

The logo for Renergen, featuring the word "RENERGEN" in a bold, white, sans-serif font. The letter "R" is stylized with a yellow square at its top-left corner. The letter "N" at the end also has a yellow square at its top-right corner. The background of the entire page is a dark, low-angle photograph of industrial machinery, including pipes, valves, and gauges, with a yellow L-shaped graphic element on the left side.

RENERGEN

FUTURE ENERGY, TODAY

Renergen Limited

Registration Number 2014/195093/06

Consolidated
and separate
financial
statements for
the year ended

28 FEBRUARY 2023

Safety Warning

To refill CNG with humidity less than
and H₂ less than 20mg/m³ as per ISO
19882 "Transportable gas cylinders - Compo
sition and valve materials with gas co
ndition 1 Metallic materials" standard regulation

Contents

| | |
|----|---|
| 3 | General Information |
| 4 | Directors' Responsibilities and Approval |
| 5 | Chief Executive Officer and Chief Financial Officer Responsibility Statement |
| 6 | Audit, Risk and IT Committee Report |
| 12 | Group Company Secretary Certification |
| 13 | Report on the Audit of the Consolidated and Separate Financial Statements |
| 17 | Directors' Report |
| 27 | Consolidated and Separate Statements of Financial Position |
| 28 | Consolidated and Separate Statements of Changes in Equity |
| 29 | Consolidated and Separate Statements of Profit or Loss and other Comprehensive Income |
| 30 | Consolidated and Separate Statements of Cash Flows |
| 31 | Significant Accounting Policies |
| 46 | Notes to the Consolidated and Separate Financial Statements |
| 95 | Shareholder Information |
| 96 | Shareholder Analysis |
| 97 | Corporate Information |

General Information

| | |
|---|---|
| COUNTRY OF INCORPORATION AND DOMICILE | South Africa |
| NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES | Reergen Limited is an energy company focused on alternative and renewable energy in South Africa and sub-Saharan Africa. The Company is listed on three stock exchanges with a primary listing on the JSE Alternative Exchange (AltX) and secondary listings on the A2X Markets and the Australian Securities Exchange (ASX). |
| DIRECTORS | Stefano Marani (CEO) Nick Mitchell (COO) Brian Harvey (CFO) Dr David King (Non-executive Chairman) Mbali Swana Luigi Matteucci Thembisa Skweyiya Dumisa Hlatshwayo |
| REGISTERED OFFICE | First Floor, 1 Bompas Road, Dunkeld West, 2196 |
| AUDITORS | BDO South Africa Incorporated |
| SECRETARY | Acorim Proprietary Limited |
| COMPANY REGISTRATION NUMBER | 2014/195093/06 |
| LEVEL OF ASSURANCE | These consolidated and separate financial statements have been audited in compliance with the applicable requirements of the Companies Act 71, of 2008. |
| TRANSFER SECRETARIES | Computershare Investor Services Proprietary Limited |
| DESIGNATED ADVISER | PSG Capital |
| JSE SHARE CODE | REN |
| JSE ISIN | ZAE000202610 |
| ASX SHARE CODE | RLT |
| ASX BUSINESS NUMBER | 93998352675 |
| A2X MARKETS SHARE CODE | REN |
| PREPARER | The consolidated and separate financial statements were prepared under the supervision of Brian Harvey CA (SA) |



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 consolidated and separate financial statements and related financial information included in this report.

The Directors take full responsibility for ensuring that the consolidated and separate financial statements fairly reflect the financial affairs of Renergen Limited ("Renergen" or the "Company", together with its subsidiaries the "Group"), as at 28 February 2023, including the results of the Group's operations and cash flows for the year then ended. This is done in conformity 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 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 consolidated and separate financial statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The external auditor was engaged to express an independent opinion on these consolidated and separate 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 Board of Directors of Renergen 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 consolidated and separate 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 for the foreseeable future, which contemplates the realisation of assets and satisfaction of liabilities in the normal course of business. The Group's ability to achieve profitability is dependent on a number of factors, but will mainly be driven by the volume of liquefied natural gas and liquefied helium that will be produced and sold from future operations. 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.

The external auditors are responsible for independently auditing and reporting on the Group's consolidated and separate financial statements. The consolidated and separate financial statements for the year ended 28 February 2023 have been audited by the Group's external auditor and their report is presented on pages 13 to 16.

The consolidated and separate financial statements set out on pages 27 to 96, which have been prepared on the going concern basis, and the Directors' Report on page 17 were approved by the Board of Directors on 17 May 2023 and are signed on its behalf by:

Stefano Marani

Luigi Matteucci

Chief Executive Officer and Chief Financial Officer Responsibility Statement



Each of the Directors, whose names are stated below, hereby confirm that:

- a. The consolidated and separate financial statements set out on pages 27 to 96, fairly present in all material respects the financial position, financial performance and cash flows of Renegen Limited in terms of International Financial Reporting Standards;
- b. To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated and separate financial statements false or misleading;
- c. Internal financial controls have been put in place to ensure that material information relating to Renegen Limited and its consolidated subsidiaries has been provided to effectively prepare the consolidated and separate financial statements of Renegen Limited;
- d. The internal financial controls are adequate and effective and can be relied upon in compiling the consolidated and separate financial statements, having fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls;
- e. Where we are not satisfied, we have disclosed to the Audit, Risk and IT Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- f. We are not aware of any fraud involving Directors.

Stefano Marani
Chief Executive Officer

Brian Harvey
Chief Financial Officer



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 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 Audit 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.

| DIRECTOR | QUALIFICATION | Designation |
|----------------------------------|---|--|
| Luigi Matteucci (Chairperson) | CA (SA), CTA (Wits), B. Com (Wits) | Independent Non-executive Director Appointed as a member in May 2016 and as Chairperson in February 2019. |
| Mbali Swana | BAS (UCT), BArch (UCT), Pt Arch (SA), MIAT (SA) | Independent Non-executive Director Appointed as member and Chairperson in February 2015. 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 and retired on 6 February 2023. |
| Dumisa Hlatshwayo | CA (SA), MBA, CD (SA) | Independent Non-executive Director Member of the committee since 6 February 2023. |

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 auditor 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 scheduled Audit Committee meetings were held during the year under review, aligned with the key reporting and regulatory timelines. All members of the committee attended all four meetings. The Audit Committee’s key focus areas during the year under review were as follows:

- Reviewed the financial performance of the Group and monitored progress on the construction of the Virginia Gas Project.



