

**APPENDIX 4E  
PRELIMINARY FINAL REPORT**



ENTITY NAME: RENERGEN LIMITED  
 Incorporated in the Republic of South Africa  
 (Registration number: 2014/195093/06)  
 JSE Share Code: REN, A2X Share Code: REN, ISIN: ZAE000202610  
 Australian Business Number (ABN): 93998352675, ASX Share Code: RLT  
 (“Reenergy” or “the Company” or together with its subsidiaries “the Group”)

Current reporting period Year ended 29 February 2024 (2024)  
 Previous period Year ended 28 February 2023 (2023)

**RESULTS ANNOUNCEMENT TO THE MARKET**

		<b>2024</b>	<b>2023</b>	<b>Change</b>	<b>Change</b>
		<b>Rm</b>	<b>Rm</b>	<b>Rm</b>	<b>%</b>
Revenue	⬆️	29.0	12.7	16.3	128.4%
Loss after tax attributable to owners of Reenergy	⬆️	110.3	26.7	83.6	313.1%
Total comprehensive loss attributable to owners of Reenergy	⬆️	110.2	26.7	83.5	312.7%
				<b>Change</b>	<b>Change</b>
		<b>Cents</b>	<b>Cents</b>	<b>Cents</b>	<b>%</b>
Basic and diluted loss per share	⬆️	75.10	19.86	55.24	278.1%

- Reenergy through its wholly owned subsidiary Tetra4 Proprietary Limited (“Tetra4”) commenced the production and sale of liquefied natural gas (“LNG”) in September 2022. LNG production steadily increased in the first half of 2024 averaging approximately 17 tonnes a day prior to the LNG plant being placed on maintenance from September 2023 to early February 2024 as fully set out in the results commentary accompanying this announcement. The positive start to the 2024 financial year contributed to an overall increase in revenue by 128.4%.
- The total comprehensive loss attributable to ordinary shareholders increased from 26.7 million to R110.2 million, or 312.7%, broadly as a result of the plant being down over 4 months during a protracted maintenance period resulting in lower than expected revenues, combined with higher costs<sup>1</sup> (employee, security, repairs and maintenance costs, depreciation, and interest) and foreign exchange losses, which were offset by a higher gross profit contribution, higher interest income, marginally lower share-based payment expenses and an increase in the deferred tax credit. A further analysis of the financial performance of the Group for the year under review is contained in the financial review accompanying this announcement.

<sup>1</sup> Following commissioning of Phase 1, certain employee costs, security costs, foreign exchange differences and interest expenses no longer qualify to be capitalised under IFRS Accounting Standards and were therefore recorded in the statement of profit or loss and other comprehensive loss resulting in significant increases in operating and interest costs of the Group for the year under review. For clarity the Group will continue to capitalise qualifying costs directly attributable to segments of the plant that are still under construction including in the near-term qualifying costs associated with the construction of Phase 2.

		2024 R	2023 R	Change R	Change %
Tangible net asset value per share	⬆	8.40	4.13	4.27	103.4%
		Rm	Rm	Change Rm	Change %
Total assets	⬆	2 709.1	1 900.9	808.2	42.5%

The increase in the Group’s tangible net asset value per share is mainly attributable to further investments in property, plant and equipment to complete Phase 1 and to progress Phase 2 of the VGP, an increase in cash and cash equivalents and restricted cash balances, and increases in trade and other receivables and inventory of the Group, which were funded primarily by debt amounting to R374.0 million and equity funding totalling R32.6 million acquired during the year under review. Year-end cash balances also include part of the proceeds received from Mahlako Gas Energy Proprietary Limited for a 5.5% interest in Tetra4 (see Fund Raising section in the accompanying announcement).

Further commentary on the Group’s assets and liabilities is provided in the financial position review accompanying this announcement.

**PRELIMINARY FINAL FINANCIAL STATEMENTS**

Please refer to pages 10 to 34 of this report wherein the following are provided:

- Consolidated statement of profit or loss and other comprehensive loss for the year ended 29 February 2024;
- Consolidated statement of financial position as at 29 February 2024;
- Consolidated statement of changes in equity for the year ended 29 February 2024;
- Consolidated statement of cash flows for the year ended 29 February 2024; and
- Notes to the consolidated financial statements.

The condensed consolidated financial statements presented have not been audited or subject to a review by the external auditors. The audit of the Group’s financial statements for the year ended 29 February 2024 is in process.

**OTHER DISCLOSURE REQUIREMENTS**

**Dividend or distribution reinvestment plans**

Regergen did not declare dividends during the year ended 29 February 2024 (2023: nil).

**Entities over which control has been gained or lost during the year**

On 16 August 2022, Regergen formed a new wholly owned subsidiary, Regergen USA Inc. (“Regergen US”), to assist with various fund raising and business development activities of the Group in the United States market (see page 25 of this report).

**Details of associates and joint ventures**

The Group does not have associates or joint ventures.

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



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## PRELIMINARY FINAL REPORT

### RESULTS COMMENTARY

Renergen achieved critical milestones in advancing its strategic initiatives during the year ended 29 February 2024 ("FY2024"), the highlights of which securing US\$535.0 million of debt funding from the United States government through the United States Development Finance Corporation ("DFC") and a further US\$260.0 million of debt from Standard Bank of South Africa ("SBSA") for the Phase 2 operations; and concluding an investment by our new partners Mahlako Gas Energy Proprietary Limited ("MGE") of R550.0 million in return for a 5.5% stake in the Virginia Gas Project ("VGP"). In addition, Renergen secured a strategic investment of US\$7.0 million from an Italian specialist gases company, SOL S.p.A in the form of a convertible debenture which converts into equity in the upcoming Nasdaq initial public offering ("Nasdaq IPO"), and a further milestone was the South African government designating the VGP as a strategic integrated project ("SIP") as defined in the Infrastructure Development Act 23 of 2014 due to its expected contribution to alleviating the energy crisis in the country by reducing reliance on energy imports whilst providing clean energy. This support, despite the challenges experienced this year, provides a strong positive indicator of the significance and viability of the VGP to investors and stakeholders.

These achievements above were however met with some unexpected operational challenges at the VGP, the Group's primary asset of which it now holds 94.5% subsequent to the sale of the 5.5% stake to MGE ("MGE Transaction"), relating to the LNG and helium operations, as previously reported. Despite these temporary setbacks, which have now been resolved, Renergen remains the only domestic onshore producer and supplier of LNG, and with its world-class Reserves is well placed to become a significant global Lhe supplier, as evidenced by the continued support of our customers, investors, and lenders.

Key developments during FY2024 are summarised below:

- FY2024 LNG production totalled 2 876 tonnes (2023: 977 tonnes).
- Conclusion of an LNG offtake agreement with Time Link Cargo ("Time Link") (supply expected to commence from the third quarter of the year ending 28 February 2025 (FY2025)) to be supplied from the remaining Phase 1 capacity).
- Approval of senior debt funding by the DFC (US\$535.0 million) and SBSA (US\$260.0 million), which includes US\$45.0 million approved for the refinancing of the existing Phase 1 debt, subject to the fulfilment of conditions precedent.
- The subscription for Renergen debentures amounting to US\$3.0 million (R56.0 million) by SOL, a transaction linked to the planned and broader initial public offering of Renergen shares on the Nasdaq Stock Market, with the remaining US\$4.0 million (R75.0 million) being subscribed for post year end.
- Completion of the MGE Transaction on 27 February 2024.
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- Identification of additional gas reservoirs from the analysis of completed gravity and aeromagnetic surveys.
- Granting of several of the Phase 2 required authorisations, licenses and / or permits including:
  - Environmental authorisation for the drilling, gas gathering pipeline and LNG and LHe processing plant including balance of plant construction and operations by the Department of Mineral Resources and Energy (“DMRE”).
  - Water Use License issued by the Department of Water and Sanitation (“DWS”) for water usage registration for the Phase 2 activities in relation to overhead power line and substation connection.
  - Environmental Authorization from the Department of Forestry, Fisheries and Environment (“DFFE”) for the Phase 2 activities in relation to overhead power line and substation connection.

## Operations review

### VGP

The VGP comprises exploration and production rights over 187 000 hectares of gas fields across Welkom, Virginia and Theunissen, in the Free State Province in South Africa. This abundance of methane and helium reserves which can be extracted at a lower cost relative to our peers provides the Group with a competitive advantage in meeting the growing demand for LNG and helium worldwide.

### Phase 1

#### LNG

There was a steady increase in LNG production during the first half of FY2024 averaging approximately 17 tonnes of LNG per day. During routine annual maintenance carried out in September 2023 which had originally been scheduled to last until December 2023, Tetra4 experienced challenges with the primary mixed refrigerant compressors which necessitated replacement of certain components. This prolonged the duration of the maintenance due to long lead times for the components. As a result of these challenges, the LNG plant was not operational from September 2023 up until early-February 2024 when LNG deliveries recommenced. This impacted FY2024 production volumes which totalled 2 876 tonnes for the year (2023: 977 tonnes). Tetra4 expects to increase LNG production over the coming months and plans to reach the maximum nameplate capacity of 50 tonnes later this year. The current drilling campaign continues with the last wells expected to be completed around H1FY25 while in parallel we construct the required gas gathering pipeline fixed infrastructure to tie in these wells. The interventions undertaken during the maintenance period will yield significant benefits and most likely lead to increased long-term uptime and production efficiency.

Tetra4 currently sells all LNG produced from its operations to two local customers and will soon onboard a third customer following the conclusion of the agreement with Timelink in May 2023. Pursuant to this agreement, Tetra4 will supply Time Link with LNG from the remainder of the Phase 1 capacity during FY2025. Time Link, a South African based company, will transition its fleet from exclusive diesel operation to a dual-fuel LNG alternative, thereby reducing costs and improving their overall emissions footprint. The LNG will be dispensed from an LNG filling station based in Time Link’s depot.

