RENERGEN

FUTURE ENERGY, TODAY

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2021

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Energy company, focused on alternative and renewable energy sectors in South Africa and sub-Saharan Africa. The Company is listed on three stock exchanges, JSE Alternative Exchange (AltX), A2X Markets and the Australian Securities Exchange (ASX)
Directors	Stefano Marani (CEO) Brian Harvey (CFO) Nick Mitchell (COO) Brett Kimber (Non-executive Chairman) Dr David King Mbali Swana Luigi Matteucci Dr Bane Moeketsi Maleke Francois Olivier
Registered office	First Floor 1 Bompas Road Dunkeld West 2196
Auditors	Mazars Registered Auditors
Secretary	Acorim Proprietary Limited
Company registration number	2014/195093/06
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008
Transfer secretaries designated	Computershare Investor Services Proprietary Limited
Adviser	PSG Capital
JSE share code	REN
JSE ISIN	ZAE0002026
ASX share code	RLT
Australian business number	93998352675
A2X Markets	REN
Preparer	The financial statements were prepared under the supervision of the Chief Operating Officer who bolstered the finance function by contracting financial management services from MWJ Consultants (MWJ). Tariro Gadzikwa CA(SA) led the project from MWJ's perspective and was supported by two additional members of her team who are all qualified CA(SA)s.

DIRECTORS' RESPONSIBILITIES AND APPROVALS

The Directors of Renergen are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report.

The Directors take full responsibility for ensuring that the financial statements fairly reflect the financial affairs of the Group as at the end of the 2021 financial year, including the results of its operations and cash flows for the year. This is done in conformity with International Financial Reporting Standards ("IFRS"). The financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. External auditors are engaged to express an independent opinion on the completed financial statements.

The Directors of Renergen acknowledge that they are responsible for the internal financial controls established by the Group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Renergen Board has set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards. The Directors are committed to ensuring the Group's business is conducted in a manner that, in all reasonable circumstances, is above reproach. Renergen's risk management focus centres on identifying, assessing, managing and monitoring all known forms of risk across the Group.

While operating risk cannot be fully eliminated, the Group endeavours to minimise risk where possible by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by Management, that the system of internal controls in place provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against misstatement or loss.

The Group will continue as a going concern, which contemplates the realisation of assets and satisfaction of liabilities in the normal course of business for the foreseeable future. The Group's ability to achieve profitability is dependent on the volume of Liquefied Natural Gas and liquefied helium sales that will be achieved from the time the plant is fully commissioned in the 2022 financial year. The Directors have reviewed the Group's forecasts for the next twelve months and are satisfied that the Group has adequate financial resources to continue as a going concern. This assessment was reached after specific consideration of the risk associated with COVID-19.

The external auditors are responsible for independently auditing and reporting on the Group's financial statements. The financial statements have been examined by the Group's external auditors and their report is presented on pages 14 to 17.

The financial statements set out on pages 24 to 95, which have been prepared on the going concern basis and the Directors report on page 18, were approved by the Board of Directors on 28 May 2021 and were signed on its behalf by:

Stefano Marani **Luigi Matteucci**

CHIEF EXECUTIVE OFFICER RESPONSIBILITY STATEMENT

The director, whose name is stated below, hereby confirms that:

a) the Annual Financial Statements set out on pages 24 to 95, fairly present in all material respects the financial position, financial performance and cash flows of Renergen Limited in terms of International Financial Reporting Standards;

(b) no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to Renergen Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Renergen Limited; and

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled my role and function within the combined assurance model pursuant to principle 15 of the King Code. Where I am not satisfied, I have disclosed to the Audit Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

This statement is signed by the CEO in line with the dispensation obtained from the JSE on 5 May 2021, as the CFO joined the Group on 1 May 2021, post the financial period being reported on.

Stefano Marani
Chief Executive Officer
28 May 2021

AUDIT, RISK AND IT COMMITTEE REPORT

INTRODUCTION

The Audit, Risk and IT Committee (the Audit Committee) is an independent Statutory Committee appointed by Renergen's shareholders. In terms of Section 94 of the Companies Act 71 of 2008, as amended (the Companies Act), and the principles of good governance, shareholders annually appoint certain independent Non-executive Directors as members of the Audit Committee to fulfil the statutory duties as prescribed by the Companies Act.

In addition, Renergen's Board of Directors (the "Board") delegates specific duties to the Audit Committee. This report considers these statutory and delegated duties as well as the Audit Committee's responsibilities in terms of the JSE Listings Requirements and the King IV Code on Corporate Governance 2016 (King IV).

TERMS OF REFERENCE

The Audit Committee has adopted formal terms of reference which are reviewed and updated on an annual basis, or as deemed necessary, by both the Committee and the Board. The Committee is satisfied that it has discharged its duties in accordance with its terms of reference.

COMPOSITION AND GOVERNANCE

During the year under review the Audit Committee comprised of the following independent Non-executive Directors.

NAME	QUALIFICATION	DESIGNATION
Luigi Matteucci (Chairperson)	B. Com (Wits) CTA (Wits) CA (SA)	Independent Non-executive Director Member of Committee since May 2016 and appointed as Chairperson in February 2019.
Mbali Swana	Bas (UCT), Barch (UCT), Pt Arch (SA) MIAT (SA)	Independent Non-executive Director Appointed in February 2015 and served as Chairperson until February 2019.
Bane Maleke	MBA (Dalhousie University, Canada), PhD Strategic Management (University of Bath, UK).	Independent Non-executive Director Member of the Committee since December 2016.

Members of the Audit Committee satisfy the requirements to serve as members of an Audit Committee, as provided for in section 94 of the Companies Act, and collectively have adequate knowledge and experience to carry out their duties.

The Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO) and representatives of the appointed external auditors are invited to attend all Audit Committee meetings. The Chairperson of the Audit Committee has regular contact with Management to discuss relevant matters directly. The external auditors have direct access to the Audit Committee, including closed sessions without Management on matters that they regard as relevant to the fulfilment of the Audit Committee's responsibilities.

Four Audit Committee meetings were held during the year under review, aligned with the key reporting and regulatory timelines. The meetings' key focus areas were:

- The assessment of the financial performance and position of the Group
- Approval of budgets
- The review of interim and annual financial

AUDIT, RISK AND IT COMMITTEE REPORT

statements of the Group, and accompanying JSE and ASX announcements

- Oversight of the implementation of the SAP ERP system
- Review and approval of finance policies and delegation of authority
- Oversight of the audit process of the External Auditors, Mazars
- Review of the independence of the External Auditors and recommendation of the approval of audit fees by the Board
- Oversight of the newly implemented risk management framework, including review of risk registers and risk management workplan
- Oversight of IT governance and review of quarterly reporting by the IT Steering Committee
- Review of compliance with laws and regulations
- Review of the adequacy of Group insurance policies
- Review of JSE and ASX correspondence and compliance
- Review of significant accounting considerations
- Assessment of the adequacy of the finance function

The Chairperson of the Audit Committee reports to the Board on activities and matters discussed at each Committee meeting, highlighting any key developments requiring action and providing recommendations for the Board's consideration.

The performance of the Audit Committee is reviewed annually by the Board. The latest review concluded that the Audit Committee operates effectively and successfully discharged its responsibilities and duties in line with its approved terms of reference.

ROLES AND RESPONSIBILITIES

The Audit Committee's primary objective is to assist the Board with its responsibilities pertaining to, inter alia:

- Oversight of financial and internal controls
- Oversight and review of the external audit process
- Oversight of non-audit services and approval of the policy in regard thereto
- Oversight of financial reporting
- Oversight and review of Renergen's finance function
- Management of risks
- Governance of information technology and the assessment of the effectiveness of Renergen's information systems
- Legislative and regulatory compliance
- Oversight of policies and procedures for the prevention and detection of fraud

FINANCIAL AND INTERNAL CONTROLS

The Group has established and maintains internal controls and procedures, which are reviewed on a regular basis. These are designed, and amended as necessary from time to time, to manage significant risks and control deficiencies identified by management or the external auditors, and to provide reasonable assurance against the possibility of material financial or internal control failures.

The Audit Committee is satisfied that Renergen has optimised the assurance coverage obtained from management and external assurance providers, in accordance with the approved combined assurance model. The Audit Committee is also satisfied that the combined assurance model and related systems and procedures are effective in enabling an effective internal control environment and supporting the integrity of internal and external reports.

AUDIT, RISK AND IT COMMITTEE REPORT

Based on its continuous review of the design, implementation and effectiveness of Renergen's systems of internal financial controls, and on reports from management and the external auditors on the results of their audit, the Audit Committee is satisfied that Renergen's systems of internal financial controls are effective and form a basis for the preparation of reliable financial statements. No findings have come to the attention of the Audit Committee to indicate that a material breakdown in internal controls occurred during the year under review.

FINANCIAL REPORTING

The Audit Committee received regular reports from the CFO regarding the financial performance and position of the Group, including budgets, cash forecasts, management accounts, project expenditure reporting, risk registers, to mention a few. This regular reporting forms a basis for the review of the Group's interim and annual reporting.

Interim reporting

During the year, the Audit Committee reviewed the Group's interim results for the six months ended 31 August 2020 which were issued on the JSE and ASX on 16 October 2020 following approval by the Board, in line with Renergen's continuing obligations.

Quarterly reporting

The Audit Committee reviewed all the quarterly reports of the Group issued on the JSE and ASX during the year under review.

Annual financial statements

The Audit Committee reviewed the audited Group and Company annual financial statements for the year ended 28 February 2021 and further discussed these with the external auditors and management. The Committee also reviewed the following key and significant accounting matters.

Matter	**Response of the Committee**
Going concern	Management performs an annual assessment of the ability of the Company to remain a going concern in light of plans in place to ensure the continued sustainability of the Group. Management presented its most recent assessment to the Committee and highlighted the key assumptions and judgements which support this evaluation. The Committee was satisfied that the plans in place are adequate to support the going concern assertion.
Valuation of intangible assets - exploration and development expenditure and property, plant and equipment - assets under construction	The Committee satisfactorily reviewed the appropriateness of the methodologies and key judgements applied by management in determining the valuation of the Group's exploration and developments costs and assets under construction.

The Committee is satisfied that the Group and Company annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations as issued by the International Financial Reporting Interpretations Committee (IFRIC) as well as the SAICA Financial

AUDIT, RISK AND IT COMMITTEE REPORT

Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited, ASX Listings Rules and in a manner required by the Companies Act. It is also satisfied that the adoption of the going concern basis in preparing the annual financial statements is appropriate. The annual financial statements will be open for discussion at the forthcoming AGM. The Chairperson of the Committee and, in the instance of his absence, the other members of the Committee will attend the AGM to answer questions falling under the mandate of the Committee.

After due consideration and review the Committee recommended the approval, by the Board, of the Group and Company annual financial statements for the year ended 28 February 2021. The Committee is of the opinion that the audited annual financial statements should be accepted and read together with the report of the independent External Auditors. The Board approved the annual financial statements on 28 May 2021

EXTERNAL AUDIT

The Audit Committee is responsible for oversight of the external auditors of the Group and for recommending the appointment and compensation of auditors. Mazars are the auditors of the Group and Mr Shaun Vorster is the designated, JSE approved, audit partner. The Committee was satisfied that the External Auditors are independent of the Group as required by the Companies Act and that they have complied with the Companies Act, the JSE Listings Requirements and all other applicable legal and regulatory requirements. Their independence is assessed on an ongoing basis and the External Auditor has provided assurance to support its claim to independence. The Audit Committee is also satisfied that:

- The audit firm is accredited by the JSE
- The quality of the external audit is satisfactory and
- The External Auditors have confirmed their responsibilities pursuant to paragraph 22.15(h) of the JSE Listings Requirements

The Committee has reviewed the reports of the Independent Regulatory Board for Auditors relating to the firm.

Mazars became auditors of the Group for the first time during the year ended 29 February 2020. As such the Committee will consider rotation of the audit partner in the coming years. Mazars does not have an affiliation to the past auditor of the Group.

Prior to the commencement of the statutory audit for the financial year ended 28 February 2021, the Audit Committee reviewed and approved the External Auditors' engagement letter, the audit plan and the audit fees payable to Mazars. The Audit Committee further satisfactorily monitored the External Auditors' progress against the approved audit plan and assessed the quality and effectiveness of the external audit function, including receiving confirmation that there was no scope limitation or restriction to access to management. Following the statutory audit, the External Auditors' report provided the Audit Committee with the necessary assurance on Renergen's risk management processes, internal control environment and IT systems. It also provided assurance that no reportable irregularities had been identified and that there are no unresolved issues that impact the annual financial statements presented.

The Committee has recommended the re-appointment of Mazars as the independent External Auditors and Mr Shaun Vorster as the designated, JSE approved audit partner, for the financial year ending 28 February 2022, for consideration by shareholders at the Annual General Meeting.

The approved Group audit fee for the year under review is R0.735 million (2020: R0.7 million). A formal procedure has been adopted to govern the process where the External Auditors may be considered for

AUDIT, RISK AND IT COMMITTEE REPORT

non-audit services and the extent of these services is closely monitored by the Audit Committee. Mazars provided non audit services with total fees of R21 700 during the year under review. Services included IFRS training, providing certificates required by a lender and another one required by the BEE auditor of Tetra4.

EVALUATION OF THE CFO AND THE FINANCE FUNCTION

The Audit Committee evaluated the expertise and performance of the CFO, Fulu Ravele, for the financial year ended 28 February 2021 and is satisfied that she had the appropriate expertise and experience to carry out her duties as the CFO of the Group. The expertise, experience and adequacy of the resources making up the finance function were also considered, and the Audit Committee was satisfied that these are appropriate.

On 31 March 2021 Fulu Ravele resigned with immediate effect from her roles as CFO and director of Renergen. On 1 May 2021, Renergen appointed Brian Harvey as the new CFO. In this regard, the Committee also confirms that it is satisfied that Brian Harvey has the appropriate expertise and experience to execute his duties as CFO of the Group.

During the month of April 2021 the CFO function was overseen by the Chief Operating Officer who bolstered the finance function by contracting financial management services from MWJ Consultants. Tariro Gadzikwa CA(SA) led the project from MWJ's perspective and was supported by two additional members of her team who are all qualified CA(SA)s. The Board requested that the members of the Audit and Risk Committee make themselves available to management. The swift action taken by management ensured that the Company was able to meet all its statutory and regulatory reporting requirements.

RISK MANAGEMENT

The Group monitored regular reporting on the risks facing the Group. Risk management underpins the execution of the Group's strategic initiatives and the management of material issues. The Audit Committee's responsibilities with respect to risk management encompass:

- Reviewing the effectiveness of risk management policies and strategies in place for recommendation to the Board for final approval
- Reviewing the adequacy of the risk management charter, policy and plan for recommendation to the Board for final approval
- Approving the Group's risk identification and assessment methodologies
- Reviewing the parameters of the Group's risk/reward strategy, in terms of the risk appetite and tolerance relative to reward
- Ensuring that risks are quantified where practicable
- Reviewing and approving the risks identified on a qualitative basis, according to probability and seriousness
- Reviewing the effectiveness and efficiency of systems with the Group and receiving assurance that material risks are identified, and that the appropriate risk management processes are in place, including the formulation and subsequent amendment of Group policies
- Reviewing the appropriateness of resources directed towards areas of high risk
- Regularly receiving a register of the Group's key risks and potential material risk exposures. Reporting to the Board any material changes and / or divergence to the risk profile of the Group
- Reviewing the implementation of operational corporate risk management plans

- Reviewing the insurance and other risk transfer arrangements and considering whether appropriate coverage is in place
- Reviewing the business contingency planning process within the Group and receiving assurance that material risks are identified and that appropriate contingency plans are in place
- Where necessary recommending actions for improvement on risk management plans for the Group
- Reviewing the Group's sustainability risk on a regular basis

INFORMATION AND TECHNOLOGY GOVERNANCE

The Audit Committee is responsible for IT governance on behalf of the Board and receives regular reports from the IT Steering Committee in this regard. During the year under review the Audit Committee considered and approved a technology and information governance framework to manage information and technology as well as to identify any associated risks. The Committee also oversaw the implementation of the SAP ERP system which was implemented by the Group in the second half of the financial year.