- Assessed the liquidity position of the Group as well as the underlying going concern and capital adequacy assumptions.
- Reviewed and assessed budgets and financial plans.
- Recommended the approval of the delegation of authority.
- Regularly monitored risks management practices applicable to the Group' strategic, operational and emerging risks, and reviewed the Group's risk appetite and tolerance.
- Assessed the adequacy of the Group's system of internal controls.
- Monitored and assessed the adequacy of IT governance within the Group.
- Reviewed quarterly, interim and annual financial results of the Group and accompanying JSE and ASX announcements, and ensured adherence to all reporting and regulatory standards.
- Reviewed the Integrated Annual Report and approved the report from the committee contained therein.
- Monitored compliance with laws and regulations.
- Reviewed correspondence and reports from the JSE and ASX, including proactive monitoring reports.
- Monitored adherence to debt covenants.
- Evaluated the performance, skills and competence of the CFO and assessed the adequacy and effectiveness of the finance function.
- Considered the evolving reporting requirements of the Group and recommended the appointment of BDO South Africa Incorporated ("BDO") as the new external auditor of the Group with effect from 17 August 2022.
- Assessed the quality, effectiveness and independence of the external audit function which was undertaken by Mazars up until 16 August 2022 and by BDO thereafter.
- Reviewed all reporting from external auditors, including inspection reports from the Independent Regulatory Board for Auditors.
- Approved the external auditor's scope of work and audit fees, and considered key audit matters.
- Reviewed the committee's terms of reference and annual workplan.
- Monitored Directors' interests in contracts.
- Requested reporting on contingent liabilities and claims, of which none were noted for the year under review.
- Assessed the Group's maturity for an internal audit function.
- Monitored progress on various improvement projects undertaken by the finance department.
- Monitored whistleblowing procedures and reporting therefrom, as well as reporting from other sources on fraud and theft.
- Monitored the Group's insurance programme.
- Monitored training requirements of committee members.

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 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 the Group's financial plans, financial performance, financial position and financial reporting.



- Oversight and review of the Group's finance function.
- Management of risks.
- Governance of information technology and the assessment of the effectiveness of the Group's information systems.
- Legislative and regulatory compliance.
- Oversight of policies and procedures for the prevention and detection of fraud.

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 loss or internal control failures.

The Audit Committee is satisfied that Renegen has optimised the assurance coverage obtained from Management, external experts and external assurance providers. The Audit Committee is also satisfied that the related systems and procedures are effective in enabling an effective internal control environment and supporting the integrity of internal and external reports.

Based on its continuous review of the design, implementation and effectiveness of the Group'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 the Group's systems of internal financial controls are effective and form a basis for the preparation of reliable consolidated and separate 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 planned and actual financial performance and position of the Group, including budgets, cash forecasts, management accounts, project expenditure reports, risk registers, to mention a few. This regular reporting forms a basis for the review of the Group's quarterly, interim and annual reporting.

Quarterly reporting

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

Interim reporting

During the year, the Audit Committee reviewed the Group's interim results for the six months ended 31 August 2022 which were issued on the JSE and ASX on 28 October 2022 following approval by the Board, in line with Renegen's continuing obligations. These interim results were reviewed by BDO, the Group's external auditor.

Financial Statements

The Audit Committee reviewed the audited consolidated and separate financial statements for the year ended 28 February 2023 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 Group and Company to remain going concerns 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 applicable to the Group and Company. |
| Valuation of intangible assets - exploration and development costs 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. |
| Revenue recognition | The Committee satisfactorily reviewed the appropriateness of the policy and accounting treatment of transactions arising from contracts with customers. |
| Lease accounting with the Group as lessor | The Group recently concluded lease contracts with customers with the Group as lessor. The Committee satisfactorily reviewed the appropriateness of the accounting treatment of transactions resulting from these contracts. |

The Audit Committee is satisfied that the consolidated and separate 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"), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited, the Listing Rules of the ASX and in a manner required by the Companies Act. It is also satisfied that the adoption of the going concern basis in preparing the consolidated and separate financial statements is appropriate. The consolidated and separate financial statements will be open for discussion at the forthcoming Annual General Meeting ("AGM"). The Chairperson of the Audit 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 Audit Committee recommended the approval by the Board, of the consolidated and separate financial statements for the year ended 28 February 2023. The Committee is of the opinion that the audited consolidated and separate financial statements should be accepted and read together with the report of the independent external auditor. The Board approved the consolidated and separate financial statements on 17 May 2023.

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. On 17 August 2022, Renergen appointed BDO as its new independent external auditor, with the designated, JSE approved audit partner being Jacques Barradas. Mazars were the auditors of the Group and Mr Shaun Vorster was the designated, JSE approved audit partner prior to BDO's appointment. The Committee is satisfied with the independence of BDO, and prior to that Mazars, as required by the Companies Act, and that both audit firms complied with the Companies Act, the JSE Listings Requirements and all other applicable legal and regulatory requirements. The independence of BDO and Mazars was assessed on an ongoing basis and both audit firms provided assurance to support their claim to independence. In line with paragraph 3.84(g)(iii) of the JSE Listings Requirements, the Audit Committee is also satisfied that:

- The BDO and Mazars are accredited by the JSE;
- The quality of the external audit carried out by both BDO, and prior to that Mazars, was satisfactory; and
- The external auditors have confirmed their responsibilities pursuant to paragraph 22.15(h) of the JSE Listings Requirements.



BDO and Mazars provided feedback to the Audit Committee regarding the reports of the Independent Regulatory Board for Auditors.

Given BDO's recent appointment, the Committee will consider rotation of the audit partner in the coming years. BDO does not have an affiliation to the past auditor of the Group. The change in external auditor was initiated by Renergen, with a view of benefiting from BDO's substantial international footprint and experience.

Prior to the commencement of the statutory audit for the financial year ended 28 February 2023, the Audit Committee reviewed and approved the external auditor's engagement letter, the audit plan and the audit fees payable to BDO. The Audit Committee further satisfactorily monitored the external auditor's 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 of access to management. Following the statutory audit, the external auditor's 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 consolidated and separate financial statements presented.

The Committee has recommended the appointment of BDO as the independent external auditor and Mr Jacques Barradas as the designated, JSE approved audit partner for the financial year ending 28 February 2024, for consideration by shareholders at the next AGM.

The approved Group audit fee for the year under review is R1.26 million (2022: R0.85 million). A formal procedure has been adopted to govern the process where the external auditor may be considered for non-audit services and the extent of these services is closely monitored by the Audit Committee. BDO and Mazars did not provide non-audit services during the year under review (2022: Rnil).

EVALUATION OF THE CFO AND THE FINANCE FUNCTION

The Audit Committee evaluated the expertise and performance of the CFO, Brian Harvey, for the financial year ended 28 February 2023 and is satisfied that he has the appropriate expertise and experience to carry out his 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.

RISK MANAGEMENT

The Audit Committee reviewed regular reporting on the risks faced by 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 the risk management framework, policies, strategies and plans in place 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 and 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 within 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, and reporting to the Board any material changes and / or divergence to the risk profile of the Group.