#### Helium

As previously reported, following the initial commencement of helium operations, a leak in the helium cold box required the unit to be removed from site and repaired leading to significant delays. Following a successful repair, commissioning recommenced and the system was tested using third party gaseous helium in October 2023.

### Phase 2

The Phase 2 expansion will not impact the Phase 1 operations and is expected to achieve commercial operation during the 2027 calendar year. Phase 2 will produce 684 tonnes of LNG per day and 4.2 tonnes of LHe per day once fully ramped up to name plate capacity. Several take-or-pay agreements (10–15 year) have been concluded with several top-tier global industrial companies for just over 50% of the anticipated Phase 2 LHe production. The balance of the LHe is earmarked for sales in the international spot market and / or to strategic customers that will allow the Company to participate in the existing LHe commodity price upside as we begin to participate further downstream in the value chain. Renergen expects to also contract a majority of the Phase 2 LNG on 5–8 year take-or-pay agreements, servicing the industrial, logistics and gas-to-power industries. A significant gas shortage described as a “gas cliff” by local media is expected to occur in South Africa from H2 2026. The timing of the perceived gas cliff and the expected timing of the commencement of the Phase 2 operations is coincidental but also opportune.

To date the following has been completed with respect to the Phase 2 expansion project:

- Feasibility studies and front-end engineering design;
- Worley RSA Proprietary Limited was selected for the scope of the owners engineer role;
- Environmental authorisation was granted by the DMRE for the overhead powerline to feed Phase 2 of the plant; and
- Confirmation was received from the DWS of the water usage registration for Phase 2.

Funding initiatives for the VGP are discussed in the Fund Raising section below.

## **Financial review**

### ***Fund raising***

The Group’s equity funding raising initiatives are ongoing and were successful in FY2024 relative to our targets for the year. As mentioned earlier, the Group completed the MGE Transaction which raised R550.0 million for the acquisition of a 5.5% interest in Tetra4 by MGE. Part of the proceeds from the MGE Transaction will be utilised to progress the construction of the VGP with the remainder to be used to repay the debt owed to SBSA.

The Company’s other equity transactions raised a further R32.6 million as outlined in note 5.

The conclusion of the SBSA bridge loan of R303.0 million and the subscription for Renergen debentures amounting US\$3.0 million (R56.0 million) by SOL were previously highlighted in our results for the six months ended 31 August 2023. Proceeds from these debt arrangements were mainly used to progress the construction of the VGP.

The construction of Phase 2 is expected to cost US\$1.2 billion. In addition to the equity proceeds available from the MGE Transaction, US\$795.0 million of debt financing has been secured from the DFC and SBSA which have approved debt amounting US\$535.0 million and US\$260.0 million respectively, which includes US\$45.0 million for the refinancing of the existing Phase 1 debt package subject to the fulfilment of standard conditions precedent – mainly the completion of an equity capital raise, which may include the Nasdaq IPO, and other conditions that are standard for loans of this nature and similar to those that were in place for Phase 1 funding. The Nasdaq IPO is expected to occur in two tranches which should lead to significantly reduced dilution over time. In order to mitigate risk from an execution perspective, the first placement will be sufficient to see the Group bring a 30 million standard cubic feet plant into operation.

A plant of this size is sufficient to cover all debt payments while still producing healthy profits. The second placement which is not expected to occur within the first 12 months of the first placement, will see the plant expanded to a 45 million standard cubic feet capacity.

### ***Financial performance***

Broadly, the commissioning of Phase 1 of the VGP in the prior year and the challenges experienced with the primary mixed refrigerant compressors at the LNG plant during the second half of FY2024 had a significant impact on the financial performance of the Group. Whilst the commissioning of Phase 1 had a positive effect on the overall gross profit contribution from LNG operations, it impacted the accounting basis for several of the Group's costs which were previously capitalised during the construction of Phase 1 of the plant. Following the commissioning of Phase 1, these costs no longer qualify to be capitalised under IFRS Accounting Standards and were therefore recorded in the statement of profit or loss and other comprehensive loss resulting in significant increases in operating and interest costs of the Group. The commissioning of Phase 1 also triggered the depreciation of assets which had been brought into use which resulted in significantly higher depreciation charges for the year compared to the prior year (classified within operating costs). On the other hand, challenges with the primary mixed refrigerant compressors necessitated repairs which resulted in a substantial increase in repairs and maintenance costs of the Group for the year under review (included under operating expenses). The increases in operating and interest costs were partially offset by increases in the gross profit contribution as mentioned, higher interest income, marginally lower share-based payment expenses and an increase in the deferred tax credit for the year due to the higher loss position of the Group. Overall, the Group reported a loss after taxation of R109.8 million (2023: R26.7 million) with a corresponding loss per share of 75.10 cents (2023: 19.86 cents).

#### *Gross profit contribution*

The implementation of the strategic plan to ramp up Phase 1 LNG operations resulted in increased production year-on-year despite the challenges experienced with the plant. Production averaged 17 tonnes per day before the plant was placed on maintenance between September 2023 and early February 2024. Overall, LNG produced during the year totalled 2 876 tonnes compared to 977 tonnes in the prior year, an increase of 194%, resulting in reported revenue of R29.0 million (2023: R12.7 million), an increase of 128%. The gross profit contribution for the year therefore increased by R6.1 million to R10.1 million (2023: R4.0 million), an increase of 153%.

#### *Other operating and interest expenses*

Operating expenses increased by R104.0 million to R146.9 million (2023: R42.9 million) year-on-year. Factors which broadly impacted these expenses are summarised below:

- IFRS Accounting Standards permits the capitalisation of costs, including interest costs (see interest expense section below) and exchange differences, directly attributable to the acquisition or construction of a qualifying asset. As reflected in our past reporting, prior to the commissioning of Phase 1 of the VGP, the Group capitalised within assets under construction qualifying employee costs, interest costs, exchange differences and security costs, amongst other costs. Capitalisation of costs attributable to the construction of Phase 1 ceased when the plant was commissioned in September 2022 and the referred costs are now recorded within operating expenses. For clarity, the Group will continue to capitalise qualifying costs directly attributable to segments of the plant that are still under construction including in the near-term qualifying costs associated with the construction of Phase 2. The change in accounting outlined in this paragraph had the following impact on key operating expenses:
  - Employees costs increased by R22.9 million to R25.7 million (2023: R2.8 million);
  - Security costs increased by R7.2 million to R7.5 million (2023: R0.3 million); and
  - A net foreign exchange loss of R14.7 million was recognised primarily on the DFC loans (2023: net foreign exchange gain of R9.6 million included under other operating income).
- As previously mentioned, the Group commenced the depreciation of plant and equipment and motor vehicles which were brought into use from July 2023 which significantly increased the depreciation and amortisation expense by R15.4 million to R18.4 million (2023: R3.0 million). The repairs and

maintenance which were undertaken during the second half of the year to repair the primary mixed refrigerant compressors also resulted in an increase in repairs and maintenance costs by R16.6 million to R17.0 million (2023: R0.4 million).

- The Group's remaining operating costs increased by R27.2 million to R63.6 million (2023: R36.4 million) mainly due to increased operations relative to the prior year. This cost base primarily includes health and safety costs, insurance, travel costs, IT expenses, selling and distribution costs and marketing and advertising costs.

#### *Interest expenses*

Interest expenses increased by R18.1 million to R22.7 million (2023: R4.6 million) year-on-year mainly impacted by the change in accounting highlighted above. A less significant contributing factor was the increase of R3.5 million in imputed interest on the rehabilitation provision.

#### *Share-based payments expense*

The share-based payments expense decreased by R2.2 million to R8.1 million (2023: R10.3 million) impacted mainly by less share scheme awards in the current year relative to the prior year, the vesting of bonus share scheme awards and the lapsing of awards under the Share Appreciations Rights Plan.

#### *Interest income*

Interest income increased by R7.2 million to R10.9 million (2023: R3.7 million) year-on-year mainly due to interest earned on finance lease arrangements (with Group as lessor) which was higher by R4.4 million as the finance leases were in place for a full year compared to a partial year in the previous year. Interest on cash balances was also higher by R1.9 million relative to the prior year due to higher cash balances from the Company's fund-raising initiatives and higher interest rates during the year under review.

#### *Deferred taxation credit*

The Group reported a deferred taxation credit of R37.2 million (2023: R9.7 million) mainly reflecting the impact of increased unutilised tax losses of the Group.

### **Financial position**

The Group's net asset value ("NAV") increased by R481.0 million to R1.321 billion (2023: R0.840 billion), an increase of 57% and broadly a positive reflection of the progress on the VGP and the Group's fund-raising initiatives. Specifically, the growth in NAV can be attributed to the following:

- Further investments in the Group's property, plant and equipment ("PPE") and intangible assets aided mostly by debt and equity funding acquired during the year (see Fund Raising section). The Group's PPE and intangible assets increased by R345.8 million year-on-year, on a net basis, primarily reflecting expenditure to increase the capacity of the plant (gas gathering and additional exploratory drilling expenditure) and the progression of Phase 2 of the VGP. For purposes of the cash flow statement additional investments in the Group's PPE and intangible assets totalled R303.7 million exclusive of capitalised borrowing costs and non-cash additions attributable to right-of-use assets. The Group's PPE and intangible assets totalled R1.959 billion as at 29 February 2024 (2023: R1.614 billion).
- An increase in the deferred taxation asset by R37.2 million to R90.4 million (2023: R53.2 million) as highlighted under the Performance Review section.
- An increase in restricted cash balances by R12.5 million to R104.5 million (2023: R92.0 million) primarily reflecting the impact of a weaker exchange rate on the US Dollar denominated DFC Debt Service Reserve Account ("DSRA") and a higher prime lending rate on the Industrial Development Corporation ("IDC") borrowings which affect the translation of year end balances and future repayment obligations, respectively. The Group is required to retain funds relating to future repayment obligations for the IDC and DFC debt for any given six-month period in DSRA's.