COMPLIANCE

The Committee is responsible for overseeing Renergen's compliance with applicable laws, rules, codes and MOI standards. All of the laws, codes and standards applicable to Renergen have been identified and the responsibility for ensuring compliance has been delegated to management. The Committee is satisfied that there was no material non-compliance with laws and regulations during the year under review.

PROACTIVE MONITORING

The Committee confirms that it has considered the findings contained in the JSE's various proactive monitoring reports, when reviewing the Group annual financial statements for the year ended 28 February 2021. The Committee is satisfied that the necessary adjustments and improvements to the Group annual financial statements have been made.

COVID-19

South Africa moved to alert Level 1 of the lockdown with effect from 20 September 2020. This move recognised that the levels of COVID-19 were relatively low and there was sufficient capacity in the country's health system to manage the COVID-19 related health care needs. Staff members from both the Johannesburg and Virginia offices returned to working at the office under strict COVID-19 guidelines in September 2020. Covid-19 protocols were strictly adhered to throughout the move of the country back to Level 3 in December 2020 to ensure all employees could continue to work safely at the office. As of the date of this report, with the country back at lockdown Level 1, management have assessed that COVID-19 has resulted in delays for the original forecasted commissioning date for the Virginia Gas Project which was initially scheduled for Q2 2021. 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.

FRAUD HOTLINE

The Group has a fraud hotline in place which is managed and monitored by Whistleblowers Proprietary Limited. There were no incidents reported through the hotline during the year under review. The Group will continue to ensure the hotline is continuously enabled and monitored to facilitate the reporting of incidents by employees and external parties.

AUDIT, RISK AND IT COMMITTEE REPORT

GOING CONCERN

The Audit Committee has reviewed a documented assessment, including key assumptions prepared by management, of the going concern status of the Group. The Audit Committee has evaluated that the going concern assertion remains valid as a basis for the preparation of the Group and Company annual financial statements.

KEY FOCUS AREAS FOR THE YEAR AHEAD

- Onboarding of the new Group CFO
- Monitoring the progression of key projects within the Group
- Continued monitoring of the adequacy of the finance function and risk management practices as the Group's key projects progress

CONCLUSION

The Committee is satisfied that it has carried out its responsibilities in line with its mandate and as prescribed by the Companies Act for the year ended 28 February 2021.

GROUP SECRETARY CERTIFICATION

In our capacity as Company Secretary, we hereby confirm, in terms of section 88(2)(e) of the Companies Act, 2008 (Act No.71 of 2008), as amended (the Act), that for the 12-month period ended 28 February 2021, the Group has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

Acorim

Acorim Proprietary Limited
Company Secretary
28 May 2021

INDEPENDENT AUDITORS' REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of Renergen Limited (the group and company) set out on pages 24 to 95 , which comprise the consolidated and separate statements of financial position as at 28 February 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Renergen Limited as at 28 February 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs).Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. All key audit matters relate to the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT

MATTER	AUDIT RESPONSE
INTANGIBLE ASSETS - EXPLORATION AND DEVELOPMENT COSTS (Note 4) As at the reporting date, the Group had exploration and development costs disclosed as an intangible asset (Note 4) with a carrying amount of R109 million (2020: R 87.5 million). Management is required to perform an impairment test on the exploration and development costs at least annually and identify indicators of impairment, if any. We have determined this to be a key audit matter due to the judgement required by management in determining the recoverability of the exploration and development costs and whether the inputs considered by management in their annual impairment assessment are reliable and relevant. Further judgement is required by management due to the complexity in assessing the appropriateness of capitalising costs against exploration and development costs in terms of IFRS 6, Exploration for and Evaluation of Mineral Resources. Experts have been used to estimate the amount of gas resources available and experts were also used to forecast future cash flows, determine an appropriate discount rate and calculate the value in use. This inherently involves a high degree of estimation and judgement by management and the experts. During the period under review there was no impairment accounted for relating to the exploration and development cost asset by the Group.	We have adopted a substantive audit approach to address the valuation assertions of the exploration and development costs intangible assets. Our key audit procedures included: • Selecting a sample of Exploration and Development Costs from the list of additions and determining whether the additions meet the criteria of capitalisation of costs in terms of IFRS 6: Exploration for and Evaluation of Mineral Resources; • Evaluating the capabilities, competency, and objectivity of both management's experts; • Testing the recoverability of the exploration and development costs by assessing the experts' value in use calculation and performing various tests over the inputs and assumptions that were used to determine if the value in use calculation is reasonable; and • Considering the appropriateness and completeness of disclosure provided in the annual financial statements, with reference to exploration and development costs in terms of the International Financial Reporting Standards. Having performed our audit procedures and evaluated the outcomes we concluded that our audit procedures appropriates address the key audit matter.

EMPHASIS OF MATTER – EFFECT OF COVID-19 ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

In forming our opinion on the consolidated and separate financial statements, which is not modified, we draw your attention to the directors' view on the impact of COVID-19 as disclosed in note 36 to the consolidated and separate financial statements, and the consideration in the going concern basis of preparation and events after the reporting period as disclosed in notes 36 and 37 to the consolidated and separate financial statements.

Since the reporting date the group and company has assessed the impact of COVID-19 on the annual financial statements and considered the potential impact on the business. While it is envisaged that there will not be a negative impact on the performance of the group and the company, the full impact of COVID-19 cannot be reasonable estimated at this time. The notes referred to elaborate on the directors' determination as to why COVID-19 is considered an adjusting subsequent event.

Management will continue to assess the financial impact of COVID-19 and its impact on the group and company's financial condition, liquidity, operations, suppliers, industry and workforce, while placing the health and safety of employees first.

INDEPENDENT AUDITORS' REPORT

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document "Renergen Limited Consolidated and Separate Financial Statements for the year ended 28 February 2021", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's ability and the company's ability 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 and / or the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are 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 ISAs 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 these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient

INDEPENDENT AUDITORS' REPORT

and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and / or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Mazars has been the auditor of Renergen Limited for 2 years.

Mazars

Mazars
Partner: Shaun Vorster
Registered Auditor
28 May 2021, Johannesburg

DIRECTORS' REPORT

The Directors have pleasure in submitting their report on the annual financial statements of Renergen Limited for the year ended 28 February 2021.

1. NATURE OF BUSINESS

Renergen is focused on alternative and renewable energy in South Africa and Sub-Saharan Africa. The Company is listed on the JSE Alternative Exchange, with secondary listings on South Africa's A2X and Australia's ASX.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The separate and consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations as issued by the International Financial Reporting Interpretations Committee (IFRIC) as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the JSE and ASX Listings Requirements and in a manner required by the Companies Act of South Africa, No 71 of 2008. The accounting policies underpinning the preparation of the financial statements have been consistently applied relative to the prior financial year.

OPERATIONAL REVIEW

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

The first COVID-19 case was reported in South Africa on 5 March 2020, 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

DIRECTORS' REPORT

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. 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% by 2023. 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. Tetra4 is the only subsidiary of Renergen.

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 22.

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 14.

Following completion of the Virginia Gas Plant design we spent an additional R163.1million on assets under construction classified within property, plant and equipment ("PPE"). The Group also capitalised exploration expenditure totalling R23.2 million under intangible assets. The Group's PPE and intangible assets are disclosed in notes 3 and 4.

Further investment on our non-current assets was partly funded by a second draw-down of US$12.5 million (R216.3 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 15.

Unrestricted cash resources of the Group decreased 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.

DIRECTORS' REPORT

3. STATED CAPITAL

The Group increased its number of shares issued to 117 508 067 from 117 427 419 shares issued in the prior year. Refer to note 13 of the Audited Consolidated Financial Statements for details pertaining to the shares issued during the financial year under review.

4. DIVIDENDS

No dividends were declared or paid to share-holders during the financial year under review.

5. DIRECTORATE

The Directors in office at the date of report are as follows:

DIRECTOR	OFFICE	DESIGNATION	APPOINTMENT DATE
Stefano Marani	Chief Executive Officer	Executive	20 November 2014
Nick Mitchell	Chief Operating Officer	Executive	25 November 2015
Brian Harvey	Chief Financial Officer	Executive	1 May 2021
Brett Kimber	Chairperson	Independent Non-executive Director	17 June 2015
Mbali Swana		Independent Non-executive Director	16 February 2015
Luigi Matteucci		Independent Non-executive Director	16 February 2015
Bane Maleke		Independent Non-executive Director	7 December 2016
Francois Olivier		Non-executive Director	19 November 2018
David King		Independent Non-executive Director	4 June 2019

The director below held office during the financial year under review.

DIRECTOR	OFFICE	DESIGNATION	APPOINTMENT DATE
Fulu Ravele	Chief Financial Officer	Executive	25 November 2015

Fulu Ravele resigned from her position as CFO and director of Renergen on 31 March 2021.

DIRECTORS' REPORT

6. DIRECTORS' AND PRESCRIBED OFFICERS INTERESTS IN SHARES

Directors' and prescribed officers' interests in shares of the Company as at 28 February 2021 were as follows:

EXECUTIVE DIRECTORS

	2021			2020		
	Direct	**Indirect**	**Total**	**Direct**	**Indirect**	**Total**
	'000	**'000**	**'000**	**'000**	**'000**	**'000**
Stefano Marani	259	8 709	8 968	259	8 709	8 968
Nick Mitchell	-	8 600	8 600	-	8 600	8 600
Fulu Ravele	59	-	59	-	-	-
Total	**318**	**17 309**	**17 627**	**259**	**17 309**	**17 568**

NON-EXECUTIVE DIRECTOR

	2021			2020		
	Direct	**Indirect**	**Total**	**Direct**	**Indirect**	**Total**
	'000	**'000**	**'000**	**'000**	**'000**	**'000**
Francois Olivier	9	10	19	-	10	10
Total	**9**	**10**	**19**	**-**	**10**	**10**

PRESCRIBED OFFICERS

	2021			2020		
	Direct	**Indirect**	**Total**	**Direct**	**Indirect**	**Total**
	'000	**'000**	**'000**	**'000**	**'000**	**'000**
Johan Weiderman	11	-	11	8	-	8
Khalid Patel	7	-	7	6	-	6
Mandy-Leigh Stuart	1	-	1	0,3	-	0,3
Total	**19**	**-**	**19**	**14**	**-**	**14**

Fulu Ravele's shareholding arose from the issuance of vested Bonus Share Scheme shares granted to her in October 2017. Refer to note 14 for further details. A register of interests of Directors and prescribed officers in shares of the Company is maintained and is available on request. There has been no changes to the Directors interest between the end of the financial year and date of approval of the Annual Financial Statements. Further details on the directors' and prescribed officers' shareholdings are provided in note 31.

7. DIRECTORS' AD OFFICERS' INTERESTS IN CONTRACTS

Transactions with directors are entered into in the normal course of business under terms that are no more favourable than those arranged with third parties. Executive directors are entitled to Renergen ordinary share awards, the details of which are included in note 14. No other contracts were entered into in which directors and officers of the Company had a personal financial interest and which significantly affected the business of the Group. The directors had no interest in any third party or company responsible for managing any of the business activities of the Group.

8. INTEREST IN SUBSIDIARY

The Company's interest in its wholly owned subsidiary, Tetra4 Proprietary Limited (Tetra4), which is material to the Group is presented in note 5 to the Audited Consolidated Financial Statements.

The interest of the Group in the net losses of Tetra4 is as follows:

	TETRA4	
	2021	2020
	R'000	R'000
Loss for the year	**46 787**	**36 379**

9. BORROWING FACILITIES AND POWERS

The Group's borrowing facilities are disclosed in note 15 of the Audited Consolidated Financial Statements.

10. CONTROL OF UNISSUED SHARE CAPITAL

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act. As this general authority remains valid only until the next AGM, shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares, to a maximum of 5% of the Company's issued share capital, under the control of the directors until the next AGM.

11. LITIGATION UPDATE

Litigation against, amongst others African Carbon Energy (Pty) Ltd (Africary)

Africary is in the process of applying for a mining right to conduct underground coal gasification on areas that overlap with Tetra4's production right. Upon being consulted as an interested and affected party, Tetra4 submitted objections in respect of the application. On 1 August 2019, the Regional Manager (RM) of the Department of Mineral Resources – Free State Region (RM) granted Africary an Environmental Authorization as part of its mining right application. Tetra4 lodged an internal appeal in terms of the National Environmental Management Act regulations, against the decision of the RM to grant the environmental authorization. On 28 July 2020, The Minister of Forestry, Fisheries and Environment dismissed the internal appeal for various reasons (Appeal Decision). Tetra4 proceeded to institute a review application of the Appeal Decision in the High Court of South Africa on the 18th of January 2021.

12. EVENTS AFTER THE REPORTING PERIOD

Events which occurred after the reporting period and up to the date of this report are disclosed in note 35.

13. 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 as disclosed in note 36 to the consolidated annual financial statements.

14. AUDITORS

Mazars were the appointed auditors of the Company and its subsidiary for the 2021 financial year. Its business address is 54 Glenhove Road, Melrose Estate, Johannesburg, 2196, South Africa.

mazars

Mazars House
54 Glenhove Road Melrose Estate
Johannesburg, 2196 South Africa

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

		GROUP		COMPANY	
Figures in Rand Thousands	**Notes**	**2021**	**2020**	**2021**	**2020**
ASSETS					
NON-CURRENT ASSETS		**625 576**	**469 579**	**1 025 162**	**1 001 354**
Property, plant and equipment	3	475 558	350 824	705	4 135
Intangible assets	4	112 155	89 223	270	14
Investment in subsidiary	5	-	-	624 603	623 812
Loan to subsidiary	7	-	-	395 775	370 907
Deferred taxation	8	34 976	26 803	3 809	2 486
Restricted cash	9	2 887	2 729	-	-
CURRENT ASSETS		**154 786**	**156 912**	**1 376**	**29 586**
Trade and other receivables	10	7 769	5 533	280	564
Financial assets	11	-	246	-	-
Restricted cash	9	16 139	10 161	-	-
Cash and cash equivalents	12	130 878	140 972	1 096	29 022
TOTAL ASSETS		**780 362**	**626 491**	**1 026 538**	**1 030 940**
EQUITY AND LIABILITIES					
Stated Capital	13	453 078	452 254	1 051 477	1 050 653
Share-based payments reserve	14	8 500	7 526	8 500	7 526
Revaluation reserve	26	598	598	-	-
Accumulated loss		(255 768)	(213 148)	(34 792)	(38 959)
TOTAL EQUITY		**206 408**	**247 230**	**1 025 185**	**1 019 220**

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

		GROUP		COMPANY	
Figures in Rand Thousands	**Notes**	**2021**	**2020**	**2021**	**2020**
LIABILITIES					
NON-CURRENT LIABILITIES		**541 476**	**358 145**	**-**	**1 576**
Borrowings	15	534 293	351 182	-	-
Lease liabilities	16	3 183	2 963	-	1 576
Provisions	17	4 000	4 000	-	-
CURRENT LIABILITIES		**32 478**	**21 116**	**1 353**	**10 144**
Trade and other payables	18	27 291	16 387	1 353	8 350
Lease liabilities	16	3 007	2 549	-	1 794
Provisions	17	2 180	2 180	-	-
TOTAL LIABILITIES		**573 954**	**379 261**	**1 353**	**11 720**
TOTAL EQUITY AND LIABILITIES		**780 362**	**626 491**	**1 026 538**	**1 030 940**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in Rand Thousands	GROUP						
	Share Capital	**Share-based payment reserve**	**Revaluation reserve**	**Accu-mulated 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 (note 5)		-	-	(39 401)	(39 401)	16 401	(23 000)
Share-based payments expense (note 14)	-	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 (note 14)	-	1 798	-	-	1 798	-	1 798
Balance at 28 February 2021	**453 078**	**8 500**	**598**	**(255 768)**	**206 408**	**-**	**206 408**
Notes	13	14	26				