- Reviewing the implementation of operational and corporate risk management plans.
- Reviewing 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 the improvement of risk management plans of the Group.
- Reviewing the Group's sustainability risk and mitigating plans 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:

- Reviewed IT governance reports and monitored actions undertaken to further enhance the Group's IT environment.
- Monitored invoicing modifications to the SAP system to support the evolving operational requirements of the Group.
- Monitored IT security risks and received regular updates in this regard.

COMPLIANCE

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

PHASE 2 OF THE VIRGINIA GAS PROJECT

The Group intends to commence the construction of Phase 2 of the Virginia Gas Project in the financial year ending 28 February 2024, and expects to complete the Phase 2 construction within a 3 year period. The Group's plans for Phase 2 in relation to its capacity and specifications, and proposed funding mechanisms are outlined on pages 18 and 19 of the Directors Report.

PROACTIVE MONITORING

The Audit Committee confirms that it has considered and reviewed the findings contained in the JSE's various proactive monitoring reports when reviewing and approving the consolidated and separate financial statements for the year ended 28 February 2023. The Committee is satisfied that the necessary adjustments and improvements to the consolidated and separate financial statements have been made.

COVID-19 AND RUSSIA/UKRAINE WAR

COVID-19

There were no material contractual obligations or supply chain impacts during the year under review, however prior year COVID-19 global and local impacts contributed to an overall delay in the commissioning of the Virginia Gas Project which occurred in September 2022 compared to the initial scheduling for Q2 2021.

Russia/Ukraine war

The Russia/Ukraine war did not have material effect on the operations of the Group for the year under review.



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.

GOING CONCERN

Refer to note 37 of the consolidated and separate financial statements.

KEY FOCUS AREAS FOR THE YEAR AHEAD

- Enhancing controls over the management of the Group's property, plant and equipment.
- Introduction of an internal audit function.
- Overseeing planning and funding initiatives for Phase 2 of the Virginia Gas Project.
- Oversee Renergen's proposed initial listing on Nasdaq in the United States of America.

CONCLUSION

The Audit 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 2023.

Luigi Matteucci
Chairperson

GROUP COMPANY 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 2023, 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 Proprietary Limited
Company Secretary

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 27 to 94, which comprise the consolidated and separate statements of financial position as at 28 February 2023, 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 2023, 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 (IFRS) 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 Consolidated and Separate 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.

Material uncertainty related to going concern.

We draw attention to note 37 to the consolidated and separate financial statements, which indicates that the regulatory and other approvals highlighted in note 37, and the completion of the funding Initiatives highlighted in note 37 during the period ending 28 February 2023, represent material uncertainties that may cast significant doubt on the group's and company's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the 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.

In addition to the matter referred to in the *Material uncertainty related to going concern* section above, we have identified the following key audit matters.

Report on the Audit of the Consolidated and Separate Financial Statements



| KEY AUDIT MATTER | HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER |
|--|--|
| <p>Consolidated financial statements: Capitalisation of cost to Assets under Construction</p> <p>At 28 February 2023, the Group has assets under construction (“AUC”). This relates to the Virginia Gas Plant (“VGP”), which was recognised at a carrying value of R 1 342 million as at 28 February 2023 (2022: R 785 million).</p> <p>As disclosed in notes 1.3, 1.15 and 3 to the consolidated financial statements, management have documented their judgement of cost that has been included and capitalised to the VGP.</p> <p>Based on the significance of the balance to the consolidated financial statements, as well as the fact that significant management judgement was involved in the determination of which costs qualify for capitalisation, the matter was considered to be a matter of most significance in our audit of the consolidated financial statements for the current year.</p> | <p>In considering the appropriateness of management’s judgement applied in the capitalisation of costs to the VGP, we performed the following audit procedures:</p> <ul style="list-style-type: none"> ■ Evaluated the design and implementation of key controls such as authorisation matrix for assets acquired and monitoring reviews around the cost capitalisation determination as well as monthly sign off on assets additional by Heads of Departments; ■ Assessed management’s determination that the VGP meets the requirement of a qualifying asset in terms of International Accounting Standard (IAS) 23 <i>Borrowing Costs</i>; as it is an asset that has taken a substantial period of time to construct for its intended use; ■ Recalculated the mathematical accuracy and methodology appropriateness of the determination of foreign exchange losses to capitalise to the VGP as the forex losses incurred approximates a fair interest rate as if the company borrowed funds in its functional currency; ■ Assessed the accuracy and relevance of the cost capitalised against the requirements of IAS 16 <i>Property, Plant and Equipment</i>; <p>As part of our audit, we also considered the adequacy of the Group’s disclosures in notes 1.3, 1.15 and note 3 against the requirements of IFRS.</p> |
| <p>Consolidated financial statements: Environmental rehabilitation provision.</p> <p>The group’s environmental rehabilitation provision is recognised at a carrying value of R 40 million as at 28 February 2023 and relevant disclosure is contained in accounting policy note 1.10 and note 18 (Provisions) to the consolidated financial statements.</p> <p>Significant judgement and estimation is required by management in determining the rehabilitation timing and underlying cost estimates for rehabilitation.</p> <p>Management’s annual assessment includes assumptions regarding inflation and discount rates, as well as the scope of works required to rehabilitate the mine and surrounding areas in line with current legislation.</p> <p>Management makes use of several inputs assess the appropriateness of their estimates, including inflation rates, discount rates, timing and value of cash flows used as the basis for their calculation.</p> <p>Based on the significance of the balance to the consolidated financial statements, as well as the significant management judgements and estimates involved and the sensitivity of the provision to changes in the relevant inputs, the matter was considered to be a matter of most significance in our audit of the consolidated financial statements for the current year.</p> | <p>In considering the appropriateness of management’s judgements and estimates used in the calculation for the environmental rehabilitation provision, we performed the following audit procedures making use of our expertise in site restoration models:</p> <ul style="list-style-type: none"> ■ We obtained an understanding of the relevant controls such as the validation of inputs and verification of inputs into the calculation by the company around the assessment of the site restoration cost model; ■ Making use of our environmental rehabilitation expertise, we assessed the reasonability and appropriateness by comparing the costs to prior year, actual cost and management information underlying management’s key assumptions; ■ We performed sensitivity analysis on the key assumptions of inflation rates and discount rate and their impact on the provision calculation; ■ We tested the mathematical accuracy of the model; and ■ We evaluated and challenged the basis for any significant revisions since the prior year to expectations and market conditions. ■ We assessed the objectivity, competence, and experience of management’s experts through inspection of their professional credentials. ■ We evaluated key assumptions in the environmental provision models, challenging the appropriateness of estimates with reference to contingencies applied, inflation rates, weighted average cost of capital calculation and the consistency of long-term discount rates to market information and expectations. <p>We evaluated the work of management’s experts making use of our knowledge of the industry as well as obtaining market information for similar entities to compare assumptions. We also compared the experts’ methods and assumptions to those used in the preceding period in order to assess consistency.</p> <p>We also assessed the adequacy of the group’s disclosures in this regard against the requirements of IFRS.</p> |

Report on the Audit of the Consolidated and Separate Financial Statements



OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled “Renergen Limited’s Consolidated and Separate Financial Statements for the year ended 28 February 2023”, which includes the Directors’ Report, the Audit, Risk and IT Committee’s Report and the Group Company Secretary Certification as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated 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 report 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 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 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

Report on the Audit of the Consolidated and Separate Financial Statements



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 BDO South Africa Incorporated has been the auditor of Regenern Limited for 1 year.