- An increase in cash and cash equivalents by R415.4 million to R471.1 million (2023: R55.7 million). The cash and cash equivalents as at 29 February 2024 mainly reflect the proceeds from the MGE Transaction.
- The Group's trade and other receivables and inventory increased marginally by R3.0 million reflecting an overall increase in operations year-on-year.

Increases in the above assets were offset by:

- Increases in borrowings by R325.2 million to R1.236 billion (2023: R0.911 billion), on a net basis, primarily reflecting the acquisition of new debt totalling R374.0 million mainly from SOL and SBSA, interest expenses totalling R106.3 million<sup>1</sup>, foreign exchange losses totalling R29.7 million<sup>2</sup>, repayments totalling R175.2 million and a decrease of R9.6 million in the Molopo loan following remeasurement.
- A net increase of R2.2 million in the Group's remaining liabilities primarily reflecting an increase in lease liabilities attributable to the lease of the head office building, offset by a decrease in trade and other payables.
- A net decrease of R5.6 million in the Group's finance lease receivables mainly reflecting the impact of repayments made with respect to amounts owed to the Group by lessees.

*1– R90.7 was capitalised to PPE and R15.4 million is included in the interest expense in the statement of profit or loss and other comprehensive loss.*

*2–R16.5 million was capitalised to PPE and R13.5 million is included in the foreign exchange loss of R14.7 million included in operating expenses.*

### Changes in directorate

Refer to note 15 for changes in directors post the reporting period. There were no other changes to directors for the year under review and up until the date of this report.

### Litigation update

As reported in our 2023 Integrated Annual Report, it is reiterated that the Group, represented by its subsidiary Tetra4, continues to be involved in ongoing legal proceedings as outlined below. Despite the absence of significant developments or alterations in the status of all of these matters since the previous report, it is important to acknowledge the inherent uncertainty in predicting the outcomes of ongoing legal proceedings. Nevertheless, the Group's management remains steadfast in its confidence that the resolution of any pending legal matter, whether assessed independently or in aggregate, will not have a substantial impact on the Group's financial position, cash flows, or operational activities.

#### *Legal Proceedings Involving African Carbon Energy Proprietary Limited ("Africary")*

Africary continues to pursue a mining right application for underground coal gasification in areas that overlap with Tetra4's Production Right. The proposed method of underground coal gasification may potentially diminish Tetra4's capacity to extract gas from the area of the Production Right where the overlap exists. Tetra4 submitted objections in respect of the said application to the relevant authorities. Tetra4 maintains confidence that the mining right will not be granted, given Tetra4's priority in right and application, reinforced by established case law supporting our legal stance.

#### *Legal Proceeding involving, amongst other, the National Energy Regulator of South Africa ("NERSA")*

On or about December 2021, Tetra4 initiated motion proceedings in the High Court of South Africa to seek clarification on the jurisdiction of NERSA regarding certain operational activities. Tetra4 contends that these activities fall under the regulatory purview of the Production Right granted in accordance with the Mineral and Petroleum Resources Development Act 28 of 2002. The sought-after order aims to



resolve the ambiguity and potential contradictions arising from disparate sets of legislation affecting Tetra4. Notably, Tetra4 already holds all necessary licenses, and this action seeks legal clarity on the regulatory framework governing upstream versus downstream operations. The matter is now poised for adjudication, and proceedings will advance through the legal process accordingly.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

The Consolidated Statement of Financial Position of the Group as at 29 February 2024 is set out below:

R'000	Notes	2024	2023
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>2 110 001</b>	<b>1 729 356</b>
Property, plant and equipment	2	1 877 132	1 371 748
Intangible assets	3	82 212	241 842
Deferred taxation	11.2	90 435	53 236
Restricted cash		17 243	14 435
Finance lease receivables		42 979	48 095
<b>Current assets</b>		<b>599 126</b>	<b>171 525</b>
Inventory		2 073	147
Restricted cash		87 300	77 552
Finance lease receivables		5 969	6 464
Trade and other receivables		32 709	31 657
Cash and cash equivalents	4	471 075	55 705
<b>TOTAL ASSETS</b>		<b>2 709 127</b>	<b>1 900 881</b>
<b>EQUITY AND LIABILITIES</b>			
Stated capital	5	1 170 059	1 134 750
Share-based payments reserve		26 445	21 099
Other reserves		628	598
Accumulated profit/(loss)		46 515	(316 243)
<b>Equity attributable to equity holders of Regergen</b>		<b>1 243 647</b>	<b>840 204</b>
Non-controlling interest	6	77 456	-
<b>TOTAL EQUITY</b>		<b>1 321 103</b>	<b>840 204</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>		<b>816 467</b>	<b>860 323</b>
Borrowings	7	748 659	806 558
Lease liabilities		11 613	1 108
Deferred revenue		15 743	15 093
Provisions		40 452	37 564
<b>Current Liabilities</b>		<b>571 557</b>	<b>200 354</b>
Borrowings	7	487 470	104 457
Trade and other payables		82 272	92 313
Lease liabilities		1 815	1 184
Provisions		-	2 400
<b>TOTAL LIABILITIES</b>		<b>1 388 024</b>	<b>1 060 677</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2 709 127</b>	<b>1 900 881</b>

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE LOSS**

The Consolidated Statement of Profit and Loss and Other Comprehensive Loss of the Group for the 12-month period ended 29 February 2024 is set out below:

R'000	Notes	2024	2023
Revenue	9	28 952	12 687
Cost of sales		(18 885)	(8 684)
<b>Gross profit</b>		<b>10 067</b>	<b>4 003</b>
Other operating income		9 778	13 630
Share-based payments expense		(8 074)	(10 278)
Other operating expenses	10	(146 868)	(42 879)
<b>Operating loss</b>		<b>(135 097)</b>	<b>(35 524)</b>
Interest income		10 853	3 675
Interest expense and imputed interest		(22 747)	(4 583)
<b>Loss before taxation</b>		<b>(146 991)</b>	<b>(36 432)</b>
Taxation	11.1	37 199	9 707
<b>LOSS FOR THE YEAR</b>		<b>(109 792)</b>	<b>(26 725)</b>
<b>Other comprehensive income:</b>			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operation		(74)	-
Items that may not be reclassified to profit or loss in subsequent periods:			
Revaluation of properties		110	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>36</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(109 756)</b>	<b>(26 725)</b>
<b>Loss attributable to:</b>			
Owners of Regergen		(110 273)	(26 725)
Non-controlling interest		481	-
<b>LOSS FOR THE YEAR</b>		<b>(109 792)</b>	<b>(26 725)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of Regergen		(110 243)	(26 725)
Non-controlling interest		487	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(109 756)</b>	<b>(26 725)</b>
<b>Loss per ordinary share</b>			
Basic and diluted loss per share (cents)	12	(75.10)	(19.86)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

The Consolidated Statement of Changes in Equity of the Group for the 12-month period ended 29 February 2024 is set out below:

R'000	Share capital	Share-based payments reserve	Revaluation reserve	Foreign currency translation reserve	Accumulated profit/(loss)	Total equity attributable to equity holders of Reenergen	Non-controlling interest ("NCI")	Total equity
<b>BALANCE AT 28 FEBRUARY 2022</b>	<b>563 878</b>	<b>11 354</b>	<b>598</b>	<b>-</b>	<b>(289 518)</b>	<b>286 312</b>	<b>-</b>	<b>286 312</b>
Loss for the year	-	-	-	-	(26 725)	(26 725)	-	(26 725)
Total comprehensive loss for the year	-	-	-	-	(26 725)	(26 725)	-	(26 725)
Issue of shares	574 447	(533)	-	-	-	573 914	-	573 914
Share issue costs	(3 575)	-	-	-	-	(3 575)	-	(3 575)
Share-based payments expense	-	10 278	-	-	-	10 278	-	10 278
<b>BALANCE AT 28 FEBRUARY 2023</b>	<b>1 134 750</b>	<b>21 099</b>	<b>598</b>	<b>-</b>	<b>(316 243)</b>	<b>840 204</b>	<b>-</b>	<b>840 204</b>
Loss for the year	-	-	-	-	(110 273)	(110 273)	481	(109 792)
Other comprehensive income for the year	-	-	104	(74)	-	30	6	36
Total comprehensive loss for the year	-	-	104	(74)	(110 273)	(110 243)	487	(109 756)
Sale of interest in Tetra4	-	-	-	-	473 031	473 031	76 969	550 000
Issue of shares	35 309	(2 728)	-	-	-	32 581	-	32 581
Share-based payments expense	-	8 074	-	-	-	8 074	-	8 074
<b>BALANCE AT 29 FEBRUARY 2024</b>	<b>1 170 059</b>	<b>26 445</b>	<b>702</b>	<b>(74)</b>	<b>46 515</b>	<b>1 243 647</b>	<b>77 456</b>	<b>1 321 103</b>
Notes	8						6	

**CONSOLIDATED STATEMENT OF CASH FLOWS**

The Consolidated Statement of Cash Flows of the Group for the 12- month period ended 29 February 2024 is set out below:

<b>R'000</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Cash flows used in operating activities</b>		<b>(53 847)</b>	<b>(70 596)</b>
Cash used in operations	13	(64 700)	(72 903)
Interest received		10 853	2 307
<b>Cash flows used in investing activities</b>		<b>(303 740)</b>	<b>(440 781)</b>
Investment in property, plant and equipment	2	(221 874)	(352 448)
Disposal of property, plant and equipment		-	55
Investment in intangible assets	3	(81 866)	(88 388)
<b>Cash flows from financing activities</b>		<b>773 717</b>	<b>470 925</b>
Ordinary shares issued for cash	5	32 581	573 914
Share issue costs	5	(2 208)	(1 367)
Proceeds from part-disposal of interest in Tetra4	6	550 000	-
Repayment of borrowings – capital	7	(105 245)	(56 114)
Repayment of interest on borrowings	7	(69 999)	(43 072)
Interest paid on leasing and other arrangements		(3 683)	(308)
Proceeds from borrowings	7	373 972	-
Payment of lease liabilities – capital		(1 701)	(2 128)
<b>TOTAL CASH MOVEMENT FOR THE YEAR</b>		<b>416 130</b>	<b>(40 452)</b>
Cash and cash equivalents at the beginning of the year	4	55 705	95 088
Effects of exchange rate changes on cash and cash equivalents		(760)	1 069
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	4	<b>471 075</b>	<b>55 705</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**1. Basis of preparation**

The consolidated financial statements for the year ended 29 February 2024 have been prepared in accordance with the framework concepts, the recognition and measurement criteria of IFRS Accounting Standards and in accordance with and containing the information required by the International Accounting Standard 34: Interim Financial Reporting (IAS 34) as issued by the International Accounting Standards Board (IASB), the South African Reporting Requirements, the ASX Listing Rules and the requirements of the South African Companies Act of 2008, as amended. The consolidated financial statements have been prepared on the historical cost basis except for land that is carried at a revalued amount. Significant accounting policies applied in the preparation of the consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated financial statements. Amendments to accounting standards and new accounting pronouncements which came into effect for the first time during the financial year did not have a material impact on the Group.

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

JSE shareholders should note that this form does not meet the JSE reporting requirements as this information is issued in line with the ASX Listing Rules. The extracted summarised consolidated financial statements presented in this report have not been audited or reviewed by the Group’s external auditor.

**2. Property, plant and equipment**

R’000	2024			2023		
	Cost or valuation	Accumulated depreciation	Net book value	Cost or valuation	Accumulated depreciation	Net book value
Assets under construction	1 284 461	-	1 284 461	1 342 450	-	1 342 450
Development asset	238 962	(997)	237 965	-	-	-
Right-of-use asset – head office building	12 684	(1 101)	11 583	-	-	-
Land – at revalued amount	3 600	-	3 600	3 473	-	3 473
Plant and machinery	338 216	(24 446)	313 770	23 164	(13 504)	9 660
Furniture and fixtures	1 582	(982)	600	1 240	(846)	394
Motor vehicles	17 224	(4 458)	12 766	10 375	(1 924)	8 451
Office equipment	287	(162)	125	243	(135)	108
IT equipment	1 148	(986)	162	1 148	(772)	376
Right-of-use assets – motor vehicles	5 671	(3 475)	2 196	5 603	(2 488)	3 115
Office building	2 065	(888)	1 177	2 065	(682)	1 383
<b>Lease hold improvements:</b>						
Office equipment	142	(142)	-	142	(140)	2
Furniture and fixtures	10 321	(1 594)	8 727	3 064	(728)	2 336
<b>TOTAL</b>	<b>1 916 363</b>	<b>(39 231)</b>	<b>1 877 132</b>	<b>1 392 967</b>	<b>(21 219)</b>	<b>1 371 748</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Property, plant and equipment (continued)

2024 R'000	At 1 March 2023	Revaluation	Derecog- nition <sup>1</sup>	Environ- mental rehabilita- tion costs	Transfers <sup>2</sup>	Additions	Depreciation	At 29 February 2024
Assets under construction	1 342 450	-	-	(3 055)	(322 062)	267 128	-	1 284 461
Development asset <sup>3</sup>	-	-	-	-	238 962	-	(997)	237 965
Right-of-use asset – head office building	-	-	-	-	-	12 684	(1 101)	11 583
Land – at revalued amount	3 473	127	-	-	-	-	-	3 600
Plant and machinery	9 660	-	-	-	315 052	-	(10 942)	313 770
Furniture and fixtures	394	-	-	-	-	342	(136)	600
Motor vehicles	8 451	-	-	-	7 010	-	(2 695)	12 766
Office equipment	108	-	-	-	-	44	(27)	125
IT equipment	376	-	-	-	-	-	(214)	162
Right-of-use assets – motor vehicles	3 115	-	(915)	-	-	984	(988)	2 196
Office building	1 383	-	-	-	-	-	(206)	1 177
<b>Lease hold improvements:</b>								
Office equipment	2	-	-	-	-	-	(2)	-
Furniture and fixtures	2 336	-	-	-	-	7 257	(866)	8 727
<b>TOTAL</b>	<b>1 371 748</b>	<b>127</b>	<b>(915)</b>	<b>(3 055)</b>	<b>238 962</b>	<b>288 439</b>	<b>(18 174)</b>	<b>1 877 132</b>

1 – The Group derecognised a leased motor vehicle with a book value of R0.9 million which was stolen during the year.

2 – Plant and equipment and motor vehicles totalling R322.1 million were brought into use during the year under review resulting in transfers out of assets under construction to plant and equipment (R315.1 million) and motor vehicles (R7.0 million).

3 – Costs amounting to R239.0 million were transferred from exploration and development costs due to the commercial viability of the extraction of LNG being demonstrable.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**2. Property, plant and equipment (continued)**

***Pledge of assets***

Tetra4 concluded finance agreements with the DFC on 20 August 2019 and the IDC on 17 December 2021 (see note 7). All assets under construction and the land are held as security for the debt under these agreements. Pledged assets under construction and land have a carrying amount of R1.3 billion as at 29 February 2024 (2023: R1.3 billion), representing 100% (2023: 100%) of each of these asset categories.

***Additions and borrowing costs***

Additions include foreign exchange differences attributable to the DFC loan and interest capitalised as part of borrowing costs in line with the Group’s policy. These costs and exchange differences were capitalised within assets under construction. Additions also include non-cash additions to right-of-use assets. The Group’s borrowings are disclosed in note 7.

A reconciliation of additions to exclude the impact of capitalised borrowing costs (inclusive of foreign exchange differences) and non-cash additions to right-of-use assets is provided below:

<b>R’000</b>	<b>2024</b>	<b>2023</b>
Additions as shown above	288 439	610 667
Capitalised interest attributable to the DFC loan (note 7)	(32 927)	(38 846)
Unrealised foreign exchange losses attributable to the DFC loan (note 7)	(16 548)	(120 290)
Capitalised interest attributable to the IDC loan (note 7)	(23 398)	(23 950)
Capitalised interest attributable to the SBSA bridge loan (note 7)	(30 798)	-
Capitalised interest attributable to the AIRSOL debentures (note 7)	(3 648)	-
Net movement in accruals attributable to assets under construction	54 422	(74 057)
Non-cash additions to right-of-use assets	(13 668)	(1 076)
<b>Additions as reflected in the cash flow statement</b>	<b>221 874</b>	<b>352 448</b>

***Capital commitments***

Capital commitments attributable to assets under construction are disclosed in note 14.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 3. Intangible assets

R'000	2024			2023		
	Cost	Accumulated amortisation and impairment	Net book value	Cost	Accumulated amortisation and impairment	Cost
<b>Acquired intangible assets</b>						
Exploration and development costs	56 031	(32)	55 999	217 459	(32)	217 427
Computer software	9 568	(3 907)	5 661	6 647	(1 373)	5 274
<b>Internally developed intangible assets</b>						
Development costs – Cryo-Vacc™	17 070	-	17 070	15 666	-	15 666
Development costs – Helium Tokens System	3 482	-	3 482	3 475	-	3 475
<b>TOTAL</b>	<b>86 151</b>	<b>(3 939)</b>	<b>82 212</b>	<b>243 247</b>	<b>(1 405)</b>	<b>241 842</b>

2024 R'000	At 1 March 2023	Additions – separa- tely acquired	Additions – internally developed	Transfers <sup>1</sup>	Amorti- sation	At 29 February 2024
Exploration and development costs	217 427	77 534	-	(238 962)	-	55 999
Computer software	5 274	2 921	-	-	(2 534)	5 661
Development costs – Cryo-Vacc™	15 666	-	1 404	-	-	17 070
Development costs – Helium Tokens System	3 475	-	7	-	-	3 482
<b>TOTAL</b>	<b>241 842</b>	<b>80 455</b>	<b>1 411</b>	<b>(238 962)</b>	<b>(2 534)</b>	<b>82 212</b>

<sup>1</sup>- Costs amounting to R239.0 million were transferred to property, plant and equipment due to the commercial viability of the extraction of LNG being demonstrable.

**Impairment of exploration and development costs**

A Reserve and Resource Evaluation Report (“Evaluation Report”) was completed as at 28 February 2023 by Sproule Incorporated (“Sproule”), an independent sub-surface consultancy based in Calgary, Canada (report was completed and issued in August 2023). The evaluation was both an engineering and an economic update, based on technical and economic data supplied by Tetra4, and has an effective date of 28 February 2023. Material changes to this Evaluation Report compared to the last one completed in 2021 were reservoir category changes; updates to capital expenditure and operating costs, currency exchange rates and methane and helium prices; and updates to the field development plan. The impairment assessment as at 29 February 2024 is based on the Evaluation Report (as at 28 February 2023), and management has not obtained an updated evaluation report due to the available headroom.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**3. Intangible assets (continued)**

The independent Reserve and Resource estimates and associated economics contained in the Evaluation Report were prepared in accordance with SEC rules and guidance as well as generally accepted geoscience and petroleum engineering and evaluation principles. Proved Plus Probable Helium and Methane Reserves (“2P Gas Reserves”) measured at 372.9 billion cubic feet (“BCF”) as at 28 February 2023 (2021: 420.5 BCF) with a net present value of R42.12 billion (2021: R31.0 billion).