COMPANY STATEMENT OF CHANGES IN EQUITY

	COMPANY			
Figures in Rand Thousands	Share Capital	Share-based payment reserve	Accumulated loss	Total Equity
Balance at 1 March 2019	899 676	448	(23 280)	876 844
Adjustment on initial adoption of IFRS 16	-	-	(37)	(37)
Adjusted balance at 1 March 2019	**899 676**	**448**	**(23 317)**	**876 807**
Total comprehensive loss for the year	-	-	(15 642)	(15 642)
Issue of shares	159 746	-	-	159 746
Share issue costs	(8 769)	-	-	(8 769)
Share-based payments expense (note 14)	-	7 078	-	7 078
Balance at 29 February 2020	1 050 653	7 526	(38 959)	1 019 220
Total comprehensive profit for the year	-	-	4 167	4 167
Issue of shares	824	(824)	-	-
Share-based payments expense (note 14)	-	1 798	-	1 798
Balance at 28 February 2021	**1 051 477**	**8 500**	**(34 792)**	**1 025 185**
Notes	13	14		

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		GROUP		COMPANY	
Figures in Rand Thousands	Notes	**2021**	**2020**	**2021**	**2020**
Revenue	19	1 925	2 635	16 442	21 129
Cost of sales	20	(2 842)	(3 302)	-	-
GROSS (LOSS) / PROFIT		**(917)**	**(667)**	**16 442**	**21 129**
Other operating income	21	911	81	1 758	1 555
Share-based payments expense	14	(1 798)	(7 078)	(1 007)	(6 610)
Other operating expenses	22	(44 969)	(59 641)	(14 725)	(34 905)
OPERATING (LOSS) / PROFIT		**(46 773)**	**(67 305)**	**2 468**	**(18 831)**
Interest income	23	672	5 352	621	3 340
Interest expense and imputed interest	24	(4 691)	(5 325)	(246)	(883)
(Loss) / profit before taxation		**(50 792)**	**(67 278)**	**2 843**	**(16 374)**
Taxation	25	8 172	14 659	1 324	732
(LOSS) / PROFIT FOR THE YEAR		**(42 620)**	**(52 619)**	**4 167**	**(15 642)**
Other comprehensive income:					
Items that may not be reclassified to profit or loss in subsequent periods:					
Revaluation of property (net of tax)	26	-	598	-	-
Other comprehensive income for the year net of taxation		**-**	**598**	**-**	**-**
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		**(42 620)**	**(52 021)**	**4 167**	**(15 642)**
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 share					
Basic loss per share (cents)	33	(36,29)	(47,92)	-	-
Diluted loss per share (cents)	33	(36,29)	(47,92)	-	-

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

		GROUP		COMPANY	
Figures in Rand Thousands	**Notes**	**2021**	**2020**	**2021**	**2020**
Cash flows (used in)/from operating activities		**(24 486)**	**(37 471)**	**(1 750)**	**2 202**
Cash used in operations	27	(24 580)	(42 636)	(2 125)	(951)
Interest received	23	672	5 352	621	3 340
Interest paid	24	(578)	(187)	(246)	(187)
Cash flows used in investing activities		**(196 338)**	**(315 814)**	**(25 124)**	**(186 793)**
Investment in property, plant and equipment	3	(163 079)	(298 347)	-	(339)
Investment in intangible assets	4	(23 207)	(18 728)	(256)	-
Purchase of options	11	(16 197)	(8 256)	-	-
Proceeds on exercise of options	11	6 145	9 517	-	-
Loans granted to subsidiaries	7	-	-	(24 868)	(186 454)
Cash flows from/(used in) financing activities		**213 758**	**411 349**	**(1 052)**	**120 788**
Proceeds on share issue	13	-	159 746	-	159 746
Share issue costs	13	-	(8 769)	-	(8 769)
Proceeds from borrowings	28	216 282	295 976	-	-
Loan facility fee paid		-	(4 814)	-	-
Non-controlling interest buy-out	5	-	(23 000)	-	(23 000)
Settlement of convertible note		-	(5 452)	-	(5 452)
Right of use - lease payments	16	(2 524)	(2 338)	(1 052)	(1 737)
TOTAL CASH MOVEMENT FOR THE YEAR		**(7 066)**	**58 064**	**(27 926)**	**(63 803)**
Cash and cash equivalents at the beginning of the year	12	140 972	97 956	29 022	95 646
Effects of exchange rate changes on cash and cash equivalents		(3 028)	(15 048)	-	(2 821)
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**12**	**130 878**	**140 972**	**1 096**	**29 022**

SIGNIFICANT ACCOUNTING POLICIES

1. PRESENTATION OF FINANCIAL STATEMENTS

The consolidated and separate annual financial statements of the Company for the year ended 28 February 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations as issued by the International Financial Reporting Interpretations Committee (IFRIC), the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Listings Requirements of the JSE Limited, the Listing Rules of the ASX and in a manner required by the Companies Act of South Africa, No 71 of 2008. The accounting policies applied in the preparation of these consolidated and separate annual financial statements of the Company are consistent in all material respects with those used in the prior financial year, except for the adoption of new standards, interpretations and amendments to published standards which became effective for the first time for its financial year ended 28 February 2021. Note 2 discloses the impact of new standards, interpretations and amendments to published standards on the consolidated and separate annual financial statements of the Company.

These consolidated and separate annual financial statements have been prepared under the historical cost convention; except for land that is carried at a revalued amount and derivative financial assets and liabilities that are measured at fair value; and are presented in the functional currency of the Company, being South African Rand (Rand) and are rounded to the nearest thousand (R'000), except where otherwise stated.

Going concern

The consolidated and separate annual financial statements of the Company have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Refer to note 37 for further disclosures on going concern matters.

1.1 CONSOLIDATION

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and its subsidiary which is controlled by the Group.

Consolidation of subsidiaries

All intercompany transactions and balances between the Company and its subsidiary have been eliminated on consolidation.

The Company accounts for investments in subsidiaries at cost, less accumulated impairment losses.

The Company's subsidiary as at 28 February 2021 is set out below. The share capital consists solely of ordinary shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. Further details on this investment are disclosed in note 5.

NAME OF ENTITY	PLACE OF BUSINESS	OWNERSHIP INTEREST HELD BY THE GROUP	OWNERSHIP INTEREST HELD BY NON-CONTROLLING INTEREST	PRINCIPAL ACTIVITIES
Tetra4 Proprietary Limited	South Africa	100% (2020: 100%)	0% (2020: 0%)	Explores, develops and sells compressed natural gas to the South African market.

1.2 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATATION UNCERTAINTY

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements and estimation uncertainty include:

Going concern

Management's assessment of the entity's ability to continue as a going concern involves making a judgment, at a particular point in time, about inherently uncertain future outcomes of events or conditions. Any judgment about the future is based on information available at the time at which the judgment is made. Subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made. Management have taken into account the following:

- the Group's financial position; and
- the risks facing the Group that could impact key projects and capital adequacy.

Management consider it appropriate to continue to adopt the going concern basis in preparing the consolidated and separate annual financial statements of the Company.

Exploration and development costs

The application of the Group's accounting policy for exploration and development costs requires judgement to determine whether it is likely that future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact on whether the Group capitalises exploration and development costs. The capitalisation policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is impaired in profit or loss in the period when the new information becomes available. The Group's exploration and development costs are disclosed in note 4.

SIGNIFICANT ACCOUNTING POLICIES

Expected units of production

Exploration and development costs are depreciated using the expected units of production (UOP) method which takes the production in the current period as a percentage of total expected production in current and future periods, based on total proved plus probable developed and undeveloped hydrocarbon reserves. Application of the UOP method requires the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of amortisation will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves.

Borrowing costs

The Group applies judgement in determining when it commences and ceases to capitalise borrowing costs. When the plant is ready for use, capitalisation of borrowing costs ceases and depreciation commences. Management places reliance on experts to certify that the plant is ready for use.

Financial assets

At the end of each reporting period the Group determines a loss allowance for expected credit losses on financial assets carried at amortised cost. The expected credit losses are estimated with reference to current observable data and forward-looking information including projected market conditions, macro-economic factors and knowledge about the future performance of parties from which the Group' financial assets are due. Due to the estimation involved, actual default in the future may be different from the loss allowances recognised.

The Group recognises a loss allowance for financial assets measured at amortised cost at an amount equal to 12 months expected credit losses where the credit risk on the financial asset has not increased significantly since initial recognition. The Group recognises lifetime expected credit losses when there has been a significant increase in the credit risk.

Determining an increase in significant credit risk is a significant judgement call and determining expected credit losses is subject to estimation uncertainty.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair-value-less costs of disposal. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimates and may then require a material adjustment to the carrying value of tangible and intangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible and intangible assets are sensitive to various factors and could materially change over time. Value in use calculations are also sensitive to changes in discount rates, helium reserve estimates and projected prices of helium. Key factors which impact expected cash flows include market conditions, levels of production that are actually achieved and growth rates used for extrapolation purposes.

Useful lives of property, plant and equipment

Management reviews its estimate of the useful lives and residual values of depreciable property, plant and equipment and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence or depleting gas reserve values that may change the utility of certain assets.

Provision for environmental rehabilitation

A provision for future restoration, rehabilitation and decommissioning costs requires estimates and assumptions to be made around the relevant regulatory framework, the magnitude of the possible disturbance and the timing, extent and costs of the required closure and rehabilitation activities. Most of these rehabilitation and decommissioning events are expected to take place in the future and the current estimated requirements and costs that will have to be met when the restoration event occurs are inherently uncertain and could materially change over time.

In calculating the appropriate provision for the expected restoration, rehabilitation or decommissioning obligations, cost estimates of the future potential cash outflows based on current studies of the expected rehabilitation activities and timing thereof, are prepared.

As the actual future costs can differ from the estimates due to the changes in laws, regulations, technology, costs and timing, the provisions including the estimates and assumptions contained therein are reviewed annually by management.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. The extent that future cash flows and taxable income significantly differ from estimates, impacts the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period.

1.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (excluding land which is carried under the revaluation model) is carried at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment is initially measured at cost including an estimate of the costs of decommissioning the asset. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset including capitalised borrowing costs.

SIGNIFICANT ACCOUNTING POLICIES

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment and borrowing costs are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Day to day servicing costs are included in profit or loss for the year in which they are incurred.

Depreciation is charged to write off the cost of assets over their estimated useful lives, using the straight line method. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Assets under construction are not depreciated as they are not ready and available for the use as intended by management. Leased assets are depreciated over the shorter of the asset's useful life and the lease term. When a purchase option is included in the lease terms, the asset is depreciated over its estimated useful life.

Land is carried under the revaluation model and revalued to its fair value at every period end by management by using the comparable sales method and revalued every 3 years by an independent valuer.

The useful lives of items of property, plant and equipment have been assessed as follows:

ITEM	DEPRECIATION METHOD	USEFUL LIFE
Furniture and fixtures	Straight line	6 years
IT equipment	Straight line	3 years
Assets under construction	Not applicable	Not applicable
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
Plant and machinery	Straight line	5-15 years
Office building	Straight line	10 years
Leasehold improvements - furniture and fittings	Straight line	6 years
Leasehold improvements - office equipment	Straight line	6 years
Right of use - motor vehicle	Straight line	5 years
Right of use - head office building	Straight line	3 years
Land	Not depreciated	Not applicable

The residual value, useful life and depreciation method of each asset is reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

Fair value movements on the land are recognised, net of tax, in other comprehensive income or loss on the Statement of Comprehensive Income and accumulated in the revaluation reserve in the Statement of Changes in Equity. The reserve balance is transferred to the retained earnings upon disposal of the land.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal.

1.4 INTANGIBLE ASSETS

Intangible assets are recognised at cost, less any accumulated amortisation and accumulated impairment losses.

Exploration and development costs

Expenditures incurred in the exploration and development of natural gas reserves are capitalised to intangible assets. Prior to capitalisation, the Group assesses the degree to which the expenditures incurred in the exploration phase can be associated with finding natural gas.

Computer software

Computer software licences are acquired and are capitalised on the basis of the costs incurred to acquire and bring the specific software to use. Costs that are directly associated with the creation of identifiable systems controlled by the Group and will generate economic benefits beyond one year are capitalised to intangible assets. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

Other intangible assets

These assets primarily include the Company's internet domain, patents and trademarks which are amortised as shown below.

The amortisation periods and the amortisation methods for intangible assets are as follows and are reviewed annually.

ITEM	AMORTISATION METHOD
Exploration and development costs	Units of production over 30 years
Computer software	Straight line basis (10 years)
Other intangible assets	Straight line basis (10 years)

Impairment tests are performed on intangible assets when there is an indicator that they may be impaired. When the carrying amount of an intangible asset is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

1.5 FINANCIAL INSTRUMENTS

Classification

The Group classifies financial assets and financial liabilities into the following categories:

- Financial assets are classified as either financial assets at amortised cost or at fair value through profit or loss (FVTPL).
- Financial liabilities are measured at amortised cost, except for derivative financial liabilities that are measured at fair value through profit or loss.

Financial assets at amortised cost

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

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- 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.

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVTOCI, or is irrevocably elected at initial recognition to be designated as FVTPL if, by designating the financial asset as FVTPL, this eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. Gains or losses are recognised in profit or loss.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising, where possible, the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable

Initial recognition and measurement

Financial instruments are recognised initially on trade date when the Group becomes a party to the contractual provisions of the instruments.

At initial recognition, financial assets and financial liabilities are measured at fair value adjusted for transaction costs (where applicable). In the case of a financial asset or liability not at fair value through profit or loss, transaction costs are directly attributable to the acquisition or issue of the financial liability.

Subsequent measurement

Trade receivables, loans receivable, cash and cash equivalents and restricted cash are carried at amortised cost adjusted for any loss allowance. Put option contracts are subsequently measured at their fair value. Borrowings are subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets

A loss allowance for expected credit losses is determined for all financial assets, other than those at FVTPL at the end of each reporting period. The expected credit loss recognised, represents a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables

The Group applies the simplified approach to measure the loss allowance for trade receivables, using the lifetime expected loss provision. The expected credit losses on these financial assets is estimated with reference to past default experience and adjusted as appropriate for current observable data and forward-looking information.

Loans receivable

For those balances that are beyond 30 days over-due, it is presumed to be an indicator of a significant increase in credit risk.

If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-months expected credit loss, which comprises the expected lifetime loss from the instrument were a default to occur within 12 months of the reporting date.

The Group considers an event of default has materialised and the financial asset is credit impaired when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay the Group. The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The Group considers the following as constituting events of default:

- The debtor is past due by more than 90 days on any credit obligation to the Group; or
- The debtor is unlikely to pay its credit obligations to the Group in full.

Loan to subsidiary

Loans to the subsidiary are included in non-current assets as management expects the loan to be repaid later than 12 months after the reporting period. Loans to subsidiary are subsequently measured at amortised cost using the effective interest method less any loss allowance. A loss allowance for expected credit losses is determined at the end of each reporting period.

