas.

Changes in directors
On 31 March 2021 Fulufhedzani Ravele resigned with immediate effect from her position as Financial Director of the Company.

On 1 May 2021 Brian Harvery was appointed as the new CFO of Renergen.

The Directors are not aware of any other material events that occurred after the reporting period and up to the date of this report.

15. COVID-19

South Africa moved to alert Level 1 of the lockdown with effect from 20 September 2020. This move recognises that the levels of COVID-19 are relatively low and there is sufficient capacity in the country's health system to manage the current COVID-19 related health care needs. Staff members from both the Johannesburg and Virginia offices have now returned to working at the office under strict COVID-19 guidelines. As of the date of this report management have assessed that COVID-19 has resulted in delays for the original forecasted commissioning date for the Virginia Gas Project. However, the project is on track to become operational in Q4 2021. As the world enters the third wave of the global COVID-19 pandemic, the Group continues to monitor this area very closely as the impact from lockdowns and global supply interruptions can still disrupt the Group's activities. Management will continue to monitor the impact of COVID-19 on the business and responses in place to mitigate any risks that may arise.

16. Going concern

The consolidated and separate financial statements have been prepared assuming the Group and Company will continue as going concerns. This contemplates the realisation of assets and settlement of liabilities in the normal course of business during the assessment period. The Directors have reviewed the Group's forecasts for the next twelve months and are satisfied that the Group has adequate financial resources, and access to capital and borrowing facilities to continue operations in the normal course of business for the foreseeable future. In reaching this conclusion the Directors' have also considered developments with COVID-19 which had a minimal impact on the Group and its operations during the year under review.

Johannesburg
30 April 2021

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