BDO South Africa Inc.

Jacques Barradas

Director

Registered Auditor

31 May 2023

BDO South Africa Incorporated

Registered Auditors

Wanderers Office Park, 52 Corlett Drive, Illovo, 2196



The Directors have pleasure in submitting their report on the consolidated and separate financial statements for the year ended 28 February 2023.

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 consolidated and separate 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"), and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE, 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 underpinning the preparation of the consolidated and separate financial statements have been consistently applied relative to the prior financial year, unless stipulated otherwise.

Financial commentary

The year ended 28 February 2023 ("FY2023") was both remarkable and momentous for all at Renergen and to our various stakeholders who worked alongside us as we transitioned Renergen from an exploration company to a production company with global ambitions. Renergen, through its wholly owned subsidiary Tetra4, commenced production of LNG in September 2022 and successfully produced liquefied helium ("LHe") in January 2023. Not long after the commencement of LNG production, the South African government designated the Virginia Gas Project (VGP) as a Strategic Integrated Project ("SIP") under the Infrastructure Development Act 23 of 2014, as Renergen has demonstrated its ability and intention to become a significant player in alleviating South Africa's energy crisis. This SIP status elevates Renergen's VGP within the hierarchy of local projects ensuring it benefits from significantly reduced timelines for all approvals required from government whilst increasing visibility when government prepares the country's strategic energy objectives.

Going into FY2023, our strategic intent was clear – we aimed to commission Phase 1 of the VGP and progress the Phase 2 expansion. As we review the outcomes of FY2023, despite the delays, we are satisfied with what we achieved during the year. Noteworthy for the year under review is Tetra4's first-time generation of revenue from the production and sale of LNG under long-term take or pay agreements since September 2022. Other key developments during the year under review are summarised below:

- Successful completion of the due diligence by the Central Energy Fund SOC Limited ("CEF") to invest R1.0 billion for a 10% ownership stake in Tetra4.
- Completion of due diligence for Phase 2 funding by the US International Development Finance Corporation ("DFC") and Standard Bank of South Africa ("SBSA"), who have commenced their credit approval processes.
- Evaluated and selected Worley RSA Proprietary Limited ("Worley") for the scope of Owners Engineer role to execute the expansion of the VGP.
- Early success in the production drilling campaign from several wells.
- Completion of gravity and aeromagnetic surveys of the Phase 2 area, as well as obtaining and reinterpreting 3D seismic data highlighting significantly more reservoir targets for drilling.
- Approval by shareholders for the issuance of 67.5 million shares through a listing and public offering in the United States of America ("USA") of Renergen shares on the Nasdaq Stock Market (post period).

Renergen continues to operate against a backdrop of increased demand for LNG and helium both locally and globally. Many countries now see LNG in particular as one of the leading transition energies for the foreseeable future. This



growth in demand for LNG has been met with supply issues brought about by the Russia/Ukraine war and a need for alternative energy sources, escalating the supply/demand tension on energy prices. South Africa's energy crisis has forced many companies to seek alternatives to the grid to power their operations, which has significantly increased demand for LNG given its low carbon footprint and versatility to provide stable energy around the clock. Helium prices have continued to surpass past price records and with limited new suppliers coming online over the next few years and current suppliers finding it difficult to maintain consistency of supply, prices are likely to remain elevated. Increased semiconductor fabrication capability out of the USA, following their recent stimulus packages, has significantly increased demand, which is increasing supply/demand, similar to LNG.

Regergen is perfectly positioned to become a significant player in the local LNG and international helium markets given its exceptionally high helium concentrations and relatively low extraction costs.

Review of operations

VGP – Phase 1

LNG

The VGP commenced production of the South Africa's first commercial LNG on 5 September 2022, and from 19 September 2022 the plant began operating 24-hour shifts. Production will be ramped up to a steady rate of 2 700 GJ per day in FY2024, which is the maximum capacity of the plant. During commissioning of the plant, we announced a minor setback with the conduction oil system providing lubrication and heating to the plant. Since the intervention in November 2022, where the conduction oil system was repaired, this system has been operating as designed resulting in regular deliveries to our customers. We are pleased to report that we are seeing a positive production trend with LNG deliveries steadily increasing.

Helium

Since announcing initial helium liquefaction, the commissioning teams have been working hard to integrate and optimise the two liquefaction trains, ensuring a smooth performance testing of the combined LNG/LHe system. Production will be ramped up to a steady rate of 300 kg per day in FY2024, which is the maximum capacity of the plant.

VGP – Phase 2

The Company commenced the development of the VGP Phase 2 expansion in March 2020. Phase 2 is categorised as a standalone expansion of the VGP through the drilling of additional wells, the construction of additional natural gas gathering pipelines and the construction of a significantly larger (c.12 times) processing and liquefaction facility, and the associated road tanker distribution and downstream customer dispensing facilities. Phase 1 operations are self-sufficient and will not be impacted by the planned expansion.

To date, the Company has completed feasibility studies and front-end engineering design for the VGP Phase 2 expansion and has selected Worley for the scope of owners engineer role, evaluated and shortlisted potential engineers and submitted the environmental, social, impact assessment to regulatory authorities. It is anticipated that Phase 2 will produce approximately 34 400 GJ of LNG and around 4 200 kg of liquid helium per day once in full production.

Regergen's goal is to achieve commercial operation of Phase 2 during the 2026 calendar year. In anticipation of securing an attractive debt financing package for Phase 2, the Company has secured several 10 to 15 year take-or-pay offtake agreements with several top-tier global industrial gas companies for just over half of the anticipated liquid helium production. The balance of the liquid helium is earmarked for sales in the international spot market and will allow the Company to participate in the existing liquid helium commodity price upside. All liquid helium sales agreements are denominated in US Dollars with pricing increasing annually at the rate of growth of the United States Consumer Price Index.