Put option contracts

Put option contracts are derivative financial instruments and are initially measured at fair value and are subsequently measured at fair value at the end of each reporting period. Fair values are determined using models and other valuation techniques, the key inputs for which include current market and contractual prices for the underlying instrument, time to expiry, yield curves, volatility of the underlying instrument and counter party risk.

Gains and losses on changes in the fair value of derivative instruments are recognised in profit or loss.

Trade and other payables

Trade payables are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

In the consolidated statement of financial position and consolidated statement of cash flows, cash and cash equivalents include cash on hand, at banks and short-term deposits. Cash and cash equivalents are measured at amortised cost.

Restricted cash

The Group has cash deposits in call accounts that have been ring-fenced. These cash deposits consist funds which will be used for environmental rehabilitation and the settlement of debt obligations (due within a six month period at any given time) under the DFC Finance Agreement. This cash is not treated as cash and cash equivalents.

Derecognition of financial assets and liabilities

The Group derecognises a financial asset on trade date when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or have expired.

On derecognition of a financial asset or financial liability in its entirety, the difference between the carrying amount of the financial asset or financial liability and the sum of the consideration received or receivable/ paid or payable is recognised in profit and loss within other operating expenses or other operating costs depending on whether a gain or loss is recognised. The recovery of financial assets previously written off is recorded in other operating income in profit or loss.

1.6 SHARE BASED PAYMENTS

Long-term employee benefits - Bonus Shares

The Group operates an equity-settled compensation plan where the Governance, Ethics and Transformation, Social, Compensation Committee makes an award of forfeitable shares to the Executive Directors, prescribed officers, senior management and key employees of the Group. These are referred to as Bonus Shares. This plan has no cash settlement alternatives. The number of Bonus Shares awarded depends on the individual's annual bonus that has been deferred. The Bonus Shares vest after three years' service from grant date. This is the only vesting condition pertaining to the Bonus Shares. The terms and conditions of the Bonus Shares, after vesting are the same as those traded publicly.

The fair-value of the equity-settled instruments is measured by reference to the fair value of the equity instrument granted. Fair value is based on a 30 day volume weighted average market price of the equity-settled instrument granted. The grant date fair value of the equity-settled instruments is recognised as an employee benefit expense over the vesting period, with a corresponding increase in the share-based payment reserve.

The Bonus Shares grant the holder a right to acquire shares for no consideration.

Share options

As part of the ASX listing, Renergen granted share options to transaction advisors and an Australian Non-executive Director. The fair value is measured at grant date and spread over the period that the option holder is unconditionally entitled to the options, except when the service has been completed at grant date in which case the expense is recognised immediately in profit or loss. The fair value of the options granted is measured using the Black Scholes pricing model, taking into account the terms and conditions under which the options were granted. The amount recognised as an expense with a corresponding increase in equity is adjusted at each reporting date to reflect the actual number of share options that vest or are expected to vest. Where an option lapses (other than by forfeiture when vesting conditions are not satisfied) it is treated as if it had vested on the date it lapses and any expense not yet recognised for the option is recognised immediately.

The vesting of share options awarded to the Non-executive director occurs annually after each year of completed service (over a 4 year period). These are the only vesting condition attributable to these share options. The share options awarded to the Non-executive director grant him the right to acquire shares at a specific price.

The share options awarded to the lead and corporate advisors also vest over a 4 year period and there are no other vesting conditions. The share options awarded to the lead and corporate advisors grant them the right to acquire shares at a specific price.

1.7 TAX

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss) and is not part of a business combination or the initial recognition of goodwill.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss) and is not part a business combination.

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

At a company level deferred tax is not recognised for outside basis differences relating to the investment in subsidiary.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period.

Current tax and deferred taxes are charged or credited to other comprehensive income or equity if they relate to items that are credited or charged, in the same or a different period, to other comprehensive income or equity.

1.8 LEASES

The Group assesses whether a contract contains a lease at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability in the statement of financial position, except for short-term leases with a term of twelve months or less and leases low value assets with a value of R100 000 or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the future lease payments from the commencement date of the lease. The lease payments are discounted using the incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets are initially recognised at cost, which comprises the amount of the initial measurement of the corresponding lease liability, adjusted for any lease incentive received and any initial direct costs incurred.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease over the shorter of the useful life of the right-of-use asset or the end of the lease term.

1.9 PROVISIONS AND ACCRUALS

The amount of a provision is the present value of management's best estimate of the expenditure expected to be required to settle the obligation. Provisions are not recognised for future operating losses.

a) Environmental Rehabilitation Provision

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with applicable environmental and regulatory requirements. The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean up at closure. Changes in estimates are capitalised or reversed against the relevant asset to the extent that it meets the definition of dismantling and removing the item and restoring the site on which it is located. Costs that relate to an existing condition caused by past operations which do not have a future economic benefit are recognised immediately in profit or loss.

The Group's is required by law to undertake rehabilitation work to address the environment damange arising from its operations. Part of the cash required to settle the rehabilitation obligation is held in a cash investment account which is restricted (see note 9).

b) Royalty accrual

The Mineral and Petroleum Resource Royalty Act 2008 (Royalty Act) imposes a royalty on refined mineral resources that have undergone a comprehensive level of beneficiation such as smelting and refining as defined in Schedule 1 of the royalty payable to the State. The royalty in respect of refined minerals is calculated by dividing earnings before interest and taxes (EBIT) by the product 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure.

The natural gas is compressed, scrubbed and dried in the compressor. The compressor is considered as the refinery and thus, the royalty is calculated based on the condition of the gas at the inlet of the compressor. The sale of gas is the trigger event for the royalty accrual. The accrual for royalties is included in trade and other payables.

c) Carbon tax accrual

The Carbon Tax Act of 2019 came into effect on 01 June 2019, it will be administered and collected by the South African Revenue Services (SARS). This carbon tax is assessed, collected and enforced as an environmental levy in terms of the Customs and Excise Act, 1964. This new tax is in response to climate change, which is aimed at reducing greenhouse gas (GHG) emissions in a sustainable, cost effective and affordable manner. This carbon tax gives effect to the polluter-pays-principle and the first phase has a carbon tax rate of R120 per ton of carbon dioxide equivalent emissions. This rate will increase by inflation plus two per cent until the year 2022, and annually by inflation thereafter.

Significant industry-specific tax-free emissions allowances will result in a modest net carbon tax rate to provide current emitters time to transition their operations to cleaner technologies through investments in energy efficiency, renewables and other low carbon measure.

SIGNIFICANT ACCOUNTING POLICIES

The current carbon tax accrual is calculated based on all carbon emissions from Tetra4's activities and all other emission on the land that Tetra4 holds a production right in the Free State provision of South Africa. The accrual for carbon tax is included under trade and other payables.

1.10 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives revenue from the sale of Compressed Natural Gas (CNG) in the Free State province of South Africa to one customer.

Intercompany revenue relates to management fees earned by the holding company from its subsidiary Tetra4. Renergen provides Tetra4 with management advisory services.

Revenue is recognised when the performance obligations have been satisfied, which is once control of the goods and/or services has transferred from the Group to the buyer. Revenue is measured based on regulated prices and volumes delivered to the customer, and excludes amounts collected on behalf of third parties.

The main categories of revenue and the basis of recognition is as follows:

Sales of compressed natural gas

Revenue related to the sale of goods is recognised when the product is delivered to the destination specified by the customer and the buyer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset. The consideration received is allocated to the goods based on their selling price per the sales agreement. All the CNG produced and delivered by Tetra4 is used by this one customer and thus no inventory is held by Tetra4 at period end.

All sales of CNG during the exploration phase are accounted for as revenue.

Management fees earned by the holding company

Intercompany revenue relating to the management fees paid to the holding company is recognised over time as the subsidiary benefits from the services as they are provided. The management fees are paid monthly by the subsidiary company. The consideration is allocated based on the management fees as per the contract.

The Group's customer is afforded 30 day terms. The Company's customer also trades on 30 days terms.

1.11 COST OF SALES

Cost of sales entails the costs of conversion which are costs directly related to production. These costs include plant depreciation and maintenance and salaries of plant staff.

1.12 TRANSLATION OF FOREIGN CURRENCIES

Functional and presentation currency

All entities within the Group have the same functional and presentation currency, being the South African Rand.

Transactions and balances

Foreign currency income and expenses are translated into the functional currency using the spot rate on transaction date and assets and liabilities are translated at the closing rate of the relevant month. Gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at closing rates, are recognised in profit or loss, with the exception of exchange differences accounted for as part of borrowing costs as disclosed in note 1.14.

1.13 SEGMENT INFORMATION

An operating segment is a component of the Group that engages in business activities which may earn revenues and incur expenses and whose operating results are regularly reviewed by the Group's chief operating decision maker (Group Executive Committee) to allocate resources and assess performance and for which discrete financial information is available. Refer to Note 6.

The Group has the following reportable segments:

Corporate Head Office

Corporate Head Office is a segment where all investment decisions are made. Renergen Limited is an investment holding company focused on investing in prospective green projects.

Tetra4 (Proprietary) Limited

Tetra4 explores, develops and sells compressed natural gas to the South African market.

1.14 BORROWING COSTS

Specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. The LNG and LHe plant are a qualifying asset in terms of IAS 23 - Borrowing costs.

Investment income earned on the Debt Service Reserve Account (see note 9), is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

The DFC loan was obtained specifically for the construction and drilling project, all the borrowing costs that would have otherwise been avoided had the construction and drilling not taken place are capitalised.

Exchange differences relating to the DFC loan are treated as borrowing costs to the extent that they are an adjustment to interest costs. This implies that foreign exchange differences are capitalised limited to the difference between the interest on the DFC loan and the interest had the loan been obtained in the functional currency of Tetra4. All other borrowing costs are expensed in profit and loss when they are incurred.

2. NEW STANDARDS AND INTERPRETATION

2. 1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations.

Definition of Material - Amendments to IAS 1 and IAS 8 (effective 01 January 2020)

This amendment is required to be applied prospectively. The amendment did not have a material impact on the Group as the materiality principles were already correctly applied.

Definition of a Business - Amendments to IFRS 3 (effective 01 January 2020)

This amendment to IFRS 3 must be applied to transactions that are either business combinations of asset acquisitions. The Group is not required to revisit such transactions that occurred in prior periods. The amendment did not have an impact on the Group as there were no business combinations which took place in the financial year under review.

2. 2 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 01 March 2021 of later periods but which the Group has not early adopted.

Covid -19- Related Rent Concessions - Amendment to IFRS 16 (effective 1 June 2020)

This amendment provides lessees with an exemption from assessing whether a COVID-19-related concession is a lease modification. As a practical expedient, a lessee may elect not to assess whether a concession from a lessor is a lease modification if the rent concessions occurred as a direct result of the COVID-19 pandemic and if all the following conditions are met:

- the change in lease payments resulted in revised consideration for the lease that is substantially the same, of less than, the consideration immediately preceding the change;
- any reduction in lease payments affects payments originally due on or before 30 June 2021; and
- there is no substantive change that other terms and conditions of the lease.

This amendment is not expected to have an impact on the Group as there are no Covid-19 related rent concessions to date. A further assessment will be made should transactions of this nature arise.

Interest Rate Benchmark Reform (IBOR) Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 (effective 1 January 2021)

This amendment introduce a practical expedient for modifications required and clarifies that hedge accounting is not discontinued solely because of the IBOR reform. This amendment also introduce disclosures that all users to understand the nature and extent of risks arising from the IBOR reform.

This amendment is not expected to have an impact on the Group as its current borrowings are not subject to interbank offered rates (IBOR). A further assessment will be made should transactions of this nature arise.

Onerous contracts- cost of fulfilling a contract - Amendments to IAS 37 (effective date 1 January 2022)

This amendment specify that the cost of fulfilling a contract comprises costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of an allocation of other costs that relate directly to fulfilling contracts.

This amendment is not expected to have an impact on the Group as there are no onerous contracts currently in place. A further assessment will be made should contracts of this nature arise.

Property, Plant and Equipment — Proceeds before Intended Use - Amendments to IAS 16 (effective 1 January 2022)

This amendment prohibit the deduction (from the cost of the asset) of any proceeds from selling items produced while bringing that asset to the location and condition required for operation. The amendment is applied retrospectively but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the annual financial statements in which this amendment is first applied. The cumulative effect of initially applying the amendment is an adjustment to the opening balance of retained earnings (of other component of equity as appropriate) at the beginning of that earliest period presented.

This amendment is not expected to have an impact on the Group as there were no transactions of this nature. A further assessment will be made should transactions of this nature arise.

Annual Improvements 2018-2020 Cycle (effective 1 January 2022)

These improvements make amendments the following standard:

- IFRS 9 - Fees in the '10 per cent' test for derecognition of financial liabilities

Early application is permitted.

This amendment is not expected to have an impact on the Group as there was no modification of financial liabilities. A further assessment will be made should the modification of financial liabilities occur.

Reference to the Conceptual Framework - Amendments to IFRS 3 (effective 1 January 2022)

- This amendment adds 3 changes to Business combinations. Early application is permitted.

This amendment is not expected to have an impact on the Group as there are no business combinations in progress. The impact of this amendment will be evaluated again should the Group enter into business combinations in future.

Classification of Liabilities as Current of Non-Current - Amendments to IAS 1 (effective date 1 January 2023)

This amendment helps companies determine whether debt and other liabilities with an uncertain settlement date should be classified as current of non-current.

This amendment is not expected to have an impact on the Group as it currently does not have liabilities with uncertain settlement dates. A further assessment will be made should liabilities of this nature arise.