The net present value above equates to the recoverable amount which was determined using value-in-use calculations where future estimated cash flows attributable to the 2P Gas Reserves were discounted at 10% (2021: 15%). In order to determine whether the Group’s exploration and evaluation assets were impaired as at 29 February 2024 the carrying amount of these assets of R56.0 million (2023: R217.4 million) was compared to the recoverable amount of R42.12 billion (2023: R31.0 billion) which resulted in no impairment charge being recognised for the year under review (2023: Rnil).

Management concluded that the impairment assessment is not sensitive to a change in the recoverable amount or other factors due to the significant headroom of R42.06 billion (2023: R30.8 billion), being the difference between the carrying amount of exploration and evaluation assets of R56.0 million (2023: R217.4 million) and their recoverable amount of R42.12 billion (2023: R31.0 billion).

The recoverable amount of R42.12 billion (2023: R31.0 billion) was determined from value-in-use calculations based on cash flow projections from formally approved budgets covering a fifteen-year period from commencement of operations, which takes into account the life of the VGP. The key assumptions used include: (i) estimated future production based on 2P Gas Reserves accordingly probability weighted, (ii) hydrocarbon prices estimated to be reasonable using empirical data, current prices and prices used in making its exploration and development decisions, and (iii) future operating and development costs as estimated by the Tetra4 and reviewed for reasonableness by Sproule.

Methane prices	A methane price of R357/Mmbtu which was held constant over the life of the project (2023: R250/Mmbtu which was escalated at the South African CPI of 3.2%/year (as reported in the March 2021 StatsSA Statistical Survey) and was held constant once the initial price had doubled).
Helium prices	The initial helium price of R5 904/Mcf which was held constant over the life of the project (2023: R3 555/Mcf (US\$237/Mcf) was escalated at the average US CPI of 2.4%/year and was held constant once the initial price had doubled).
Discount rate	10% (2023: 15%). The discount rate was aligned with that used by other market participants in the USA where the Company intends to complete the Nasdaq IPO, previously prepared in accordance with the Society of Petroleum Engineers (SPE), Petroleum Resources Management (PRMS) guidance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Cash and cash equivalents

Cash and cash equivalents consist of:

R'000	2024	2023
Cash at banks and on hand	24 711	17 301
Short-term deposits	446 364	38 404
<b>TOTAL</b>	<b>471 075</b>	<b>55 705</b>

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 R0.3 million (2023: R5.8 million) denominated in Australian Dollars. The amounts denominated in US Dollars at 29 February 2024 are immaterial (2023: immaterial). The Group banks with financial institutions with a ba2 Moody's standalone credit rating.

5. Stated capital

	2024	2023
<b>Authorised number of shares</b>	<b>'000</b>	<b>'000</b>
500 000 000 no par value shares	500 000	500 000
<b>Reconciliation of number of shares issued:</b>		
Balance at 1 March	144 748	123 934
Issue of shares – ordinary shares issued for cash	2 580	20 777
Issue of shares – share incentive scheme, non-cash	201	37
<b>BALANCE AT 29/28 FEBRUARY</b>	<b>147 529</b>	<b>144 748</b>
<b>Reconciliation of issued stated capital:</b>	<b>R'000</b>	<b>R'000</b>
Balance at 1 March	1 134 750	563 878
Issue of shares	35 309	574 447
Issue of shares – ordinary shares issued for cash	32 581	573 914
Issue of shares – share incentive scheme, non-cash	2 728	533
Share issue costs <sup>1</sup>	-	(3 575)
<b>BALANCE AT 29/28 FEBRUARY</b>	<b>1 170 059</b>	<b>1 134 750</b>

<sup>1</sup> Share issue costs paid as at 28 February 2023 totalled R1.4 million as presented in the statement of cash flows and the remaining amount of R2.2 million was unpaid at year end (paid in the current financial year).

Shares issued for cash during the year under review comprise:

2024		Number of shares issued '000	Issue price Rand	Value of shares issued R'000 <sup>2</sup>
<b>Nature</b>	<b>Date</b>			
Issue of shares on the Johannesburg Stock Exchange	17 May 2023	545	18.30	10 000
Exercise of options <sup>3</sup>	Various	2 035	11.10	22 581
<b>Total</b>		<b>2 580</b>		<b>32 581</b>

<sup>2</sup> The value of shares issued is impacted by rounding.

<sup>3</sup> Issue price represents the average exercise price of the options exercised during the year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**6. Non-controlling interest**

Tetra4, a 94.5% owned subsidiary of the Company (as at 29 February 2024), has a material NCI. Tetra4 is the only subsidiary of the Company with a NCI.

On 27 February 2024, the Company disposed of a 2.85% interest in Tetra4 to MGE. The fair value of the consideration received was R285.0 million. On the same day, MGE acquired a further 2.65% interest in Tetra4 by subscribing for shares in Tetra4 for R265.0 million (fair value of consideration). The carrying amount of Tetra4's net assets on the 27 February 2024 was R1 399.4 million. The net assets attributable to a 5.5% interest on that date amounted to R77.0 million. Accordingly, the Group recognised an increase in NCI of R77.0 million and an increase in equity attributable to equity holders of Regergen amounting to R473.0 million.

Tetra4's summarised financial information, before intra-group eliminations, is presented below together with amounts attributable to NCI.

R'000	2024
<b>Summarised statement of profit or loss and other comprehensive loss (100%)</b>	
Revenue	28 952
Cost of sales	(18 885)
<b>Gross profit</b>	<b>10 067</b>
Other operating income	9 778
Share-based payments expense	(1 767)
Other operating expenses	(109 787)
<b>Operating loss</b>	<b>(91 709)</b>
Interest income	9 074
Interest expense and imputed interest	(21 697)
Taxation	33 335
<b>Loss for the year</b>	<b>(70 997)</b>
Other comprehensive loss for the year	-
<b>Total comprehensive loss for the year</b>	<b>(70 997)</b>
<b>Summarised statement of financial position (100%)</b>	
Non-current assets	2 064 920
Current assets	309 423
Non-current liabilities	(805 632)
Current liabilities	(145 511)
<b>Summarised cash flows (100%)</b>	
Cash flows used in operating activities	(27 116)
Cash flows used in investing activities	(295 077)
Cash flows generated from financing activities	470 219
<b>Net increase in cash and cash equivalents</b>	<b>148 026</b>

Tetra4 did not declare a dividend during the year under review (2023: Rnil). Tetra4's operations are included under the Tetra4 segment (see note 8).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Non-controlling interest (continued)

The comprehensive loss attributed to the NCI is outlined below:

2024	NCI in subsidiary %	Total comprehensive income allocated to NCI R'000	Accumulated NCI R'000
Tetra4	5.5	(487)	77 456

7. Borrowings

R'000	2024	2023
<b>Non-current liabilities at amortised cost</b>	<b>748 659</b>	<b>806 558</b>
Molopo Energy Limited ("Molopo")	46 960	51 036
DFC	540 957	598 394
IDC	160 742	157 128
<b>Current liabilities at amortised cost</b>	<b>487 470</b>	<b>104 457</b>
DFC	83 224	79 786
IDC	12 695	24 671
SBSA	333 798	-
AIRSOL	57 753	-
<b>Total</b>	<b>1 236 129</b>	<b>911 015</b>

The movement in borrowings for the year under review is as follows:

R'000	Non-cash movements				Cash movements			At 29 February 2024
	At 1 March 2023	Re-measurement <sup>4</sup>	Interest <sup>1</sup>	Foreign exchange losses <sup>2</sup>	Additions	Repayments-capital <sup>3</sup>	Repayments-interest <sup>3</sup>	
Molopo	51 036	(9 571)	5 495	-	-	-	-	46 960
DFC	678 180	-	38 933	27 884	-	(81 883)	(38 933)	624 181
IDC	181 799	-	27 189	-	-	(8 362)	(27 189)	173 437
MaxiConcepts	-	-	229	-	15 000	(15 000)	(229)	-
SBSA	-	-	30 798	-	303 000	-	-	333 798
AIRSOL	-	-	3 648	1 781	55 972	-	(3 648)	57 753
<b>Total</b>	<b>911 015</b>	<b>(9 571)</b>	<b>106 292</b>	<b>29 665</b>	<b>373 972</b>	<b>(105 245)</b>	<b>(69 999)</b>	<b>1 236 129</b>

1 Interest on the Molopo loan is imputed interest representing the unwinding of the discount applied on initial recognition of the loan. The Group capitalises interest which qualifies as borrowing costs attributable to the construction of qualifying assets. The interest presented above will therefore not correspond to amounts shown within the additions reconciliation for cash flow purposes as shown in note 2.

2 Foreign exchange losses reflect the impact of the weakening of the Rand against the US Dollar. Qualifying foreign exchange losses amounting to R16.5 million were capitalised to assets under construction within PPE (see note 2). Foreign exchange losses presented above therefore will not correspond to amounts shown within the additions reconciliation for cash flow statement purposes as shown in note 2.

3 Repayments of capital, interest and fees attributable to the DFC loan, IDC loan, MaxiConcepts loan and AIRSOL debentures are in line with loan terms. The Group shows repayments of interest under financing activities.

4 The remeasurement arose due to a change in the determination of the loan repayment date. The gain on remeasurement of this financial liability was recognised in other income in the statement of profit or loss and other comprehensive loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****7. Borrowings (continued)*****Molopo***

Tetra4 entered into a R50.0 million loan agreement with Molopo on 11 May 2014. The loan term is for a period of 10 financial years and 6 months commencing on 1 July 2014 (repayable on 31 August 2024). During this period, the loan is unsecured and is interest free.