With respect to LNG from Phase 2, Renergen expects to contract a majority of the Phase 2 LNG on 5 to 8 year take-or-pay agreements, servicing the industrial, logistics and gas to power industries. It is expected that the LNG offtake agreements in Phase 2 will be finalised closer to the Phase 2 plant coming into operation, and the Company anticipates being able to obtain favourable pricing given the scarcity of energy sources in South Africa where energy prices have historically escalated at levels above those of domestic inflation rates.

In line with previous announcements, the Company is pursuing several sources of funding for Phase 2, which may include each, or any, of the following:

- An aggregate debt package of US\$750.0 million. In this regard the Company has secured a debt retainer letter with the DFC for the provision of a loan of up to US\$500.0 million to finance the development of Phase 2 and has mandated SBSA to fully underwrite the remaining US\$250.0 million.
- A 10% disposal of Tetra4 to the CEF for R1.0 billion. In this regard the CEF successfully completed due diligence pertaining to this acquisition and engagement with various stakeholders is currently underway to bring this transaction to fruition.
- A potential international public offering ("IPO"), subject to market and other conditions, the proceeds of which are intended to comprise a portion of the equity funding for Phase 2 construction (see IPO section below).

Upon completion of Phase 2 of the VGP, the Company expects that it will deliver a substantial amount of energy to the South African economy and will also transform South Africa into one of the world's large helium exporting countries.

Exploration activities

In March 2022, we achieved early success from two wells in our drilling campaign – Frodo and Balrog and saw an increase in the flow rate from a previously drilled well, R2D2, which following clean-up operations increased its flow rate by 18 000 standard cubic feet ("scf") per day (or 15%). Frodo achieved a flow rate of 23 000 scf per day and Balrog a flow rate of 90 000 scf per day, the latter through a diverter and following clean-up. The success of the exploration techniques applied to these wells will guide future exploration initiatives. Frodo was sited using only the latest fault structure interpretation, while Balrog was sited using Tetra4's "conviction scoring" AI methodology, based on non-invasive markers with no other geological input. The wells were drilled to intersect the planned fracture sets at around 500m total vertical depth and will feed into Phase 1 of the VGP.

In June 2022 we drilled a new gas blower, Gandalf, the third well in our drilling campaign for the year under review. Gas was intersected at 480m from surface with a flow rate of around 90 000 scf per day. The target depth is 1 200m and after initial testing the well was cased in preparation to drill to the full depth. At present the drillers are preparing to drill through the cement and further to the target depth.

During the second quarter of the financial year a new well, Han, was drilled to a measured depth of 624m, striking gas of approximately 80 000 scf per day. Drilling was halted to log the well to delineate the gas bearing features in the well. During the same period, the Don Vito well, previously drilled in June 2021 as a vertical pilot hole to log and determine the depth to the base of the Karoo (to plan the trajectories of wells R2D2 and C3PO), was examined and commenced flowing gas. This was interpreted to indicate that with the passage of time the well cleaned up naturally. The well is now producing approximately 75 000 scf per day. Given that the well was a pilot well and was not anticipated to produce gas, it is now being completed for production before being connected to the Phase 1 gas gathering pipeline.

In addition to the drilling campaign carried out during the year under review as outlined above, gravity and aeromagnetic surveys were also undertaken and completed in September 2022. The data is now being interpreted to improve the resolution of the geological model and optimise drillhole location accuracy in the Phase 2 area. These surveys, together with seismic data reprocessed during the third quarter, have provided enhanced resolution on a number of potential gas bearing features, including their extent, depth and orientation. In addition, several significant magnetic highs have been identified in the western part of the reserve area and are of particular interest as they are a series of cap rock above other newly identified gas bearing structures.



IPO

On 8 March 2023, Renergen announced its intention to issue 67.5 million shares ("Specific Issue Shares"), including such ordinary shares represented by American Depositary Shares and Chess Depositary Interests, by way of a proposed IPO on the Nasdaq Stock Market in the United States of America. Renergen obtained the approval of its shareholders to issue the Specific Issue Shares ("Special Authority") at a general meeting of shareholders held on 11 April 2023.

While the primary driver for Renergen seeking approval for the Specific Authority is to secure funding for the continued development of Phase 2 of the VGP, not all the proceeds that can be raised in terms of the Specific Authority are required immediately. Therefore, Renergen will place the Specific Issue Shares with new investors and/or existing shareholders in various stages ("Placements") and will utilise part of the Specific Authority on each Placement, as and when required, to limit dilution to existing shareholders. Renergen intends to raise US\$150.0 million from the initial Placement during 2023, market permitting, and no further equity funding is anticipated to be raised for the first 12 months following the successful conclusion of the proposed IPO.

Further details pertaining to the proposed IPO are available in the circular issued to shareholders on 8 March 2023 which is available on the Renergen website at <https://www.renergen.co.za/wp-content/uploads/2023/03/RenCircular-Mar2023.pdf> ("Circular"). Details in this announcement relating to the proposed IPO should be read together with the information contained in the Circular.

Financial review

Financial performance

The Group reported a loss after tax of R26.7 million for the year ended 28 February 2023 compared to R33.8 million in the prior comparative period, a decrease of R7.1 million, primarily arising from an improved gross margin contribution from the newly commissioned LNG operations, higher net foreign exchange gains and other income, and higher interest income, which were offset by:

- Higher interest and share-based payment expenses; and
- Higher other operating expenses.

Gross margin contribution

The Group reported a gross profit of R4.0 million for the year under review compared to a gross loss of R0.8 million in the prior comparative period, an improvement of R4.8 million. This reflects improved margins from the LNG operations which commenced in September 2022. Prior to September 2022 the Group only sold compressed natural gas ("CNG") which had significantly lower margins. Sales of CNG ceased when Phase 1 was commissioned in September 2022 and the Group is now focusing on its LNG and liquefied helium operations. There were no helium sales during the year under review as the helium module is yet to be fully commissioned.

Foreign exchange gains and other income

Net foreign exchange gains and the selling profit on finance lease receivables are included within other operating income in the statement of profit or loss and other comprehensive income and are disclosed in note 22 of the audited consolidated and separate financial statements presented. Overall, other operating income increased by R9.9 million to R13.6 million (2022: R3.7 million) mainly due to the developments outlined below.

- The further weakening of the Rand against major currencies during the year under review resulted in an increase in net foreign exchange gains of R6.0 million to R9.6 million (2022: R3.6 million). The Group holds cash balances denominated in US Dollars as security for the DFC borrowings (see note 9) and transacts in currencies including the Australian Dollar, Euro and British Pound in undertaking its operations.