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

	GROUP					
	2021			2020		
Figures in Rand Thousands	Cost or Valuation	Accumulated depreciation	Net book value	Cost or Valuation	Accumulated depreciation and impairment	Net book value
Assets under construction	451 576	-	451 576	325 886	-	325 886
Right-of-use assets - 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**

NOTES TO THE FINANCIAL STATEMENTS

	COMPANY					
	2021			2020		
Figures in Rand Thousands	**Cost or Valuation**	**Accumulated depreciation**	**Net book value**	**Cost or Valuation**	**Accumulated depreciation and impairment**	**Net book value**
Right-of-use assets - head office building	-	-	-	4 129	(1 376)	2 753
Furniture and fixtures	747	(543)	204	746	(420)	326
Office equipment	95	(73)	22	95	(58)	37
IT equipment	38	(38)	-	38	(38)	-
Right-of-use assets - motor vehicles	-	-	-	646	(279)	367
LEASEHOLD IMPROVEMENTS						
Office equipment	152	(110)	42	152	(84)	68
Furniture and fixtures	887	(450)	437	887	(303)	584
TOTAL	**1 919**	**(1 214)**	**705**	**6 693**	**(2 558)**	**4 135**

NOTES TO THE FINANCIAL STATEMENTS

RECONCILIATION OF PROPERTY, PLANT AND EQUPMENT

	GROUP 2021				
Figures in Rand Thousands	At 1 March 2020	Additions*	Depreciation	Lease termina-tions	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 to right-of-use assets relate to new leases.*

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand Thousands	At 1 March 2019	Adoption of IFRS 16	Additions*	Reclassification to intangible assets	Revaluation	Depreciation	Impairments	At 29 February 2020
	GROUP 2020							
Assets under construction	19 491	-	306 395	-	-	-	-	325 886
Plant and machinery	14 725	-	2 603	-	-	(2 156)	(2 224)	12 948
Land - at revalued amount	-	-	2 777	-	696	-	-	3 473
Right-of-use asset - Head Office Building	-	4 129	-	-	-	(1 376)	-	2 753
Right-of-use assets - motor vehicles	-	605	1 502	-	-	(186)	(78)	1 843
Office building	-	-	2 065	-	-	(63)	-	2 002
Furniture and fixtures	461	-	363	-	-	(164)	-	660
Motor vehicles	661	-	-	-	-	(336)	-	325
Office equipment	64	-	64	-	-	(23)	-	105
IT equipment	147	-	176	-	-	(146)	-	177
Computer software	1 115	-	-	(1 115)	-	-	-	-
LEASEHOLD IMPROVEMENTS								
Office equipment	93	-	-	-	-	(25)	-	68
Furniture and fixtures	395	-	320	-	-	(131)	-	584
TOTAL	**37 152**	**4 734**	**316 265**	**(1 115)**	**696**	**(4 606)**	**(2 302)**	**350 824**

** additions to right-of-use assets relate to new leases.*

NOTES TO THE FINANCIAL STATEMENTS

Figures in Rand Thousands	COMPANY 2021 At 1 March 2020	Depreciation	Lease terminations	At 28 February 2021
Right-of-use assets - head office building	2 753	(1 262)	(1 491)	-
Right-of-use assets - motor vehicles	367	-	(367)	-
Furniture and fixtures	326	(122)	-	204
Office equipment	37	(15)	-	22
LEASEHOLD IMPROVEMENTS				
Office equipment	68	(26)	-	42
Furniture and fixtures	584	(147)	-	437
TOTAL	**4 135**	**(1 572)**	**(1 858)**	**705**

Figures in Rand Thousands	COMPANY 2020 At 1 March 2019	Adoption of IFRS 16	Additions	Reclassification to intangible assets	Depreciation	Lease terminations	At 29 February 2020
Right-of-use asset - head office building	-	4 129	-	-	(1 376)	-	2 753
Right-of-use assets - motor vehicles	-	605	-	-	(161)	(77)	367
Furniture and fixtures	431	-	18	-	(123)	-	326
Office equipment	54	-	-	-	(17)	-	37
IT equipment	9	-	-	-	(9)	-	-
Computer software	1 059	-	-	(1 059)	-	-	-
LEASEHOLD IMPROVEMENTS							
Office equipment	93	-	-	-	(25)	-	68
Furniture and fixtures	395	-	320	-	(131)	-	584
TOTAL	**2 041**	**4 734**	**338**	**(1 059)**	**(1 842)**	**(77)**	**4 135**

Pledge of assets

Tetra4 concluded a finance agreement with the Development Finance Corporation on 20 August 2019 (See note 15). All assets under construction and the land are held as security for this debt. Pledged assets under construction and land totalled R455.0 million (2020: R380.6 million) as at 28 February 2021, representing 100% of each of these asset categories.

Additions and borrowing costs

Additions include unrealised foreign exchange gains totalling R37.3 million (2020: exchange loss of R8.0 million) and interest totalling R28.9 million (2020: R7.7 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 totalling R5.3 million. These costs and gains were capitalised within assets under construction. Excluding the impact of foreign exchange gains and additions to rights of use assets which are all non-cash items, additions for the year totalled R163.1 million. The Group's borrowings are disclosed in note 15.

The rate used to determine the amount of interest eligible for capitalisation was 1.69% (2020: 2.11%), which is the weighted average interest rate of the specific borrowings.

Capital commitments

Capital commitments attributable to assets under construction are disclosed in note 29.

Lease termination: right-of-use assets - head office building

On 28 February 2021 the Group restructured its leasing arrangements with a third party such that the head office building previously leased by Renergen Limited ("Renergen") is now leased by Tetra4 (Proprietary) Limited ("Tetra4"). This transaction was recognised as a lease termination by Renergen and a new lease by Tetra4 of the right-of-use-asset – head office building. The Group recognised a loss of R0.5 million with respect to this restructuring.

Revalued property

In the prior year the Group revalued its land on two farm properties in the Free State by R0.7 million (R0.6 million net of taxation). The properties were revalued to their market value by using the comparable sales method which relied on level 3 inputs as per requirements of determining fair value in IFRS 13. The comparable sales method assumes that the market value of property should be the average of similar properties that have been sold in the area. The net gain on revaluation was recognised against the revaluation reserve.

If the land was stated on the historical cost basis, the net book value would be as follows:

	2021	**2020**
Cost	2 777	2 777
Net book value	2 777	2 777

Land is not depreciated.

Classification of computer software

In the prior year computer software was reclassified to intangible assets as it is a separate component from IT equipment.

Disposal of plant and equipment

The disposal in the prior year relates to the return of a faulty trailer for which the Group received a refund from the supplier. This transaction had no impact on profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

4. INTANGIBLE ASSETS

	GROUP						
	2021			2020			
Figures in Rand Thousands	**Cost**	**Accumulated depreciation and impairment**	**Net book value**	**Cost**	**Accumulated depreciation and impairment**	**Disposal**	**Net book 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**

	COMPANY						
	2021			2020			
Figures in Rand Thousands	**Cost**	**Accumulated depreciation and impairment**	**Net book value**	**Cost**	**Accumulated depreciation and impairment**	**Disposal**	**Net book value**
Computer software	-	-	-	1 248	(310)	(938)	-
Other intangible assets	270	-	270	14	-	-	14
Total	**270**	**-**	**270**	**1 262**	**(310)**	**(938)**	**14**

NOTES TO THE FINANCIAL STATEMENTS

RECONCILIATION OF INTANGIBLE ASSETS

	GROUP 2021			
Figures in Rand Thousands	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**

	GROUP 2020					
Figures in Rand Thousands	At 1 March 2019	Additions	Reclassification from property, plant and equipment	Amortisation	Disposal	At 29 February 2020
Exploration and development costs	70 453	17 026	-	-	-	87 479
Computer software	-	1 680	1 115	(154)	(938)	1 703
Other intangible assets	41	-	-	-	-	41
Total	**70 494**	**18 706**	**1 115**	**(154)**	**(938)**	**89 223**

Figures in Rand Thousands	COMPANY 2021			
	Opening balance	Additions	Reclassification from property, plant and equipment	Total
Other Intangible assets	14	256	-	270
Total	**14**	**256**	**-**	**270**

Figures in Rand Thousands	COMPANY 2020				
	Opening balance	Reclassification from property, plant and equipment	Amortisation	Disposal	Total
Computer software	-	1 059	(121)	(938)	-
Other Intangible assets	14	-	-	-	14
Total	**14**	**1 059**	**(121)**	**(938)**	**14**

Exploration and development costs

These are costs incurred in the exploration and development of natural gas reserves by Tetra4 pursuant to its exploration and production rights (reference 12/4/07) in the Free State Province, South Africa.

Exploration and development costs will be recovered through use as determined through the units of production and life of the Virginia Gas Project. Amortisation commenced upon the start of production. There was minimal production during the year under review and in the prior year hence no amortisation was recognised during these periods.

Impairment of exploration and development costs

The Group has not updated its Independent Reserve and Resource Evaluation Report for its exploration and development costs primarily due to the current operations not consuming a material amount of gas, thus not materially changing the reserves and resources since the last Independent Reserve and Resource Evaluation Report was undertaken in March 2019. In addition, all new exploration activities were delayed due to COVID-19, and are still currently underway. We anticipate updating the Independent Reserve and Resource Evaluation Report in the financial year ending February 2022.

Management are of the view that the last Independent Reserve and Resource Evaluation Report issued by MHA Petroleum Consultants LLC forms an acceptable basis for the impairment assessment for the Group's exploration and development costs as at 28 February 2021. This assessment concluded that these assets are not impaired.

NOTES TO THE FINANCIAL STATEMENTS

MHA Petroleum Consultants LLC prepared gas reserve estimates for the Group signed off on 01 March 2019. Net reserve volumes of total Proved Plus Probable Helium and Methane Reserves measured at 142.4BCF (billion cubic feet). Reserve volumes have been reported on a Group net basis.

The Independent Reserve and Resource Evaluation Report issued by MHA Petroleum Consultants indicates a net present value of R9.8 billion representing proven and probable (2P) gas reserves at 15% discount. The assessment is based on a 30 year period. The recoverable amount of Tetra4's gas reserves exceeds the carrying value of the exploration and development costs.

MHA conducted an independent assessment of the unconventional methane and helium reserves and resources in the Tetra4 Virgina Gas Field. This evaluation was primarily an economic update based on analysis methodology that MHA has conducted using the technical and economic data supplied by Tetra4. This evaluation included estimates of recoverable methane and helium volumes from proved developed non-producing wells, proved undeveloped locations, total proved, probable and possible reserves. The resource and reserve estimates and associated economics contained in the report were prepared in accordance with the Society of Petroleum Engineers, Petroleum Resources Management which provides guidance and provides a technical value. The estimates are also in accordance with the Australian Securities Exchange rules. The report is supplemented by MHA's corporate awareness of the current South African industry costs and best practices.

Computer Software

Computer software comprises costs incurred to acquire the Group's risk management system and costs attributable to the development of the Group's ERP system. Internal salaries allocated based on time spent on the development of the ERP system have been capitalised to computer software, however these costs are not material. The ERP system was implemented in the second quarter of the financial year.

Other intangible assets

Other intangible assets comprise patents and trademarks attributable to the Group's Cryo-Vacc™ project and the domains on which the Group's websites are hosted.

Scrapping of computer software

During the prior year computer software to the value of R0.9 million was scrapped as it did not meet the accounting and business requirements of the Group. This software was included in assets under the Head Office segment (refer to note 6).

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENT IN SUBSIDIARY

			COMPANY			
			2021	2020	2021	2020
Figures in Rand Thousands	**Country of registration**	**Principle place of business**	**% Holding**	**% Holding**	**Carrying amount**	**Carrying amount**
Tetra4 (Proprietary) Limited (Tetra4)	South Africa	South Africa	100%	100%	623 812	594 848
Equity contribution related to share based payments					791	464
Cash paid to acquire additional shares in subsidiary					-	28 500
Total					**624 603**	**623 812**

Tetra4 is a wholly owned subsidiary of Renergen Limited. This was the only subsidiary of the Group during the current and prior year.

Renergen acquired an additional 10% shareholding in Tetra4 on 17 December 2019 from CD Sjoberg, a former Tetra4 Non-executive Director. The acquisition of these additional shares included the settlement by SD Sjoberg of a loan owed to Tetra4 of R5.5 million.

On 29 September 2017 shareholders of Renergen approved a Group bonus share scheme for participation by employees and Executive Directors of the Group. The shares granted to employees and executives of Tetra4 who participate in the scheme are Renergen shares. The investment in subsidiary is therefore increased by the share-based payments expenses attributable to shares granted to Tetra4 employees which are treated as an equity contribution. Refer to note 14.

Changes in ownership in the prior year

The table below depicts the effect on the equity attributable to the parent (Renergen) as a result of the change in Renergen's shareholding in Tetra4 with no loss of control.

	GROUP
Figures in Rand Thousands	Equity attributable to owners of the parent
Opening balance - 01 March 2019	180 634
Movement in equity up to the date of non-controlling interest buy-out	64 984
Equity attributable to non-controlling interest allocated to owners of the parent	(16 401)
Non-controlling interest buy-out	(23 000)
Balance - 17 December 2019	**206 217**

6. 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:

a) 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.

b) Tetra4

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

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

	2021				
Figures in Rand Thousands	**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	(1 571)	(3 173)	(4 744)	-	(4 744)
Employee costs	(1 017)	(12 153)	(13 170)	6 753	(6 417)
Net foreign exchange loss	(100)	(8 816)	(8 916)	-	(8 916)
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)**

	2020				
Figures in Rand Thousands	**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)
Loss on disposal of intangible assets	(938)	-	(938)	-	(938)
Impairment of property, plant and equipment	-	(2 302)	(2 302)	-	(2 302)
Employee costs	(959)	(18 181)	(19 140)	6 170	(12 970)
Net foreign exchange loss	(2 821)	(12 227)	(15 048)	-	(15 048)
Interest income	(3 340)	(2 012)	(5 352)	-	(5 352)
Imputed interest	-	(4 442)	(4 442)	-	(4 442)
Interest expense	(881)	-	(881)	-	(881)
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. Inter-segment revenues are eliminated upon consolidation and are reflected in the 'eliminations' column. The nature of the Group's revenue and its disaggregation are provided in note 19.

7. LOAN TO SUBSIDIARY

	COMPANY	
Figures in Rand Thousands	**2021**	**2020**
NON-CURRENT		
Tetra4	**395 775**	**370 907**

The loan to Tetra4 is interest free, unsecured and has no fixed repayment terms. This loan is not expected to be repaid within the next 12 months. The Company determines the expected credit loss on this loan underpinned by the probability of default by Tetra4, which has been assessed as very low as at 28 February 2021 given the prospects associated with its Virginia Gas Plant and exploration and evaluation assets. As such the expected credit loss on this loan has been considered to be immaterial.

8. DEFERRED TAX

	GROUP 2021				
Figures in Rand Thousands	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	-
	26 803	**8 173**	**34 976**	**77 276**	**(42 300)**

	GROUP 2020					
Figures in Rand Thousands	At 1 March 2020	Recognised in profit or loss	Other Comprehensive loss	At 28 February 2021	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(4 433)	293	99	(4 041)	-	(4 041)
Intangible assets	(1 740)	(383)	-	(2 123)	-	(2 123)
Put option contracts	-	(69)	-	(69)	-	(69)
Unutilised tax losses	18 416	14 620	-	33 036	33 036	-
	12 243	**14 461**	**99**	**26 803**	**33 036**	**(6 233)**

Figures in Rand Thousands	At 1 March 2020	Recognised in profit or loss	At 28 February 2021	Deferred tax asset	Deferred tax liability
			COMPANY 2021		
Property, plant and equipment	(176)	353	177	177	-
Unutilised tax losses	2 662	970	3 632	3 632	-
	2 486	**1 323**	**3 809**	**3 809**	**-**

Figures in Rand Thousands	At 1 March 2020	Recognised in profit or loss	At 28 February 2021	Deferred tax asset	Deferred tax liability
			COMPANY 2020		
Property, plant and equipment	(168)	(8)	(176)	-	(176)
Unutilised tax losses	1 921	741	2 662	2 662	-
	1 753	**733**	**2 486**	**2 662**	**(176)**

The losses incurred by the Group are mainly attributable to its subsidiary, Tetra4. Tetra4 is in the process of constructing the Virginia Gas Plant and conducting exploration activities. Its revenues have therefore been minimal to date. The Virginia Gas Plant is expected to become operational in Q4 2021.

As at 28 February 2021 the Group's estimated tax losses were R603.0 million (28 February 2020: R425.0 million), these tax losses do not expire unless the tax entity concerned ceases to operate for a period longer than a year. These are available to be offset against future taxable profits. A Group net deferred taxation asset of R35.0 million (28 February 2020: R26.8 million) has been recognised as it is estimated that future profits will be available against which the assessed losses can be utilised.

It is the policy of the Group to recognise deferred tax on part of the tax losses of the Group. Unused tax losses for which no deferred tax has been recognised total R334.8 million as at 28 February 2021 (2020: R307.0 million).

Change in tax rate

On 24 February 2021, a reduction in the corporate tax rate from 28% to 27% for years of assessment commencing 1 April 2022 was announced. This impacts the measurement of deferred tax assets and liabilities which must be measured at the tax rates that are expected to apply to the period in which the underlying asset or liability is realised or settled. The impact on the Group of this change in the future tax rate is not material at R1.2 million for the year under review.

9. RESTRICTED CASH

	GROUP		COMPANY	
Figures in Rand Thousands	**2021**	**2020**	**2021**	**2020**
NON-CURRENT				
Environmental rehabilitation guarantee cash	2 887	2 729	-	-
CURRENT				
Debt Service Reserve account	16 139	10 161	-	-
	19 026	**12 890**	**-**	**-**

Environmental Rehabilitation Guarantee Cash

The Group has an obligation to manage the negative environmental impact associated with its exploration activities in the Free State. In this regard, the Group has recognised a rehabilitation provision of R4.0 million (2020: R4.0 million) as disclosed in note 17. Tetra4 has invested R2.9 million (2020: R2.7 million) in a call account which has been ringfenced for use towards the settlement of the environmental rehabilitation obligation. Interest earned on the call account is re-invested. This restricted cash has been classified as a non-current asset as the rehabilitation programme is not expected to commence in the next 12 months.