From the period commencing 1 September 2024, to the extent that the loan has not been repaid, it will accrue interest at the prime lending rate plus 2% and will still be unsecured. The loan is repayable based on amount equivalent to 36% of Tetra4's distributable profits. It is not expected that the loan will be repaid in the next 12 months given the unavailability of distributable profits based on Tetra4's most recent forecasts. As such, the loan is classified as long term. The loan is recognised at its present value and interest which represents the unwinding of the discount recognised on initial recognition of the loan is included in profit and loss and amounted to R4.0 million for the year (at an average rate of 12.75%) (2023: R4.3 million (at an average rate of 10.88%)). The Molopo loan outstanding on 29 February 2024 amounted to R47.0 million (2023: R51.0 million).

***DFC***

Tetra4 entered into a US\$40.0 million finance agreement with the DFC on 20 August 2019 ("Facility Agreement"). The first draw down of US\$20.0 million took place in September 2019, the second draw down of US\$12.5 million in June 2020 and the final drawdown of US\$7.5 million on 28 September 2021. Tetra4 shall repay the loan in equal quarterly instalments of US\$1.08 million (R20.8 million using the rate at 29 February 2024) on each payment date which began on 1 August 2022 and ending on 15 August 2031. The loan is secured by a pledge of the Group's assets under construction (see note 2), land and the Debt Service Reserve Account.

***Interest***

The first drawdown of \$20.0 million attracts interest of 2.11% per annum. Interest on the second and final drawdowns is 1.49% and 1.24% per annum, respectively.

Interest is payable by Tetra4 to the DFC quarterly on 15 February, 15 May, 15 August and 15 November of each year (Repayment Dates) for the duration of the loan. Qualifying interest attributable to assets under construction, within property, plant and equipment, is capitalised in line with the Group policy. Interest paid during the year totalled US\$0.6 million (R11.7 million) (2023: US\$0.7 million (R11.7 million)).

***Guaranty fee***

AA guaranty fee of 4% per annum is payable by Tetra4 to the DFC on any outstanding loan balance. The guaranty fee is payable quarterly on the Repayment Dates. Tetra4 paid guaranty fees totalling US\$1.4 million (R26.6 million) during the year under review (2023: US\$1.6 million (R26.6 million)).

***Commitment fees***

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 were payable quarterly on the Repayment Dates. Tetra4 did not pay any commitment fees as there were no undrawn amounts during the year under review. (2023: Nil).

***Facility fee***

A once-off facility fee of US\$0.4 million (2023: R4.8 million) was paid by Tetra4 to the DFC prior to its first drawdown on 26 September 2019.

***Maintenance fee***

An annual maintenance fee of US\$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 (commenced on 15 November 2020). The maintenance fee covers administrative costs relating to the loan. Tetra4 paid maintenance fees amounting to US\$0.04 million (2023: R0.7 million) during the year under review (2023: US\$0.04 million (R0.6 million)).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****7. Borrowings (continued)***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 consecutive full fiscal quarters, taken as a single accounting period, to Debt Service for the most recently completed four 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 consecutive full fiscal quarters of not less than 1.3 to 1.
- c) Tetra4 is required to ensure that the Debt Service Reserve Account 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 from 15 August 2025. 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.

**IDC**

Tetra4 entered into a R160.7 million loan agreement with the IDC on 17 December 2021. An amount of R158.8 million was drawn down on 22 December 2021 and is repayable in 102 equal monthly payments which commenced in July 2023. The loan terms included a 12-month interest capitalisation and an 18-month capital repayment moratorium. The loan accrues interest at the prime lending rate plus 3.5% (15.25% on 29 February 2024) and is secured by a pledge of the Group’s assets under construction (see note 2), land and the Debt Service Reserve Account. The IDC loan outstanding on 29 February 2024 amounted to R173.4 million (2023: R181.8 million) and interest accrued during the year amounted to R27.2 million (2023: R24.0 million). Qualifying interest attributable to assets under construction, within property, plant and equipment, is capitalised in line with the policy of the Group.

The following debt covenants apply to the IDC loan.

- a) Tetra4 is required to maintain the following the same financial and reserve tail ratios, and a Debt Service Reserve Account as mentioned under the DFC loan.
- b) In addition, Tetra4 shall not make any shareholder dividend distribution, repay any shareholders’ loans and/or pay any interest on shareholders’ loans or make any payments whatsoever to its shareholders without the IDC’s prior written consent, if:
  - i. Tetra4 is in breach of any term of the loan agreement; or
  - ii. the making of such payment would result in a breach of any one or more of the financial ratios above.

The covenants in a) relating to the financial and reserve tail ratios will apply from 15 August 2025. The Group has complied with the covenant under b) above for the year under review and believes that it will be able to comply with the covenants throughout the tenure of the loan. The Group maintains a Debt Service Reserve Account with respect to the IDC loan.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****7. Borrowings (continued)*****SBSA Bridge loan***

Renergen entered into a R303.0 million secured bridge loan facility agreement with SBSA on 30 June 2023 (“SBSA Bridge Loan”). The SBSA Bridge Loan was fully drawn by Renergen on 30 June 2023 and proceeds were used to fund expansionary capital expenditure for the VGP. Part of the proceeds of the SBSA Bridge Loan were also used to pay transaction costs attributable to the loan arrangement.

The loan is repayable on or before 30 June 2025 and accrues interest at a rate equivalent to JIBAR plus a variable margin (JIBAR plus the variable margin equated to 15.4% on 29 February 2024). Interest is compounded and capitalised quarterly to the principal amount owing. Early settlement of the SBSA Bridge Loan before 30 June 2025 will become due on the earlier of the receipt of proceeds from either the Nasdaq IPO of Renergen or when the Project Investor Agreement (“PIA”) becomes unconditional and Tetra4 has received funds due under the PIA. The PIA sets out terms and conditions for the acquisition of shares in Tetra4 by a selected investor.

The SBSA Bridge Loan is secured by a third ranking pledge of Tetra4’s assets under construction, land, the global business account and shares held by Renergen in Tetra4. The SBSA Bridge Loan outstanding on 29 February 2024 amounted to R333.8 million and interest accrued during the year amounted to R30.8 million. Qualifying interest is capitalised to assets under construction, within property, plant and equipment, in line with the Group policy.

The loan has been classified as short term as the PIA has become unconditional and Renergen and Tetra4 have received the funds due under the PIA.

***AIRSOL Unsecured Convertible Debentures***

Renergen entered into a US\$7.0 million unsecured convertible debenture subscription agreement (“Subscription Agreement”) with AIRSOL, an Italian wholly-owned subsidiary of SOL S.p.A, on 30 August 2023 for the subscription by AIRSOL for Renergen debentures in two tranches of US\$3.0 million (“Tranche 1”) and US\$4.0 million (“Tranche 2”). Tranche 1 proceeds were received on 30 August 2023 and AIRSOL will subscribe for Tranche 2 when the terms of the PIA have become unconditional and Tetra4 has received funds due under the PIA. This transaction is linked to the Nasdaq IPO.

The debentures have a maturity date of 28 February 2025 and accrue interest at a rate of 13% per annum, calculated and compounded semi-annually on the outstanding principal amount. Interest is payable on 28 February and 31 August of each year during the term of the debentures.

On maturity, the debentures can be settled in cash or converted to shares in Renergen at a conversion rate to be determined by dividing the outstanding principal amount by the conversion price. The conversion price has been agreed as follows:

- If the Nasdaq IPO has not been completed before the maturity date of the debentures, the conversion price will be 90% of the 30-day volume weighted average traded price of Renergen shares on the Johannesburg Stock Exchange.
- If the Nasdaq IPO has occurred before the maturity date of the debentures, and the shares to be issued are Renergen shares admitted to trading on the JSE, the conversion price will be 90% of the Rand equivalent of the deemed US\$ price per share applicable in the IPO.
- If the Nasdaq IPO has occurred before the maturity date of the debentures, and the shares to be issued are Renergen American Depositary Shares (“ADSs”), the conversion price will be 90% of the Rand equivalent of the US\$ issue price per ADS.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****7. Borrowings (continued)**

Tranche 1 debentures outstanding on 29 February 2024 amounted to US\$3 million (R57.8 million) and interest accrued during the year amounted to US\$0.2 million (R3.6 million). The debentures have been classified as short term as they have a maturity date of 28 February 2025.

The carrying values of the Molopo, IDC, DFC, SBSA and AIRSOL loans closely approximate fair values.

**8. Segmental analysis**

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

*Corporate head office*

Corporate head office is a segment where all investment decisions are made. Renergen is an investment holding company focussed on investing in prospective green projects. Green projects entail pursuing knowledge and practices that can lead to more environmentally friendly and ecologically responsible decisions and lifestyles which can help protect the environment and sustain its natural resources for current and future generations.

*Tetra4*

Tetra4 explores, produces and sells LNG and will also be producing and selling LHe once the helium plant has been commissioned. Up until September 2022, Tetra4 also sold compressed natural gas locally. It operates in the Gauteng Province, Free State Province and Mpumalanga Province in the town of Evander. Tetra4's current customer base is in South Africa.

*Cryovation*

Cryovation developed the ground-breaking Cryo-Vacc™ technology, which enables the safe transportation of vaccines and biologics at extremely low temperatures without the need for electrical power. The Cryovation business model is undergoing refinement and further development with insights from experts from various fields with the intention of exploring several modifications that will improve the overall concept and operational performance to enhance its appeal for the more niche biologics and gene-therapy market internationally.