- During the second half of the financial year, following the commissioning of Phase 1 of the VGP and the commencement of operations at the plant, the Group entered new finance leases whereby it leases storage tanks and related infrastructure to its customers under 8-year agreements. The facilities are used by customers to store LNG supplied by Tetra4 and to convert it to natural gas for use in their operations. The initial recording of these leasing arrangements resulted in the recognition of a profit of R3.9 million.

Interest income

Overall, total interest income increased by R3.4 million to R3.7 million (2022: R0.3 million). Higher cash balances from the Company's fund-raising initiatives and higher interest rates during the year under review resulted in an increase in interest income by R2.0 million to R2.3 million (2022: R0.3 million). In addition, the Group's new leasing arrangements contributed interest income amounting to R1.4 million (2022: Rnil).

Share-based payment expenses

In December 2021, the Group implemented an equity-settled Share Appreciation Rights Plan ("SAR Plan"). The increase in share-based payment expenses by R7.2 million to R10.3 million (2022: R3.1 million) is attributable to the Plan being in effect for a full 12-month period compared to a 3-month period in the prior year. The SAR Plan is a 5-year plan under the terms of which the Governance, Ethics, Transformation, Social and Compensation Committee makes once-off awards of forfeitable shares to the Executive Directors, prescribed officers, senior management, and general employees of the Group who can influence the growth of the Company.

Interest expense

The Group's interest expense primarily comprises imputed interest on borrowings and interest on leasing arrangements (with the Group as lessee). Total interest expense increased by R0.4 million to R4.6 million (2022: R4.2 million) primarily due to an increase in imputed interest on the Molopo borrowings highlighted in note 15 of the audited consolidated and separate financial statements presented.

Interest on the DFC and Industrial Development Corporation borrowings is capitalised in line with the Group's policy which requires that borrowing costs directly attributable to the construction of assets that take a substantial period of time to get ready for use are included in the cost of the asset. These capitalised borrowing costs are disclosed in note 3 of the audited consolidated and separate financial statements presented.

Other operating expenses

Overall, other operating expenses increased by R4.7 million to R42.9 million (2022: R38.2 million) primarily due to:

- An increase in marketing and advertising costs by R2.7 million due to sponsorship costs which have improved brand visibility as the Group approached the commissioning of Phase 1 of the VGP;
- An increase in listing costs by R1.2 million due to an additional 20.8 million shares issued and listed during the year; and
- An increase of R2.1 million in advisory fees relating to the Group's proposed IPO, strategy, risk management and legal matters.

These increases in other operating expenses were offset by an overall decrease of R1.3 million in other operating expenses arising from cost-saving initiatives, the impact of the Group's capitalisation policy and a decrease in depreciation during the year. Other operating expenses mainly comprise computer and IT expenses, security costs, insurance, travel costs and depreciation.



Financial position

The Group's Net Asset Value ("NAV") increased by R553.9 million to R840.2 million as at 28 February 2023, an increase of 194% year-on-year. This growth in NAV can be attributed mainly to:

- Further investments in the Group's property, plant and equipment ("PPE") and intangible assets aided mostly by equity proceeds raised during the year (see Fund Raising section below). As mentioned in the operational review, the Group completed the construction of Phase 1 of the VGP and drilled a number of exploratory wells during the year. The increase in PPE and intangible assets amounted to R652.5 million which includes capitalised borrowing costs and foreign exchange differences after considering annual depreciation of PPE. The additions outlined in notes 3 and 4 of the audited consolidated and separate financial statements presented reflect expenditure on PPE and intangible assets exclusive of capitalized borrowing costs and unrealised foreign exchange differences.
- Funds raised during the year were also applied to increase restricted cash balances which serve as security for the repayment of the DFC and Industrial Development Corporation ("IDC") borrowings. At any given time, the balances held as restricted cash primarily represent amounts due to the DFC and IDC within a six-month period and increased by R54.0 million during the year under review.
- The recognition of finance lease receivables amounting to R54.6 million arising from the Group's leasing of equipment and infrastructure required for the delivery, storage, utilisation and conversion of LNG to natural gas. The leases came into effect for the first time during the year under review with the Group as lessor.
- Increases totalling R14.5 million attributable to the Group's remaining assets – trade and other receivables, the deferred tax asset and inventory, offset by a decrease of R39.4 million in the Group's cash and cash equivalents.

Movements in the Group's asset base as outlined above were offset by:

- A net increase in borrowings totalling R88.2 million arising from foreign exchange losses due to the weakening of the Rand against the US Dollar and interest charged on borrowings, offset by payments made during the year as fully set out in note 29 of the audited consolidated and separate annual financial statements presented.
- An increase in trade and other payables amounting to R70.7 million primarily reflecting costs associated with finalising the construction, testing and commissioning of Phase 1 of the VGP which were payable at year-end.
- A net increase totalling R23.4 million in the Group's other liabilities mainly attributable to revenue received in advance from a customer and an increase in the rehabilitation provision due to the exploration activities undertaken during the year.

Fund raising

FY2023 marked significant success in our fund-raising initiatives. The Company raised R573.9 million (2022: R113.2 million) from various placements on the ASX and JSE as fully set out in note 13 of the audited consolidated and separate financial statements presented. As highlighted above, funds raised from these investments were applied to progress and complete Phase 1 of the VGP and to fund pre-development costs relating to Phase 2.

3. STATED CAPITAL

The Company increased its number of shares issued to 144 748 378 from 123 934 005 shares issued in the prior year. Note 13 of the audited consolidated and separate financial statements provides details on the shares issued during the financial year under review.

4. DIVIDENDS

No dividends were declared or paid to shareholders during the financial year under review (2022: Rnil).



5. DIRECTORATE

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

| DIRECTOR | DESIGNATION | OFFICE | APPOINTMENT DATE |
|-------------------|------------------------------------|-------------------------|------------------|
| Stefano Marani | Executive | Chief Executive Officer | 20 November 2014 |
| Nick Mitchell | Executive | Chief Operating Officer | 25 November 2015 |
| Brian Harvey | Executive | Chief Financial Officer | 1 May 2021 |
| David King | Independent Non-executive Director | Chairman | 4 June 2019 |
| Mbali Swana | Independent Non-executive Director | | 16 February 2015 |
| Luigi Matteucci | Independent Non-executive Director | | 3 May 2016 |
| Thembisa Skweyiya | Independent Non-executive Director | | 6 February 2023 |
| Dumisa Hlatshwayo | Independent Non-executive Director | | 6 February 2023 |

The Directors below held office during the financial year under review:

| DIRECTOR | DESIGNATION | APPOINTMENT DATE | RESIGNATION DATE |
|------------------|------------------------------------|------------------|------------------|
| Bane Maleke | Independent Non-executive Director | 7 December 2016 | 6 February 2023 |
| Alex Pickard | Non-executive Director | 4 April 2022 | 6 February 2023 |
| Francois Olivier | Non-executive Director | 19 November 2018 | 6 February 2023 |