Debt Service Reserve Account

As part of the DFC finance agreement (see note 15) Tetra4 is required at any given date, to reserve in a US dollar denominated bank account the sum of all payments of principal, interest and fees required to be made to the DFC within the next 6 months. Should Tetra4 default on any payments due and payable, the DFC reserves the right to fund the settlement of amounts due from this bank account. The bank account is restricted and all interest earned accrues to Tetra4. This interest is recorded in interest income on the Statement of Profit or Loss and Other Comprehensive Income.

The Debt Service Reserve Account is held as security for the DFC loan (see note 15).

10. TRADE AND OTHER RECEIVABLES

Figures in Rand Thousands	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
FINANCIAL INSTRUMENTS				
Trade receivables	2 312	-	100	-
Other receivables	138	337	-	-
	2 450	**337**	**100**	**-**
NON-FINANCIAL INSTRUMENTS				
Value-added tax	5 139	4 853	-	221
Prepayments	180	343	180	343
Total trade and other receivables	**7 769**	**5 533**	**280**	**564**

Current and prior year other receivables primarily comprise bursary repayments receivable.

Trade receivables are generally on 30 day terms and are not interest bearing. The Group is subjected to significant concentration risk as it only has one customer.

CATEGORISATION OF TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments.

Figures in Rand Thousands	GROUP 2021	GROUP 2020	COMPANY 2021	COMPANY 2020
At amortised cost	2 450	337	100	-
Non-financial instruments	5 319	5 196	180	564
Total	**7 769**	**5 533**	**280**	**564**

The Group applies a simplified approach of recognising lifetime expected credit losses for trade receivables as these items do not have a significant financing component. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience, adjusted as appropriate for current observable data. Current observable days includes market conditions, macro-economic factors and known data about the financial position of the customer. Expected credit losses attributable to trade receivables were assessed as immaterial as at 28 February 2021.

11. FINANCIAL ASSETS

	GROUP		COMPANY	
Figures in Rand Thousands	**2021**	**2020**	**2021**	**2020**
Put option contract at fair value	-	246	-	-
Total	**-**	**246**	**-**	**-**

PUT OPTION CONTRACTS

2021

On 20 March 2020, Tetra4 acquired 15 000 put option contracts at R672.60 per contract (R10.1 million) with a strike price of R17.50/US$1. These options expired on 10 April 2020.

On 14 April 2020, Tetra 4 acquired an additional 15 000 put option contracts at R488.61 per contract (R6.1 million) with a strike price of R18.00/US$1. These options were exercised on 29 May 2020 and Tetra4 received R6.1 million.

There were no put option contracts in place at 28 February 2021. The Group's put option contracts to hedge foreign exchange risks.

2020

On 14 August 2019 Tetra4 purchased 15 000 put option contracts at R550.37 per contract (R8.3 million) with a strike price of R15.25/US$1. These options were exercised on 8 January 2020 for R13.7 million.

On 27 January 2020 Tetra acquired an additional 15 000 put contracts at R299.58 per contract (R4.5 million) with a strike price of R14.55/US$1. The proceeds of R13.7 million from the above contracts that were exercised earlier that month were used to settle the purchase of these contracts resulting in net proceeds of R9.5 million being received by Tetra4. The share option contracts acquired on 27 January 2020 expired on 31 March 2020. At 28 February 2020, these options had a market-to-market fair value of R0.2 million. The put options granted Tetra4 the right to sell US dollars at a strike price of R14.55.

NOTES TO THE FINANCIAL STATEMENTS

12. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
Figures in Rand Thousands	2021	2020	2021	2020
Cash and cash equivalents consist of:				
Cash at banks and on hand	24 219	140 972	1 096	29 022
Short-term deposits	106 659	-	-	-
Total	**130 878**	**140 972**	**1 096**	**29 022**

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.

13. STATED CAPITAL

	GROUP		COMPANY	
	2021	2020	2021	2020
AUTHORISED	**'000**	**'000**	**'000**	**'000**
500 000 000 no par value shares (number)	500 000	500 000	500 000	500 000
RECONCILIATION OF NUMBER OF SHARES ISSUED				
Balance at 1 March	117 427	100 135	117 427	100 135
Issue of shares	81	17 292	81	17 292
Balance at 28/29 February	**117 508**	**117 427**	**117 508**	**117 427**
RECONCILIATION OF ISSUED STATED CAPITAL	**R'000**	**R'000**	**R'000**	**R'000**
Balance at 1 March	452 254	301 277	1 050 653	899 676
Issue of shares - ordinary shares issued for cash	-	159 746	-	159 746
Issue of shares - share incentive scheme, non-cash	824	-	824	-
Share issue costs	-	(8 769)	-	(8 769)
Balance at 28/29 February	**453 078**	**452 254**	**1 051 477**	**1 050 653**

On 20 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.

14. EQUITY SETTLED SHARE-BASED PAYMENTS

EMPLOYEE BONUS SHARE SCHEME

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).

	GROUP AND COMPANY					
	28 FEBRUARY 2021			29 FEBRUARY 2020		
Reconciliation of shares granted to date:	**Number of shares granted ('000)**	**Fair value per share at grant date Rand**	**Value of shares at grant date (R000)**	**Number of shares granted ('000)**	**Fair value per share at grant date Rand**	**Value of shares at grant date (R000)**
Balance at the beginning of the year	277		2 479	108		1 095
ALLOCATION FOR 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 SHARES FOR THE YEAR	**(81)**	**10,22**	**(824)**	**-**	**-**	**-**
Executive Directors	(59)	10,22	(600)	-	-	-
Senior management	(22)	10,22	(224)	-	-	-
LAPSED SHARES FOR THE YEAR	**(15)**	**13,34**	**(202)**	**-**	**-**	**-**
Senior management	(11)	13,55	(147)	-	-	-
General employees	(4)	12,81	(55)	-	-	-
Balance at the end of the year	**433**		**4 864**	**277**		**2 479**

SHARE OPTIONS GRANTED

Renergen granted share options to its ASX lead advisor, corporate advisor and Non-executive Director pursuant to the ASX IPO on 6 June 2019.

On 6 June 2019, 1 million share options with a strike price of R0.96 per option were granted to Dr David King, a Non-executive Director. A quarter (250 000) of these share options vest annually after every year of completed service.

On 6 June 2019, 3.4 million share options with a strike price of R0.96 per option and 1.7 million share options with a strike price of R0.80 per option were granted to the lead and corporate advisors, respectively. These share options vest after 4 years.

	GROUP AND COMPANY					
	28 FEBRUARY 2021			29 FEBRUARY 2020		
Reconciliation of options granted to date:	Number of share options granted ('000)	Fair value per share option at grant date Rand	Value of share options (R000)	Number of shares awarded ('000)	Fair value per share option at grant date Rand	Value of shares (R000)
Balance at the beginning of the year	5 299		6 289	-		-
ALLOCATION FOR THE YEAR						
Lead advisor	-	-	-	3 379	1,03	3 480
Corporate advisor	-	-	-	1 670	1,65	2 756
Non-executive Director	250	0,21	53	250	0,21	53
Total shares awarded to date	**5 549**		**6 342**	**5 299**		**6 289**

IMPACT OF SHARE-BASED PAYMENTS ON THE FINANCIAL STATEMENTS

	GROUP AND COMPANY	
Figures in Rand Thousands	2021	2020
Balance at the beginning of the year	7 526	448
Bonus share scheme - share-based payments expense for Renergen participants charged to profit or loss	**1 007**	**309**
Executive Directors	921	279
Senior management	86	30
General employees	-	-
Bonus share scheme - share-based payments expense for Tetra4 participants	**791**	**464**
Executive Directors	463	310
Senior management	310	121
General employees	18	33
Share options - share-based payments expense charged to profit or loss	**52**	**6 305**
Lead advisor	-	3 483
Corporate advisor	-	2 787
Non-executive Director	52	35
Shares which lapsed during the year	(52)	-
Vested shares issued during the year	(824)	-
Balance at the end of the year	**8 500**	**7 526**

15. BORROWINGS

	GROUP		COMPANY	
Figures in Rand Thousands	2021	2020	2021	2020
HELD AT AMORTISED COST				
Molopo Energy Limited (Molopo)	43 053	38 940	-	-
US International Development Finance Corporation (DFC)	491 240	312 242	-	-
Total	**534 293**	**351 182**	**-**	**-**

Movements in the Group's borrowings are analysed in note 28.

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 (2020: also interest free). The loan can only be repaid when Tetra4 declares a dividend and utilising a maximum of 36% of the distributable profits in order 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 loan advanced to Tetra4 by Renergen can only be repaid after the loan from Molopo Energy Limited has 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%) (2020: 11.75%) 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 ("Facility Agreement"). 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 equal quarterly instalments of US$0.9 million (R13.3 million using rate at 28 February 2021) on each payment date beginning 1 August 2022 and ending on 15 August 2031. The loan is secured by a pledge of the Group's assets under construction, land and the Debt Service Reserve Account disclosed in notes 3 and 9. As at 28 February 2021, there is still US$7.5 million available for drawdown under this facility.

Interest

The first drawdown of $20.0 million attracts interest of 2.11% per annum. Interest on the second drawdown is 1.49% per annum.

Interest is payable by Tetra4 to the DFC quarterly on 15 February, 15 May, 15 August and 15 February of each year (Repayment Dates) for the duration of the loan. This interest is capitalised to assets under construction within PPE in line with the Group policy. Interest paid during the year totalled $0.5 million (R9.0 million) (2020: $0.2 million (R2.4 million)).

Guaranty fee

A guaranty fee of 4% per annum if payable by Tetra4 to DFC on any outstanding loan balance. The guaranty fee is payable quarterly on the Repayment Dates. Tetra4 paid guaranty fees totalling $1.1 million (R18.6 million) during the year under review (2020: $0.3 million (R4.5 million)).

Commitment fee

A commitment fee of 0.5% per annum is payable by Tetra4 to the DFC on any undisbursed amounts under the Facility Agreement. Commitment fees are payable quarterly on the Repayment Dates. Tetra4 paid commitment fees totalling $0.04 million (R0.6 million) during the year under review (2020: $0.06 million (R0.9 million)). It is anticipated that the Group will drawdown on the remaining facility of US$7.5 million in June 2021.

Facility fee

A once-off facility fee of $0.4 million (R4.8 million) was paid by Tetra4 to the DFC prior to is first drawdown on 26 September 2019.

Maintenance fee

An annual maintenance fee of $0.04 million is payable by Tetra4 to the DFC for the duration of the loan term and is payable on 15 November of each year, commencing on 15 November 2020. The maintenance fee covers administrative costs relating to the loan. Tetra4 paid $0.04 million (R0.5 million) during the year under review (2020: nil)

Debt covenants

The following debt covenants apply to the DFC loan:

a) Tetra4 is required to maintain at all times i) a ratio of all interest bearing Debt to EBITDA of not more than 3.0 to 1; (ii) a ratio of Current Assets to Current Liabilities of not less than 1 to 1; and (iii) a Reserve Tail Ratio of not less than 25%.

(b) Tetra4 is required to maintain at all times (i) a ratio of Cash Flow for the most recently completed four (4) consecutive full fiscal quarters, taken as a single accounting period, to Debt Service for the most recently completed four (4) consecutive full fiscal quarters, taken as a single accounting period, of not less than 1.30 to 1; and (ii) a ratio of Cash Flow for the most recently completed four (4) consecutive full fiscal quarters, taken as a single accounting period, to Debt Service for the next succeeding four (4) consecutive full fiscal quarters of not less than 1.3 to 1.

(c) Tetra4 is required to ensure that the Debt Service Reserve Account (note 9) is funded in the aggregate of all amounts due to the DFC within the next 6 months.

The covenants in a) and b) will apply 18 months after the completion of the construction of the Virginia Gas Plant. The Group has complied with the covenant under c) above for the year under review and believes that it will be able to comply with the covenants throughout the tenure of the loan.

"Reserve Tail Ratio" means for any calculation date, the quotient obtained by dividing (a) all of the Borrower's remaining Proved Reserves as of such calculation date by (b) all of the Borrower's Proved Reserves as of the date of this Agreement.

NOTES TO THE FINANCIAL STATEMENTS

16. LEASE LIABILITIES

	GROUP		COMPANY	
Figures in Rand Thousands	2021	2020	2021	2020
Non-current liabilities	3 183	2 963	-	1 576
Current liabilities	3 007	2 549	-	1 794
	6 190	**5 512**	**-**	**3 370**

The maturity analysis of lease liabilities is as follows:

	GROUP		COMPANY	
Figures in Rand Thousands	2021	2020	2021	2020
Lease payments				
Due within one year	3 487	3 039	-	2 092
Due within two to five years	3 509	3 079	-	1 587
	6 996	**6 118**	**-**	**3 679**
Finance charges	(806)	(606)	-	(309)
Net present value	**6 190**	**5 512**	**-**	**3 370**

The lease liability relates to the lease of certain motor vehicles and the head office building. At the end of the lease term, the Group will take ownership of the motor vehicles. The net book value of the right of use assets as at 28 February 2021 is R6.2 million (29 February 2020: R4.6 million). The lease term for motor vehicles is 5 years and 3 years for the head office building.

There were no breaches or defaults on contracts during the current or comparative period.

The expenses relating to lease payments not included in the measurement of the lease liability is as follows:

	GROUP		COMPANY	
Figures in Rand Thousands	2021	2020	2021	2020
Short term leases	-	59	-	-
Leases of low value assets	227	84	-	-
Total	**227**	**143**	**-**	**-**

As at 28 February 2021 the Group was committed to leases of low value assets and total commitments at that date were R0.9 million (2020: R0.2 million). Payments made during the year relating to low value leases totalled R0.2 million (2020: R0.06 million)

A reconciliation for the related right-of-use assets is provided in note 3 and the interest expense on leases are disclosed in note 24.

The movement in lease liabilities is outlined below:

	Group 2021					
Figures in Rand Thousands	**At 1 March 2020**	**Non-cash movements: terminations**	**Non-cash movements: additions**	**Interest paid**	**Lease payments**	**At 28 February 2021**
Lease liabilities	5 512	(2 076)	5 850	(572)	(2 524)	6 190
Total	**5 512**	**(2 076)**	**5 850**	**(572)**	**(2 524)**	**6 190**

	Group 2020				
Figures in Rand Thousands	**At 1 March 2019**	**Additions**	**Adoption of IFRS 16**	**Lease payments**	**At 29 February 2020**
Lease liabilities	546	3 175	4 129	(2 338)	5 512
Total	**546**	**3 175**	**4 129**	**(2 338)**	**5 512**

	Company 2021				
Figures in Rand Thousands	**At 1 March 2020**	**Non-cash movements: terminations**	**Interest paid**	**Lease payments**	**At 28 February 2021**
Lease liabilities	3 370	(2 075)	(243)	(1 052)	-
Total	**3 370**	**(2 075)**	**(243)**	**(1 052)**	**-**

	Company 2020				
Figures in Rand Thousands	**At 1 March 2019**	**Adoption of IFRS 16**	**Interest**	**Lease payments**	**At 29 February 2020**
Lease liabilities	546	4 129	432	(1 737)	3 370
Total	**546**	**4 129**	**432**	**(1 737)**	**3 370**

NOTES TO THE FINANCIAL STATEMENTS

17. PROVISONS

RECONCILIATION OF PROVISIONS

	GROUP					
	2021			2020		
Figures in Rand Thousands	**Opening Balance**	**Additions/ reversals**	**Total**	**Opening Balance**	**Additions/ reversals**	**Total**
NON-CURRENT LIABILITIES						
Environmental rehabilitation	4 000	-	4 000	4 000	-	4 000
CURRENT LIABILITIES						
Provision for IDC costs	2 180	-	2 180	5 829	(3 649)	2 180
	6 180	**-**	**6 180**	**9 829**	**(3 649)**	**6 180**

ENVIRONMENTAL REHABILITATION

The Group has production and exploration rights on land in the Free State (South Africa). Exploration is currently ongoing and a provision of R4.0 million (2020: R4.0 million) has been recognised with respect to the rehabilitation of this land. This amount is based on an estimate of the costs to be incurred as follows:

- The rehabilitation of 18 383m2 of disturbance from pipeline placement.
- Monitoring and maintenance of rehabilitation along pipelines.