*Renergen US*

Renergen US was incorporated on 16 August 2022 and assists with various fund raising and business development activities of the Group in the US market. Renergen US commenced operations in the current year was dormant in the prior year.

With the exception of Renergen US which carries out its operations in the United States of America ("USA"), all of the Group's segments are in South Africa. Therefore, no additional geographical information is provided. All sales of the Group are made by Tetra4 to two South African customers (2023: two customers (three up until September 2022)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Segmental analysis (continued)

The analysis of reportable segments as at 29 February 2024 is set out below:

2024 R'000	Corporate Head Office	Tetra4	Cryovation	Renergen US	Total	Eliminations	Consolidated
<b>Revenue</b>	-	28 952	-	-	28 952	-	28 952
External	-	28 952	-	-	28 952	-	28 952
Depreciation and amortisation	(1 991)	(17 978)	-	-	(19 969)	-	(19 969)
Share-based payment expenses	(6 275)	(1 767)	(32)	-	(8 074)	-	(8 074)
Employee costs	(6 597)	(16 676)	(967)	(1 441)	(25 681)	-	(25 681)
Consulting and advisory fees	(7 692)	(3 910)	(80)	(82)	(11 764)	-	(11 764)
Listing costs	(1 979)	-	-	-	(1 979)	-	(1 979)
Computer and IT expenses	(291)	(5 118)	(1)	-	(5 410)	-	(5 410)
Marketing and advertising	(3 842)	(602)	-	(62)	(4 506)	-	(4 506)
Legal and professional fees	(3 300)	(2 510)	(50)	-	(5 860)	-	(5 860)
Security	-	(7 459)	-	-	(7 459)	-	(7 459)
Selling and distribution expenses	-	(7 910)	-	-	(7 910)	-	(7 910)
Repairs and maintenance	-	(17 022)	-	-	(17 022)	-	(17 022)
Net foreign exchange losses	(2 998)	(11 732)	-	-	(14 730)	-	(14 730)
Interest income	1 817	9 074	-	-	10 891	(38)	10 853
Imputed interest	-	(5 495)	-	-	(5 495)	-	(5 495)
Interest expense	(1 088)	(16 202)	-	-	(17 290)	38	(17 252)
Taxation	3 864	33 335	-	-	37 199	-	37 199
<b>LOSS FOR THE YEAR</b>	<b>(36 051)</b>	<b>(70 997)</b>	<b>(1 092)</b>	<b>(1 652)</b>	<b>(109 792)</b>	-	<b>(109 792)</b>
<b>TOTAL ASSETS</b>	<b>2 129 216</b>	<b>2 374 343</b>	<b>16 818</b>	<b>5 117</b>	<b>4 525 494</b>	<b>(1 816 367)</b>	<b>2 709 127</b>
<b>TOTAL LIABILITIES</b>	<b>(438 246)</b>	<b>(951 143)</b>	<b>(5 704)</b>	<b>(1 848)</b>	<b>(1 396 941)</b>	<b>8 917</b>	<b>(1 388 024)</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Segmental analysis (continued)

2023 R'000	Corporate Head Office	Tetra4	Cryovation	Total	Eliminations	Consolidated
<b>Revenue</b>	-	12 687	-	12 687	-	12 687
External	-	12 687	-	12 687	-	12 687
Depreciation and amortisation	(194)	(5 218)	-	(5 412)	-	(5 412)
Share-based payment expenses	(7 905)	(2 373)	-	(10 278)	-	(10 278)
Employee costs <sup>1</sup>	(8 555)	5 712	-	(2 843)	-	(2 843)
Consulting and advisory fees	(2 151)	(2 787)	(81)	(5 019)	-	(5 019)
Listing costs	(2 769)	-	-	(2 769)	-	(2 769)
Computer and IT expenses	(49)	(3 751)	(1)	(3 801)	-	(3 801)
Marketing and advertising	(684)	(3 082)	-	(3 766)	-	(3 766)
Legal and professional fees	(1 822)	(1 651)	-	(3 473)	-	(3 473)
Net foreign exchange gains	818	8 751	-	9 569	-	9 569
Interest income	1 422	2 253	-	3 675	-	3 675
Imputed interest	-	(4 275)	-	(4 275)	-	(4 275)
Interest expense	(5)	(303)	-	(308)	-	(308)
Taxation	(235)	9 942	-	9 707	-	9 707
<b>LOSS FOR THE YEAR</b>	<b>(25 513)</b>	<b>(1 040)</b>	<b>(172)</b>	<b>(26 725)</b>	<b>-</b>	<b>(26 725)</b>
<b>TOTAL ASSETS</b>	<b>1 716 294</b>	<b>1 853 584</b>	<b>15 520</b>	<b>3 585 398</b>	<b>(1 684 517)</b>	<b>1 900 881</b>
<b>TOTAL LIABILITIES</b>	<b>(29 928)</b>	<b>(2 069 626)</b>	<b>(3 284)</b>	<b>(2 102 838)</b>	<b>1 042 161</b>	<b>(1 060 677)</b>

<sup>1</sup> Tetra4 employee costs impacted by the reversal of payroll related accruals.

The disaggregation of revenue by customer for the year ended 29 February 2024 is as follows:

- Customer A: R26.3 million or 90.7% (2023: R8.4 million or 66.1%);
- Customer B: R2.5 million or 8.6% (2023: R2.7 million or 21.3%); and
- Customer C: R0.2 million or 0.7% (2023: Rnil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Segmental analysis (continued)

Therefore R28.8 million or 99.3% (2023: R11.1 million or 87.4%) of the Group's revenue depended on the sales of LNG to two customers. This revenue is reported under the Tetra4 operating segment.

Inter-segment balances are eliminated upon consolidation and are reflected in the 'eliminations' column. There are no inter-segment revenues. The nature of the Group's revenue and its disaggregation are provided in note 9.

9. Revenue

R'000	2024	2023
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Sale of CNG	-	1 550
Sale of LNG	28 952	11 137
<b>Total</b>	<b>28 952</b>	<b>12 687</b>

All of the Group's revenue is recognised when products are delivered to the destination specified by the customer and the customer has gained control of the products through their ability to direct the use of and obtain substantially all the benefits from the products.

Tetra4 commenced sales of LNG in September 2022 and at the same time ceased its CNG operations to focus on its core LNG and LHe operations.

This note should be read together with note 8 which provides details on the concentration of revenue.

10. Other operating expenses

R'000	2024	2023
Consulting and advisory fees <sup>1</sup>	11 764	5 019
Listing costs	1 979	2 769
Employee costs <sup>2</sup>	25 681	2 843
Pension costs – defined contribution plans	1 031	-
Depreciation and amortisation <sup>3</sup>	18 447	2 977
Computer and IT expenses	5 410	3 801
Security <sup>4</sup>	7 459	322
Selling and distribution expense <sup>5</sup>	7 910	1 455
Marketing and advertising	4 506	3 766
Net foreign exchange losses <sup>6</sup>	14 730	-
Loss on derecognition of leasing arrangement	74	-
Loss on remeasurement of finance lease receivables	11	-
Insurance	3 643	1 245
Travel and accommodation	2 388	779
Repairs and maintenance <sup>7</sup>	17 022	384
Office expenses	4 343	2 969
Health and safety	3 848	1 331
Legal and professional fees	5 860	3 473
Other operating costs	5 822	4 335
Directors fees – Non-executive	2 793	2 161
Executive directors' remuneration <sup>8</sup>	2 147	3 250
	<b>146 868</b>	<b>42 879</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. Other operating expenses (continued)

<sup>1</sup> Increase attributable to public relations marketing and preparation for the Nasdaq listing.

<sup>2</sup> Excludes employee costs amounting to R1.7 million (2023: R0.5 million) attributable to the processing of gas sold which are included in cost of sales. A reduction in capitalised employee costs is reflected in the increase in employee costs recorded in operating expenses.

<sup>3</sup> The depreciation reconciliation is provided in note 13.

<sup>4</sup> A reduction in capitalised security costs is reflected in the increase in security costs recorded in operating expenses.

<sup>5</sup> Increase attributable to increased LNG operations relative to the prior year.

<sup>6</sup> A reduction in capitalised exchange differences is reflected in the increase in net foreign exchange losses recorded in operating expenses.

<sup>7</sup> Increase attributable to repairs of the primary mixed refrigerant compressors and the helium cold box.

<sup>8</sup> Directors fees amounting to R15.2 million (2023: R13.0 million) were capitalised to assets under construction (note 2) during the year under review.

11. Taxation

11.1 Income tax expense

R'000	2024	2023
<b>MAJOR COMPONENTS OF THE TAX INCOME</b>		
<i>Deferred</i>		
Originating and reversing temporary differences	37 199	9 707
<b>Total</b>	<b>37 199</b>	<b>9 707</b>
<b>RECONCILIATION OF EFFECTIVE TAX RATE</b>		
Accounting loss before taxation	(146 991)	(36 432)
Tax at the applicable tax rate of 27% (2023: 27%)	39 688	10 201
Tax effect of:		
Non-deductible expenses		
- Share-based payments	(2 180)	(2 869)
- Imputed interest expense	144	(1 197)
- Penalties	(46)	-
- Bursaries	(295)	(29)
Current year losses for which no deferred tax asset has been recognised	(25 544)	(22 762)
Special oil and gas allowances	25 303	24 093
Increase in rehabilitation guarantee	132	2 485
Other	(3)	-
Effect of change in tax rate	-	(215)
<b>Total</b>	<b>37 199</b>	<b>9 707</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11.2 Deferred taxation

R'000	At 1 March 2023	Recognised in profit or loss	At 29 February 2024	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(186 700)	(119 023)	(305 723)	-	(305 723)
Intangible assets	(41 473)	43 562	2 089	2 089	-
Lease liabilities	(223)	106	(117)	-	(117)
Finance lease receivables	(1 827)	(1 202)	(3 029)	-	(3 029)
Provisions	12 773	216	12 989	12 989	-
Deferred revenue	4 075	176	4 251	4 251	-
S24c allowance (future expenditure)	(716)	-	(716)	-	(716)
Unutilised tax losses	267 327	113 364	380 691	380 691	-
<b>Total</b>	<b>53 236</b>	<b>37 199</b>	<b>90 435</b>	<b>400 020</b>	<b>(309 585)</b>

The losses incurred by the Group are mainly attributable to its subsidiary, Tetra4. Phase 1 of the plant is now operating at approximately 48% nameplate and Tetra4 is producing and selling LNG under long-term contracts.