6. DIRECTORS' AND PRESCRIBED OFFICERS INTERESTS IN SHARES

Directors' and prescribed officers' interests in shares of the Company as at 28 February 2023 were as follows:

EXECUTIVE DIRECTORS

| | 2023 | | | 2022 | | |
|----------------|------------|---------------|---------------|------------|---------------|---------------|
| | Direct | Indirect | Total | Direct | Indirect | Total |
| | '000 | '000 | '000 | '000 | '000 | '000 |
| Stefano Marani | 259 | 8 714 | 8 973 | 259 | 8 709 | 8 968 |
| Nick Mitchell | - | 8 600 | 8 600 | - | 8 600 | 8 600 |
| TOTAL | 259 | 17 314 | 17 573 | 259 | 17 309 | 17 568 |



NON-EXECUTIVE DIRECTORS

| | 2023 | | | 2022 | | |
|-------------------------------|----------|------------|------------|----------|-----------|-----------|
| | Direct | Indirect | Total | Direct | Indirect | Total |
| | '000 | '000 | '000 | '000 | '000 | '000 |
| David King | 5 | 148 | 153 | - | - | - |
| Francois Olivier ¹ | - | - | - | 1 | 10 | 11 |
| TOTAL | 5 | 148 | 153 | 1 | 10 | 11 |

1 - Resigned on 6 February 2023

PRESCRIBED OFFICERS

| | 2023 | | | 2022 | | |
|---------------------------------|-----------|----------|-----------|-----------|----------|-----------|
| | Direct | Indirect | Total | Direct | Indirect | Total |
| | '000 | '000 | '000 | '000 | '000 | '000 |
| Johan Weideman ² | - | - | - | 11 | - | 11 |
| Khalid Patel ² | - | - | - | 2 | - | 2 |
| Mandy-Leigh Stuart ² | - | - | - | 1 | - | 1 |
| Leonard Eiser | 17 | 0 | - | - | - | - |
| TOTAL | 17 | - | 17 | 14 | - | 14 |

2 - These employees are no longer prescribed officers due to changes in the structure of the Group Executive Committee. From 28 February 2023 to the date of this report none of the above interests have changed.

7. DIRECTORS' AND 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 Regeneron 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. INTERESTS IN SUBSIDIARIES

The Company's interests in its wholly owned subsidiaries, Tetra4 Proprietary Limited ("Tetra4") and Cryovation Proprietary Limited ("Cryovation") are presented in note 5 to the audited consolidated and separate financial statements.

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

| | 2023 R'000 | 2022 R'000 |
|--------------|----------------|-----------------|
| Tetra4 | (1 040) | (26 173) |
| Cryovation | (172) | - |
| TOTAL | (1 212) | (26 173) |



9. BORROWING FACILITIES AND POWERS

The Group's borrowing facilities are disclosed in note 15 of the audited consolidated and separate financial statements.

10. CONTROL OF UNISSUED SHARE CAPITAL

The unissued ordinary shares of the Company 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 Annual General Meeting ("AGM"), shareholders will be requested 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. GROUP COMPANY SECRETARY

Acorim Proprietary Limited ("Acorim") remained the Company Secretary of the Company for the year under review. All Directors have access to the services and advice of Acorim. The Company Secretary is not a Director of Renergen and maintains an arm's length relationship with the Renergen Board of Directors ("Board"). The Company Secretary supports the Board as a whole, and Directors individually, by providing guidance on to how to fulfil their responsibilities as Directors in the best interest of Renergen. The Company Secretary is responsible for, amongst other matters:

- Ensuring the proper administration of the Board;
- Adherence to sound corporate governance procedures; and
- The functions as specified in the Companies Act.

The Board considered the Company Secretary's competence, skills, qualifications and experience as required in terms of the JSE Listings Requirements and remains satisfied with the competency, qualifications, experience and ongoing appointment of the Company Secretary. The certificate that the Company Secretary is required to issue in terms of section 88(2)(e) of the Companies Act, is included on page 12 of the consolidated and separate financial statements.

12. CHANGES IN DIRECTORATE

On 6 February 2023, Renergen announced that Alex Pickard and Francois Olivier had stepped down from their roles as Non-executive Directors of the Company with effect from that date. On the same day Renergen announced the retirement with immediate effect of Bane Maleke.

Thembisa Skweyiya and Dumisa Hlatshwayo were appointed as Independent Non-executive Directors of Renergen on 6 February 2023, replacing the outgoing Directors. Thembisa Skweyiya was also appointed to Renergen's Governance, Ethics, Transformation, Social and Compensation Committee, and Dumisa Hlatshwayo to Renergen's Audit, Risk and IT Committee. It is further noted that this was in line with our rotation and succession planning for Board members, hence the immediate appointment of our incoming Board members.

Full biographies of the new Directors are available on our website.

13. LITIGATION UPDATE

As reported in our Integrated Annual Report 2022, the Group, through their subsidiary (Tetra4), are party to legal proceedings. While there have been no significant developments or changes in the status of these matters since the last report, and although Renergen cannot predict the outcome of ongoing legal matters with certainty, the Group's management is confident that the outcome of any pending legal matter, either individually or on a combined basis, will not have a material effect on the financial position of the Group, its cash flows and operations.



Litigation against African Carbon Energy Proprietary Limited ("Africary")

African Carbon Energy Proprietary Limited ("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. Tetra4 submitted objections in respect of the application. The proposed method of mining (underground coal gasification) may reduce Tetra4's ability to produce gas in a portion of the Production Right where the overlap occurs. In respect of the application for a mining right, all objections must be referred to the Regional Mining Development and Environmental Committee. Tetra4 is confident that this mining right will not be granted on the basis that Tetra4 is first in right and application with existing case law having set precedent further supporting our legal position.

On 1 December 2021, Tetra4 proceeded to institute motion proceedings in the High Court of South Africa seeking an order to clarify the jurisdiction of NERSA with respect to several of Tetra4's operating activities. Tetra4 is of the opinion that these activities are currently regulated under the Production Right granted in accordance with the Mineral and Petroleum Resources Development Act 28 of 2002. The order will clarify the confusion and potential contradictions of the varying sets of legislation imposed on Tetra4. Tetra4 already has all required licenses in place, and this is simply to obtain legal clarity on the regulatory framework governing upstream versus downstream operations.

14. EVENTS AFTER THE REPORTING PERIOD

Events which occurred after the reporting period and up to the date of this report are disclosed in note 36.

15. GOING CONCERN

Refer to note 37 of the consolidated and separate financial statements.

16. AUDITORS

Changes to the Group's external auditor are highlighted on page 9. BDO's business address is Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg, South Africa, 2196.