The estimated extent of the required rehabilitation has not changed since the prior year. This note should be read together with note 9.

IDC PROVISION

The Group entered into a loan agreement with the IDC on 31 March 2017 for an amount equal to R218.0 million to fund the acquisition and construction of the gas gathering pipeline and associated installation costs, compression stations and the power steam and plant in Virginia in the Free State province. Shortly after concluding the loan agreement the Board took a strategic decision to pivot away from compressed natural gas (CNG) and opted to develop a liquid natural gas (LNG) facility and liquid helium. The loan agreement was cancelled during the 2019 financial year, a provision of R5.8 million was raised by the Group as at 28 February 2019 for commitment and administration fees incurred on the IDC funding agreement, as agreed with the IDC the provision was reduced during the prior year to 1% of the amount that would have been advanced.

18. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
Figures in Rand Thousands	**2021**	**2020**	**2021**	**2020**
FINANCIAL INSTRUMENTS				
Trade payables	3 976	1 309	64	329
Accrued bonus	5 637	7 976	1 034	4 872
Accrued expenses*	14 133	2 692	196	1 688
NON-FINANCIAL INSTRUMENTS				
Accrued leave pay	3 486	4 410	-	1 461
VAT	59	-	59	-
Total	**27 291**	**16 387**	**1 353**	**8 350**

*Accrued expenses includes an accrual for gas gathering costs (included in assets under construction note 3) of R10.1 million (2020: nil).

The carrying values of the Group's trade and other payables are denominated in the following currencies:

US Dollar	-	435	-	146
South African Rand	27 291	15 952	1 353	8 204
	27 291	**16 387**	**1 353**	**8 350**

The effect of the Australian Dollar on the Group is immaterial.

19. REVENUE

	GROUP		COMPANY	
Figures in Rand Thousands	2021	2020	2021	2020
REVENUE FROM CONTRACTS WITH CUSTOMERS				
Sale of CNG	1 925	2 635	-	-
Management fees	-	-	16 442	21 129
	1 925	**2 635**	**16 442**	**21 129**

	GROUP		COMPANY	
Figures in Rand Thousands	2021	2020	2021	2020
SALE OF GOODS				
Sale of CNG	1 925	2 635	-	-
PROVISION OF SERVICES				
Management fees	-	-	16 442	21 129
Total revenue from contracts with customers	**1 925**	**2 635**	**16 442**	**21 129**

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.

This note should be read together with note 6 which provides details on the disaggregation and concentration of revenue.

20. COST OF SALES

	GROUP		COMPANY	
Figures in Rand Thousands	2021	2020	2021	2020
Employee costs	838	659	-	-
Plant depreciation	1 841	2 081	-	-
Repairs and maintenance	59	515	-	-
Electricity	104	47	-	-
	2 842	**3 302**	**-**	**-**

21. OTHER OPERATING INCOME

	GROUP		COMPANY	
Figures in Rand Thousands	**2021**	**2020**	**2021**	**2020**
Rental income	144	-	899	1 521
Profit on disposal of asset	460	-	460	-
Other income	307	81	399	34
	911	**81**	**1 758**	**1 555**

Other income relates to SETA grants received for staff training.

22. OTHER OPERATING EXPENSES

	GROUP		COMPANY	
Figures in Rand Thousands	**2021**	**2020**	**2021**	**2020**
OPERATING EXPENSES BY NATURE				
Consulting and advisory fees[1]	6 099	2 342	3 258	2 141
Listing costs[1]	437	6 388	437	6 388
Employee costs[2]	6 417	12 970	1 017	959
Depreciation and amortisation[3]	3 060	3 542	1 572	2 901
Net foreign exchange losses[4]	8 916	15 048	100	2 821
Computer and IT expenses[5]	2 619	1 295	4	438
Security	1 095	512	-	-
Corporate costs	1 139	1 609	251	647
Insurance	1 534	730	-	-
Loss on disposal of intangible assets	-	938	-	938
Other operating costs[7]	5 329	1 878	2 802	7 742
Directors fees - Non-executive	2 162	2 581	2 162	2 581
Directors fees - Executive[6]	6 162	9 808	3 122	7 349
	44 969	**59 641**	**14 725**	**34 905**

1. The increase in consulting and advisory fees is due to the expertise sought to enhance and further define the Group's exploration strategy. Listing costs were impacted by the listing on the ASX in the prior year.
2. Excludes employee costs amounting to R0.8 million (2020: R0.7 million) relating to the manufacturing of gas sold which are included in cost of sales. There were more employee costs capitalised to assets under construction in the current year due to the advancement of the construction of the Virginia Gas Plant which is nearing completion.
3. Excludes depreciation of plant and machinery amounting to R1.7 million (2020: R2.1 million) which is included in cost of sales.
4. Net foreign exchange gains amounting to R37.3 million on the DFC loan were capitalised to assets under construction (note 2).
5. The increase in computer and IT expenses includes new accounting software (SAP) licences and consultant fees for training and implementation thereof.
6. Directors fees amounting to R7.1 million (2020: R1.0 million) were capitalised to assets under construction (note 2) during the year under review.
7. Prior year other operating costs were impacted by the reversal of the IDC provision of R3.6 million.

NOTES TO THE FINANCIAL STATEMENTS

23. INTEREST INCOME

	GROUP		COMPANY	
Figures in Rand Thousands	**2021**	**2020**	**2021**	**2020**
Interest income - cash and cash equivalents	672	5 352	621	3 340
	672	**5 352**	**621**	**3 340**

24. INTEREST EXPENSE AND IMPUTED INTEREST

	GROUP		COMPANY	
Figures in Rand Thousands	**2021**	**2020**	**2021**	**2020**
Interest - leasing arrangements	572	432	243	432
Imputed interest - borrowings	4 113	4 442	-	-
Interest - convertible notes	-	396	-	396
Interest - other	6	55	3	55
	4 691	**5 325**	**246**	**883**

25. TAXATION

	GROUP		COMPANY	
Figures in Rand Thousands	**2021**	**2020**	**2021**	**2020**
MAJOR COMPONENTS OF THE TAX INCOME				
Deferred				
Originating and reversing temporary differences	3 343	11 533	(1 132)	1 179
Prior year underprovision	4 829	3 126	2 456	(447)
	8 172	**14 659**	**1 324**	**732**
RECONCILIATION OF EFFECTIVE TAX RATE				
Accounting (loss)/profit before taxation	(50 792)	(67 278)	2 843	(16 375)
Tax at the applicable tax rate of 28% (2020: 28%)	14 222	18 838	(796)	4 585
Tax effect of:				
Non-deductible expenses*	(1 736)	(6 812)	(336)	(2 914)
Current year losses for which no deferred tax asset has been recognised	(9 143)	(493)	-	(492)
Prior year underprovision	4 829	3 126	2 456	(447)
	8 172	**14 659**	**1 324**	**732**

**non-deductible expenses primarily comprise share-based payments expenses and imputed interest expense.*

26. REVALUATION RESERVE

	GROUP		COMPANY	
Figures in Rand Thousands	**2021**	**2020**	**2021**	**2020**
Balance at the beginning of the year	598	-	-	-
Other comprehensive income - gain on property revaluation	-	598	-	-
Balance at the end of the year	**598**	**598**	**-**	**-**

Details pertaining to the revaluation of properties are provided in note 3.

NOTES TO THE FINANCIAL STATEMENTS

27. CASH (USED IN) / GENERATED FROM OPERATIONS

	GROUP		COMPANY	
Figures in Rand Thousands	**2021**	**2020**	**2021**	**2020**
Loss/(profit) before taxation	(50 792)	(67 278)	2 843	(16 374)
CASH ADJUSTMENTS				
Interest received	(672)	(5 352)	(621)	(3 340)
Cash interest paid	6	187	3	187
Capitalised interest on convertible notes	-	264	-	264
Allocation of restricted cash	(6 136)	(551)	-	-
Right of use liability - interest expense	572	-	243	-
NON-CASH ADJUSTMENTS				
Imputed interest	4 113	4 442	-	-
Right of use liability - interest expense	-	430	-	434
Depreciation and amortisation	4 744	4 760	1 572	1 963
Loss on disposal of intangible assets	-	938	-	938
Net fair value losses/(gains) on put option contracts	10 298	(3 661)	-	-
Share-based payment expense	1 798	7 078	1 007	6 610
Deposits written off	-	143	-	-
(Profit)/loss on lease termination	(460)	78	(460)	77
Decrease in IDC provision	-	(3 649)	-	-
Decrease in leave pay accrual	(924)	-	(1 461)	-
Decrease in bonus accrual	(2 340)	-	(4 872)	-
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS				
Net foreign exchange losses	3 028	15 048	-	2 821
CHANGES IN WORKING CAPITAL				
Trade and other receivables	(1 985)	(1 050)	284	(257)
Trade and other payables	14 170	5 537	(663)	5 726
	(24 580)	**(42 636)**	**(2 125)**	**(951)**

28. CHANGES IN LIABILITES ARISING FROM FINANCING ACTIVITIES

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	GROUP 2021						
Figures in Rand Thousands	**At 1 March 2020**	**Additions**	**Non-cash movements: termination**	**Non-cash movements: additions**	**Lease payments**	**Non-cash movements: imputed interest expense and foreign exchange gains**	**At 28 February 2021**
Molopo Energy Limited	38 940	-	-	-	-	4 113 [1]	43 053
DFC, US International Development Corporation	312 242	216 282	-	-	-	(37 284) [2]	491 240
Total liabilities from financing activities	**351 182**	**216 282**	**-**	**-**	**-**	**(33 171)**	**534 293**

[1] *Imputed interest* [2] *Foreign exchange gains*

	GROUP 2020						
Figures in Rand Thousands	**At 1 March 2019**	**Additions**	**Adoption of IFRS 16**	**Settlements**	**Lease payments**	**Non-cash movements: imputed interest expense and foreign exchange losses**	**At 29 February 2020**
Molopo Energy Limited	34 498	-	-	-	-	4 442	38 940
DFC, US International Development Corporation	-	305 918				6 324	312 242
Convertible notes	5 149			(5 452)		303	-
Total liabilities from financing activities	**39 647**	**305 918**	**-**	**(5 452)**	**-**	**11 069**	**351 182**

	COMPANY 2020					
Figures in Rand Thousands	**At 1 March 2019**	**Adoption of IFRS 16**	**Settlements**	**Lease payments**	**Interest**	**At 29 February 2020**
Convertible notes	5 149	-	(5 452)	-	303	-
Total liabilities from financing activities	**5 149**	**-**	**(5 452)**	**-**	**303**	**-**

The movement in the lease liabilities is disclosed in note 16.

29. COMMITMENTS

Contingent liabilities

There are no contingent liabilities as at 28 February 2021 (2020: nil) for the Group.

Commitments

	2021		
Figures in Rand Thousands	**Spent to date**	**Contractual commitments**	**Total approved**
Capital equipment	321.6	207.5	529.1
TOTAL	**321.6**	**207.5**	**529.1**

	2020			
Figures in Rand Thousands	**Spent to date**	**Contractual commitments**	**Uncommitted**	**Total approved**
Capital equipment	231.8	268.6	11.6	512.0
TOTAL	**231.8**	**268.6**	**11.6**	**512.0**

The Board approved total project costs amounting to R529.1 million (2020: R512.0 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 contractual commitments relating to capital expenditure of R207.5 million (2020: R268.6 million) for property, plant and equipment under various contracts.

NOTES TO THE FINANCIAL STATEMENTS

30. RELATED PARTIES

RELATIONSHIPS

Subsidiary	Tetra4 (Proprietary) Limited (see note 5)
Shareholder with significant influence	CRT Investments (Proprietary) Limited MATC Investment Holdings (Proprietary) Limited
Companies controlled by Directors	CRT Investments (Proprietary) Limited MATC Investment Holdings (Proprietary) Limited Luhuhi Investments (Proprietary) Limited There were no transactions with companies controlled by Directors in the current year.

Key management personnel include Executive and Non-executive Directors and members of the Executive Committee. Refer to the directors' report for more detail.

RELATED PARTY BALANCES

	GROUP		COMPANY	
Figures in Rand Thousands	**2021**	**2020**	**2021**	**2020**
LOAN TO SUBSIDIARY (note 7)				
Balance at the beginning of the year	-	-	370 907	184 453
Loans advanced	-	-	24 868	186 454
Balance at the end of the year	**-**	**-**	**395 775**	**370 907**

	GROUP		COMPANY	
Figures in Rand Thousands	**2021**	**2020**	**2021**	**2020**
COSTS CHARGED TO SUBSIDIARY BY PARENT COMPANY				
Office rental	-	-	899	1 332
Management fees (note 19)	-	-	16 442	21 129
Vehicle rental	-	-	-	189
Total cost	**-**	**-**	**17 341**	**22 650**

Management fees are paid monthly by Tetra to Renergen for consulting services performed by Renergen.

NOTES TO THE FINANCIAL STATEMENTS

31. DIRECTORS' AND PRESCRIBED OFFICERS EMOLUMENTS

Figures in Rand Thousands	GROUP					
	NON-EXECUTIVES					
	2021			2020		
Fees paid to Non-executive Directors:	**Directors' board fees**	**Committees fees**	**Total**	**Directors' board fees**	**Committees fees**	**Total**
Brett Kimber	647	71	718	749	92	841
Mbali Swana	240	165	405	292	245	537
Luigi Matteucci	240	185	425	292	255	547
Bane Maleke	240	134	374	262	184	446
David King	240	-	240	210	-	210
	1 607	**555**	**2 162**	**1 805**	**776**	**2 581**

[1] *Francois Olivier appointed as a non-executive Director in November 2019 to represent Mazi Capital (one of Renergen's shareholders) does not earn Directors fees.*

Figures in Rand Thousands	GROUP							
	EXECUTIVES							
	2021				2020			
Remuneration paid to Executive Directors:	**Total annual guaranteed package**	**Short-term cash incentive paid**	**Share incentive**	**Total**	**Total annual guaranteed package**	**Short-term cash incentive paid**	**Share incentive**	**Total**
Stefano Marani	4 000	1 003	1 003	6 006	3 675	533	533	4 741
Fulu Ravele	2 721	486	486	3 693	2 459	216	216	2 891
Nick Mitchell	4 000	1 003	1 003	6 006	3 675	328	328	4 331
	10 721	**2 492**	**2 492**	**15 705**	**9 809**	**1 077**	**1 077**	**11 963**

Figures in Rand Thousands	GROUP							
	PRESCRIBED OFFICERS							
	2021				2020			
Remuneration paid to Prescribed Officers:	**Total annual guaranteed package**	**Short-term cash incentive paid**	**Share incentive**	**Total**	**Total annual guaranteed package**	**Short-term cash incentive paid**	**Share incentive**	**Total**
Johan Weiderman	1 750	236	236	2 222	1 569	-	-	1 569
Khalid Patel	1 309	155	155	1 619	1 233	98	98	1 429
Mandy-Leigh Stuart	1 017	121	121	1 259	959	71	71	1 101
Muhammed Khan	1 236	147	147	1 530	1 019	-	-	1 019
	5 312	**659**	**659**	**6 630**	**4 780**	**169**	**169**	**5 118**

Prescribed officers are also members of the Executive Committee and are part of the Group's key management.