As at 29 February 2024 the Group recognised a deferred tax asset attributable to estimated tax losses totalling R1 410.0 million (2023: R990.1 million). These tax losses do not expire unless the tax entity concerned ceases to operate for a period longer than a year. The tax losses are available to be offset against future taxable profits. For tax years ending on or after 31 March 2023, companies with assessed losses will be entitled to set off a maximum of 80% of their assessed losses (subject to a minimum of R1.0 million) against taxable income in a specific year. Tax losses for which no deferred tax asset was recognised as at 29 February 2024 totalled R529.9 million (2023: R460.7 million). A Group net deferred taxation asset of R90.4 million (2023: R53.2 million) has been recognised as it is estimated that future profits will be available against which the assessed losses can be utilised based on the latest financial projections prepared by management. These projections reflect expected profits from the sale of LNG, LHe and the leasing of storage and related infrastructure to customers under 8 year contracts which came into effect during the prior year. Expected future profits (based on forecasts to 2037) underpin the valuation of the exploration and development assets amounting to R42.12 billion (2023: R31.0 billion) (see note 3).

12. Loss per share

	2024	2023
	Cents	Cents
Basic and diluted	(75.10)	(19.86)
	R'000	R'000
Loss attributed to equity holders of Reenergen used in the calculation of basic and diluted loss per share	(110 273)	(26 725)
	000's	000's
<b>Weighted average number of ordinary shares used in the calculation of basic loss per share:</b>	<b>146 833</b>	<b>134 536</b>
Issued shares at the beginning of the year	144 748	123 934
Effect of shares issued during the year (weighted)	2 085	10 602
<b>Weighted average number of ordinary shares used in the calculation of diluted loss per share</b>	<b>146 833</b>	<b>134 536</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Loss per share (continued)

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 are anti-dilutive because of the loss position of the Group.

	2024	2023
<b>Headline loss per share</b>	<b>Cents</b>	<b>Cents</b>
Basic and diluted	(75.07)	(19.89)
<b>Reconciliation of headline loss</b>	<b>R'000</b>	<b>R'000</b>
Loss attributed to equity holders of Regeneren	(110 273)	(26 725)
Profit on disposal of property, plant and equipment	-	(55)
Loss on derecognition of leasing arrangement	74	-
Adjustments attributable to NCI	(4)	-
Tax effect	(19)	15
<b>Headline loss</b>	<b>(110 222)</b>	<b>(26 765)</b>

The headline loss has been calculated in accordance with Circular 1/2023 issued by the South African Institute of Chartered Accountants.

13. Cash used in operations

R'000	2024	2023
Loss before taxation	(146 991)	(36 432)
<b>Cash adjustments:</b>		
Interest income – cash and cash equivalents	(5 107)	(2 307)
Interest income – finance lease receivables	(5 746)	-
Interest expense – suppliers and other	2 685	6
Movement in restricted cash	(12 556)	(53 992)
Interest expense – borrowings	10 026	-
Interest expense – leasing arrangements	998	302
<b>Non-cash adjustments:</b>		
Interest income – finance lease receivables	-	(1 368)
Imputed interest – borrowings	5 495	4 275
Imputed interest – rehabilitation provision	3 543	-
Depreciation and amortisation <sup>1</sup>	20 708	5 412
Share-based payments expense	8 074	10 278
Selling profit on finance lease receivables	-	(3 924)
Loss on lease remeasurement	11	-
Profit on disposal of property, plant and equipment	-	(55)
Loss on derecognition of leasing arrangement	74	-
Gain on remeasurement of financial liability	(9 571)	-
Reversal of audit fee accrual	(100)	-
Increase in Non-executive Directors' fees accrual	474	-
Increase in leave pay accrual	906	138
Increase in bonus accrual	-	1 877

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Cash used in operations (continued)

R'000	2024	2023
<b>Effects of exchange rate changes on cash and cash equivalents</b>		
Net foreign exchange gains	17 482	(933)
<b>Changes in working capital:</b>		
Inventory	(1 926)	(147)
Deferred revenue	-	14 956
Finance lease receivables	5 600	1 042
Trade and other receivables	(6 095)	(4 462)
Trade and other payables	47 316	(7 569)
<b>Cash used in operations</b>	<b>(64 700)</b>	<b>(72 903)</b>

<sup>3</sup> A reconciliation of the depreciation and amortisation charges of the Group is provided below.

Depreciation and amortisation comprises:

	Notes	2024	2023
Depreciation of property, plant and equipment	2	18 174	4 843
Amortisation of intangible assets	3	2 534	569
<b>Depreciation and amortisation as shown above</b>		<b>20 708</b>	<b>5 412</b>

Depreciation and amortisation is recorded within these line items in the statement of profit or loss and other comprehensive loss:

	Notes	2024	2023
Operating expenses		19 186	2 977
Depreciation and amortisation	10	18 447	2 977
Repairs and maintenance	10	739	-
Cost of sales		1 522	2 435
<b>Depreciation and amortisation as shown above</b>		<b>20 708</b>	<b>5 412</b>

14. Contingent liabilities and commitments

*Contingent liabilities*

There are no contingent liabilities as at 29 February 2024 (2023: nil) attributable to any of the Group companies.

*Commitments*

2024 R'000	Spent to date	Contractual commitments	Total approved
Capital equipment, construction and drilling costs	349 175	122 451	471 626
<b>TOTAL</b>	<b>349 175</b>	<b>122 451</b>	<b>471 626</b>

The Board approved total project costs amounting to R1.7 billion (2023: R1.5 billion) relating to the construction of the Virginia Gas Plant. At 29 February 2024 the Group had contractual commitments totalling R122.5 million (2023: R56.4 million) for the procurement of capital equipment. As at the end of the reporting period there were no other material contractual commitments to acquire capital equipment.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****15. Events after the reporting period*****SBSA Bridge Loan***

On 18 March 2024, Renergen settled in full the SBSA bridge loan (note 7).

**Unsecured Convertible Debentures**

On 18 March 2024, AIRSOL subscribed for the Tranche 2 debentures (see note 7) and Renergen received US\$4.0 million.

**Change in directors**

On 11 April 2024 Renergen announced the resignation of Thembisa Skweyiya with effect from 10 April 2024. The Company also announced the retirement of Luigi Matteucci with effect from the Company's next annual general meeting scheduled for 30 May 2024.

**16. Going concern**

The financial statements presented have been prepared on a going concern basis, which assumes the Group will be able to discharge its liabilities as they fall due. The Group regularly monitors its liquidity position as part of its ongoing risk management programme. In conducting its most recent going concern assessment:

- The Group has considered the period up to 30 April 2025 ("Assessment Period") as it has assessed that key funding initiatives will be concluded during this period.
- The Group has reviewed its cash flow projections for the Assessment Period ("Cash Forecast") and has performed stress testing of the base case projections. The stress case scenarios include downward variations in the selling prices of LNG and helium (20%), delays in operating at Phase 1 nameplate capacity and a 10% increase in operating costs.
- The Group has considered volatilities in the exchange rates, interest rates and energy prices in determining the Cash Forecast.

After consideration of the Cash Forecast and the outcome of the stress testing performed, the Group has concluded that the going concern basis of preparation is appropriate. Various initiatives have come to fruition since 29 February 2024 which have resulted in cash inflows as well as increasing the certainty of future cash inflows. The Cash Forecast base case and stress case scenarios assume the following fund-raising initiatives ("Funding Initiatives") during the Assessment Period:

- The Company plans to complete the Nasdaq IPO and anticipates raising R2.9 billion (US\$150.0 million) during the Assessment Period. Shareholder approval for the issue of shares for the Nasdaq IPO was obtained on 11 April 2023, however the Nasdaq IPO is dependent on market conditions which will determine whether it is completed during the Assessment Period. The Nasdaq IPO is also subject to Securities and Exchange Commission and exchange control approvals, as well as shareholder re-approval in terms of the ASX rules.
- The Group expects to obtain debt funding amounting to \$795.0 million from the DFC and SBSA, which is subject to the fulfillment of conditions precedent, including the completion of the Nasdaq IPO, and other standard conditions. Management are confident that the approvals will be obtained shortly after these conditions are satisfied by the Group.
- The Group is looking to conclude the disposal of the remaining 4.5% stake in Tetra4 not subscribed for in the initial tranche subscribed for by Mahlako Gas Energy.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)****16. Going concern (continued)**

The regulatory and other approvals highlighted above, and the completion of the Funding Initiatives during the Assessment Period represent material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. The Board has a reasonable expectation that the approvals will be obtained, and that the Funding Initiatives will be completed during the Assessment Period which enables the Group to have adequate resources to meet its obligations and continue its operations in the normal course of business for the Assessment Period.

Johannesburg  
30 April 2024

Authorised by: Stefano Marani  
Chief Executive Officer

Designated Advisor  
PSG Capital

For Investors & Media contact us on [info@reenergen.co.za](mailto:info@reenergen.co.za) or +27 10 045 6000