Figures in Rand Thousands	GROUP					
	EXECUTIVES AND PRESCRIBED OFFICERS					
	2021			2020		
Bonus shares granted to Executive Directors and Prescribed Officers:	**Number of shares granted ('000)**	**Fair value per share at grant date Rand**	**Value of shares at grant date (R000)**	**Number of shares granted ('000)**	**Fair value per share at grant date Rand**	**Value of shares at grant date (R000)**
Stefano Marani	74	13,55	1 003	40	8,17	328
Fulu Ravele	36	13,55	486	65	8,17	534
Nick Mitchell	74	13,55	1 003	26	8,17	216
Johan Weiderman	17	13,55	236	-	-	-
Khalid Patel	11	13,55	155	12	8,17	98
Mandy-Leigh Stuart	9	13,55	121	9	8,17	71
Muhammed Khan	11	13,55	147	-	-	-
	232		**3 151**	**152**		**1 247**

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

CATEGORIES OF FINANCIAL INSTRUMENTS

Categories of financial assets

		GROUP					
		2021			2020		
Figures in Rand Thousands	Notes	Amortised cost	Total	Fair value	Amortised cost	Total	Fair value
Restricted cash	9	19 026	19 026	19 026	12 890	12 890	12 890
Trade and other receivables	10	7 769	7 769	7 769	5 533	5 533	5 533
Derivative put options	11	-	-	-	-	-	246
Cash and cash equivalents	12	130 878	130 878	130 878	140 972	140 972	140 972
		157 673	**157 673**	**157 673**	**159 395**	**159 395**	**159 641**

		COMPANY					
		2021			2020		
Figures in Rand Thousands	Notes	Amortised cost	Total	Fair value	Amortised cost	Total	Fair value
Loan to subsidiary	7	395 775	395 775	395 775	370 907	370 907	370 907
Cash and cash equivalents	12	1 096	1 096	1 096	29 022	29 022	29 022
Trade and other receivables	10	280	280	280	564	564	564
		397 151	**397 151**	**397 151**	**400 493**	**400 493**	**400 493**

Categories of financial liabilities

		GROUP 2021			
Figures in Rand Thousands	**Notes**	**Amortised cost**	**Leases**	**Total**	**Fair value**
Trade and other payables	18	27 291	-	27 291	27 291
Borrowings	15	534 293	-	534 293	534 293
Lease liabilities	16	-	6 190	6 190	6 190
		561 584	**6 190**	**567 774**	**567 774**

		GROUP 2020			
Figures in Rand Thousands	**Notes**	**Amortised cost**	**Leases**	**Total**	**Fair value**
Trade and other payables	18	16 387	-	16 387	16 387
Borrowings	15	351 182	-	351 182	351 182
Lease liabilities	16	-	5 512	5 512	5 512
		367 569	**5 512**	**373 081**	**373 081**

		COMPANY 2021			
Figures in Rand Thousands	**Notes**	**Amortised cost**	**Leases**	**Total**	**Fair value**
Trade and other payables	18	1 353	-	1 353	1 353
		1 353	**-**	**1 353**	**1 353**

		COMPANY 2020			
Figures in Rand Thousands	**Notes**	**Amortised cost**	**Leases**	**Total**	**Fair value**
Trade and other payables	18	8 350	-	8 350	8 350
Lease liabilities	16	-	3 370	3 370	3 370
		8 350	**3 370**	**11 720**	**11 720**

NOTES TO THE FINANCIAL STATEMENTS

PRE-TAX GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

Gains and (losses) on financial assets

		GROUP			
		2021		2020	
Figures in Rand Thousands	Notes	Amortised cost	Total	Amortised cost	Total
RECOGNISED IN PROFIT OR LOSS					
Interest income	23	672	672	5 352	5 352

		GROUP			
		2021		2020	
Figures in Rand Thousands	Notes	Fair value	Total	Fair value	Total
Net fair value gains/(losses) on put option contracts	27	10 298	10 298	(3 661)	(3 661)

		COMPANY			
		2021		2020	
Figures in Rand Thousands	Notes	Amortised cost	Total	Amortised cost	Total
RECOGNISED IN PROFIT OR LOSS					
Interest income	23	621	621	3 340	3 340

Gains and (losses) on financial liabilities

		GROUP			
		2021		2020	
Figures in Rand Thousands	Notes	Amortised cost	Total	Amortised cost	Total
RECOGNISED IN PROFIT OR LOSS					
Losses on foreign exchange	22	(8 916)	(8 916)	(15 048)	(15 048)
Interest expense	24	(578)	(578)	(883)	(883)
Imputed interest expense	24	(4 113)	(4 113)	(4 442)	(4 442)
		(13 607)	**(13 607)**	**(20 373)**	**(20 373)**

		COMPANY			
		2021		2020	
Figures in Rand Thousands	**Notes**	**Amortised cost**	**Total**	**Amortised cost**	**Total**
RECOGNISED IN PROFIT OR LOSS					
Interest expense	24	(246)	(246)	(883)	(883)
Losses on foreign exchange	22	(100)	(100)	(2 821)	(2 821)
		(346)	**(346)**	**(3 704)**	**(3 704)**

CAPITAL RISK MANAGEMENT

The Group's objective when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for all other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Group's borrowings, cash and cash equivalents and equity are disclosed in notes 15, 12 and 13, respectively. Debt covenants relating to the DFC loan are disclosed in note 15.

FINANCIAL RISK MANAGEMENT

Overview

The Group is exposed to a variety of financial risks: market risk (including price risk, currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company and Group's financial performance. The principles for financial management are included in the Group's treasury policy and cover specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of cash resources.

Credit risk

Credit risk is managed on a Group basis as well as on an individual company basis. Credit risk arises mainly from restricted cash (note 9), cash and cash equivalents (note 12), trade and other receivables (note 10) and the loan to subsidiary (note 7). The Company and Group only deposit cash with major banks with high-quality credit standing and limit exposure to any one counterparty. With respect to trade receivables, it is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures which include an assessment of credit worthiness, short term liquidity and financial position. The maximum credit risk exposure of the Company and the Group is the carrying values on trade and other receivables, restricted cash, cash and cash equivalents and loan to subsidiary disclosed in notes 10, 9, 12 and 7.

NOTES TO THE FINANCIAL STATEMENTS

		GROUP					
		2021			2020		
Figures in Rand Thousands	**Notes**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Trade and other receivables	10	2 450	-	2 450	337	-	337
Restricted cash	9	19 026	-	19 026	12 890	-	12 890
Cash and cash equivalents	12	130 878	-	130 878	140 972	-	140 972
		152 354	**-**	**152 354**	**154 199**	**-**	**154 199**

		COMPANY					
		2021			2020		
Figures in Rand Thousands	**Notes**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Loan to subsidiary	7	395 775	-	395 775	370 907	-	370 907
Trade and other receivables	10	100	-	100	-	-	-
Cash and cash equivalents	12	1 096	-	1 096	29 022	-	29 022
		396 971	**-**	**396 971**	**399 929**	**-**	**399 929**

Liquidity risk

Management manages cash flow on a Group basis through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and spending is monitored for compliance with internal targets.

Figures in Rand Thousands	Notes	GROUP 2021 Within 3 months	Within 4 - 6 months	Within 7 -12 months	2 to 5 years	Over 5 years	Total	Carrying amount
NON-CURRENT LIABILITIES								
Borrowings*	15	7 211	7 211	14 422	291 134	402 151	722 129	534 293
Lease Liabilities	16	-	-	-	3 509	-	3 509	3 183
CURRENT LIABILITIES								
Trade and other payables	18	23 805	-	3 486	-	-	27 291	27 291
Lease liabilities	16	872	872	1 744	-	-	3 488	3 007
		31 888	**8 083**	**19 652**	**294 643**	**402 151**	**756 417**	**567 774**

**Amounts shown as due in 12 months relate to interest and fees that will accrue and become payable during the 12 months after 28 February 2021, and do not relate to the payment of principal on the DFC loan which becomes due and payable from August 2022. As such all borrowings are reflected as non-current in the statement of financial position. Payment terms of the borrowings are disclosed in note 15.*

Figures in Rand Thousands	Notes	GROUP 2020 Within 3 months	Within 4 - 6 months	Within 7 -12 months	2 to 5 years	Over 5 years	Total	Carrying amount
NON-CURRENT LIABILITIES								
Borrowings	15	1 647	1 647	3 294	145 389	234 569	386 546	351 182
Lease Liabilities	16	-	-	-	3 921	-	3 921	2 963
CURRENT LIABILITIES								
Trade and other payables	18	16 387	-	-	-	-	16 387	16 387
Lease liabilities	16	610	610	1 219	-	-	2 439	2 549
		18 644	**2 257**	**4 513**	**149 310**	**234 569**	**409 293**	**373 081**

					COMPANY 2021			
Figures in Rand Thousands	Notes	Within 3 months	Within 4 - 6 months	Within 7 -12 months	2 to 5 years	Over 5 years	Total	Carrying amount
CURRENT LIABILITIES								
Trade and other payables	18	1 353	-	-	-	-	1 353	1 353
		1 353	**-**	**-**	**-**	**-**	**1 353**	**1 353**

					COMPANY 2020			
Figures in Rand Thousands	Notes	Within 3 months	Within 4 - 6 months	Within 7 -12 months	2 to 5 years	Over 5 years	Total	Carrying amount
NON-CURRENT LIABILITIES								
Lease Liabilities	16	-	-	-	2 534	-	2 534	1 576
CURRENT LIABILITIES								
Trade and other payables	18	8 350	-	-	-	-	8 350	8 350
Lease liabilities	16	421	421	842	-	-	1 684	1 794
		8 771	**421**	**842**	**2 534**	**-**	**12 568**	**11 720**

Market risk

The Group's financial assets and liabilities affected by market risk include cash and cash equivalents (note 12), restricted cash (note 9) and borrowings (note 15).

Foreign currency risk

The Group is exposed to foreign exchange risk arising from the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The Group hedges its foreign currency exposure through the use of foreign currency options. The Company and Group review foreign currency exposure, including exposures arising from commitments on an ongoing basis.

Included in the statement of financial position are the following carrying values denominated in currencies other than the Rand:

		GROUP		COMPANY	
Figures in Rand Thousands	**Notes**	**2021**	**2020**	**2021**	**2020**
Restricted cash	9	16 139	10 161	-	-
Cash and cash equivalents	12	17 248	8 709	-	-
Trade and other payables	18	-	(435)	-	(146)
Financial liabilities	15	(491 241)	(312 242)	-	-
		(457 854)	**(293 807)**	**-**	**(146)**
A variation in exchange rate would impact Group post tax loss as follows:					
Weakening of Rand against the US dollar by 10%		(45 785)	(29 381)	-	-
Strengthening of Rand against the US dollar by 10%		45 785	29 381	-	-

Price risk

The Group is exposed to the risk of fluctuations in the prices of helium and CNG. The Group manages this risk through the use of contract-based prices with it customer which mitigate the volatity that may arise. As the Group grows and the Virginia Gas Plant becomes operational, the Group will consider options available to hedge its price risk exposure.

Interest rate risk

The Group's interest rate risk arises from its US International Development Corporation borrowings disclosed in note 15. This risk was managed by securing a fixed interest rate on the loan. As such, at present the Group is not exposed to variations in interest rates.

If the Group is unable to repay the Molopo loan by 31 December 2022 it will become exposed to variable interest rate risk, as interest will become payable on the loan at the prime lending rate plus 2% (see note 15).

33. LOSS PER SHARE

Figures in Rand Thousands		GROUP 2021	GROUP 2020
Loss per share			
Basic	(cents)	(36,29)	(47,92)
Diluted	(cents)	(36,29)	(47,92)
Loss attributable to equity holders of the Company used in the calculation of the 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)**	**117 454**	**109 799**
Issued shares at the beginning of the year	(000's)	117 427	100 135
Effect of shares issued during the year (weighted)	(000's)	27	9 664
Add: Dilutive share options		-	-
Weighted average number of ordinary shares used in the calculation of diluted loss per share	**(000's)**	**117 454**	**109 799**

The share options and bonus scheme shares have not been included in the weighted average number of shares used to calculate the diluted loss per share or the diluted headline loss per share as they are anti-dilutive.These options and shares are disclosed in note 14 and are anti-dilutive because of the loss position of the Group.

Headline loss per share			
Basic	(cents)	(36,29)	(47,31)
Diluted	(cents)	(36,29)	(47,31)
Reconciliation of headline loss			
Loss attributable to equity holders of the Company	R'000	(42 620)	(52 619)
Loss on disposal of intangible assets	R'000	-	938
Tax effects on loss of disposal of intangible assets	R'000	-	(263)
Headline loss	**R'000**	**(42 620)**	**(51 944)**

The headline loss has been calculated in accordance with Circular 1/2019 issued by the South African Institute of Chartered Accountants.

34. NET ASSET VALUE PER SHARE

Figures in Rand Thousands

Number of shares in issue	(000's)	117 508	117 427
Net assets	R'000	206 408	247 230
Tangible net assets	R'000	94 253	158 007
Net asset value per share	**(cents)**	**175,65**	**210,54**
Tangible net asset value per share	**(cents)**	**80,21**	**134,56**

35. 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 the 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 2021 that the redrilling of a previously abandoned well MDR1 was successful. The gas flow which 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). MDR1 returned a helium concentration of 3.15%, and wildcard well P007 a concentration of 4.38%. This helium concentration exceeds that of nearby wells owned by the Group.

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 Q4 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 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 sale of the first 110 Cryo-Vacc™ cases, following the launch of Renergen's Cryo-Vacc™ storage solution (see announcement dated 15 February 2021), for the movement of vaccines and other biologics at ultra-cold temperatures. The importance of this agreement 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 CFO of the Company.

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

R2D2 drilling update

As explained in the last quarterly update released on 31 March 2021, the Company was due to commence the drilling of well R2D2, and planned to reach the first (pre-fracture system) target at the base of the Karoo formation around the end of the first week of May. On 10 May 2021, the Company announced that it was pleased to advise that the drilling had progressed as anticipated, and the well had been drilled to the base of the Karoo formation, interpreted to be proximal to the target gas-bearing fracture system. Logging operations are underway in preparation for casing the well and applying for the requisite approvals to continue drilling in the WITS formation. Given this casing, logging and approval process is expected to take several weeks to complete, and the Company elected to relocate the drilling rig to a new site, C3PO, where it will also drill to the base of the Karoo pending the approvals to drill to final depth at the well R2D2.

Gaseous odours were detected in the deeper section of R2D2, consistent with the experience of the drilling of the successful well MDR1.

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

NOTES TO THE FINANCIAL STATEMENTS

36. COVID-19

South Africa moved to alert Level 1 of the lockdown with effect from 20 September 2020. This move recognised that the levels of COVID-19 were relatively low and there was sufficient capacity in the country's health system to manage the COVID-19 related health care needs. Staff members from both the Johannesburg and Virginia offices returned to working at the office under strict COVID-19 guidelines in September 2020. Covid-19 protocols were strictly adhered to throughout the move of the country back to Level 3 in December 2020 to ensure all employees could continue to work safely at the office. As of the date of this report, with the country back at lockdown Level 1, management have assessed that COVID-19 has resulted in delays for the original forecasted commissioning date for the Virginia Gas Project which was initially scheduled for Q2 2021. 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.

37. 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.

RENERGEN

FUTURE ENERGY, TODAY