Consolidated and Separate Statements of Financial Position

Figures in Rand Thousands

| | | GROUP | | COMPANY | |
|--|-------|------------------|------------------|------------------|------------------|
| | Notes | 2023 | 2022 | 2023 | 2022 |
| ASSETS | | | | | |
| NON-CURRENT ASSETS | | | | | |
| Property, plant and equipment ¹ | 3 | 1 371 748 | 807 027 | 2 368 | 383 |
| Intangible assets | 4 | 241 842 | 154 023 | 142 | 745 |
| Investments in subsidiaries | 5 | - | - | 642 356 | 627 666 |
| Loans to subsidiaries | 7 | - | - | 1 046 188 | 488 677 |
| Deferred taxation | 8 | 53 236 | 43 529 | 3 961 | 4 196 |
| Restricted cash | 9 | 14 435 | 3 738 | - | - |
| Finance lease receivables | 10 | 48 095 | - | - | - |
| CURRENT ASSETS | | 171 525 | 156 377 | 21 279 | 10 319 |
| Inventory | | 147 | - | - | - |
| Finance lease receivables | 10 | 6 464 | - | - | - |
| Trade and other receivables | 11 | 31 657 | 27 032 | 2 759 | 957 |
| Restricted cash | 9 | 77 552 | 34 257 | - | - |
| Cash and cash equivalents | 12 | 55 705 | 95 088 | 18 520 | 9 362 |
| TOTAL ASSETS | | 1 900 881 | 1 164 694 | 1 716 294 | 1 131 986 |
| EQUITY AND LIABILITIES | | | | | |
| Stated capital | 13 | 1 134 750 | 563 878 | 1 733 149 | 1 162 277 |
| Share-based payments reserve | 14 | 21 099 | 11 354 | 21 099 | 11 354 |
| Revaluation reserve | 27 | 598 | 598 | - | - |
| Accumulated loss | | (316 243) | (289 518) | (67 882) | (42 369) |
| TOTAL EQUITY | | 840 204 | 286 312 | 1 686 366 | 1 131 262 |
| LIABILITIES | | | | | |
| NON-CURRENT LIABILITIES | | | | | |
| Borrowings | 15 | 806 558 | 773 056 | - | - |
| Lease liabilities | 16 | 1 108 | 1 407 | - | - |
| Deferred revenue | 17 | 15 093 | - | - | - |
| Provisions | 18 | 37 564 | 29 486 | - | - |
| CURRENT LIABILITIES | | 200 354 | 74 433 | 29 928 | 724 |
| Borrowings | 15 | 104 457 | 49 784 | - | - |
| Trade and other payables | 19 | 92 313 | 21 602 | 29 928 | 724 |
| Lease liabilities | 16 | 1 184 | 1 775 | - | - |
| Provisions | 18 | 2 400 | 1 272 | - | - |
| TOTAL LIABILITIES | | 1 060 677 | 878 382 | 29 928 | 724 |
| TOTAL EQUITY AND LIABILITIES | | 1 900 881 | 1 164 694 | 1 716 294 | 1 131 986 |

¹ - Includes right-of-use assets as presented in note 3.

Consolidated and Separate Statements of Changes in Equity

Figures in Rand Thousands

| | GROUP | | | | |
|--|------------------|------------------------------|---------------------|------------------|--|
| | Stated capital | Share-based payments reserve | Revaluation reserve | Accumulated loss | Total equity attributable to equity holders of Regeneron Limited |
| Balance at 1 March 2021 | 453 078 | 8 500 | 598 | (255 768) | 206 408 |
| Loss for the year | - | - | - | (33 750) | (33 750) |
| Total comprehensive loss for the year | - | - | - | (33 750) | (33 750) |
| Issue of shares (note 13) | 113 376 | (261) | - | - | 113 115 |
| Share issue costs (note 13) | (2 576) | - | - | - | (2 576) |
| Share-based payments expense (note 14) | - | 3 115 | - | - | 3 115 |
| Balance at 28 February 2022 | 563 878 | 11 354 | 598 | (289 518) | 286 312 |
| Loss for the year | - | - | - | (26 725) | (26 725) |
| Total comprehensive loss for the year | - | - | - | (26 725) | (26 725) |
| Issue of shares (note 13) | 574 447 | (533) | - | - | 573 914 |
| Share issue costs (note 13) | (3 575) | - | - | - | (3 575) |
| Share-based payments expense (note 14) | - | 10 278 | - | - | 10 278 |
| Balance at 28 February 2023 | 1 134 750 | 21 099 | 598 | (316 243) | 840 204 |
| Notes | 13 | 14 | 27 | | |

| | COMPANY | | | |
|--|------------------|------------------------------|------------------|--|
| | Stated capital | Share-based payments reserve | Accumulated loss | Total equity attributable to equity holders of Regeneron Limited |
| Balance at 1 March 2021 | 1 051 477 | 8 500 | (34 792) | 1 025 185 |
| Loss for the year | - | - | (7 577) | (7 577) |
| Total comprehensive loss for the year | - | - | (7 577) | (7 577) |
| Issue of shares (note 13) | 113 376 | (261) | - | 113 115 |
| Share issue costs (note 13) | (2 576) | - | - | (2 576) |
| Share-based payments expense (note 14) | - | 3 115 | - | 3 115 |
| Balance at 28 February 2022 | 1 162 277 | 11 354 | (42 369) | 1 131 262 |
| Loss for the year | - | - | (25 513) | (25 513) |
| Total comprehensive loss for the year | - | - | (25 513) | (25 513) |
| Issue of shares (note 13) | 574 447 | (533) | - | 573 914 |
| Share issue costs (note 13) | (3 575) | - | - | (3 575) |
| Share-based payments expense (note 14) | - | 10 278 | - | 10 278 |
| Balance at 28 February 2023 | 1 733 149 | 21 099 | (67 882) | 1 686 366 |
| Notes | 13 | 14 | | |

Consolidated and Separate Statements of Profit or Loss and other Comprehensive Income



Figures in Rand Thousands

| | Notes | GROUP | | COMPANY | |
|--|-------|-----------------|-----------------|-----------------|----------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Revenue | 20 | 12 687 | 2 637 | - | - |
| Cost of sales | 21 | (8 684) | (3 412) | - | - |
| Gross profit/(loss) | | 4 003 | (775) | - | - |
| Other operating income | 22 | 13 630 | 3 736 | 818 | 12 |
| Share-based payments expense | 14 | (10 278) | (3 115) | (7 905) | (52) |
| Other operating expenses | 23 | (42 879) | (38 207) | (19 608) | (8 007) |
| Operating loss | | (35 524) | (38 361) | (26 695) | (8 047) |
| Interest income | 24 | 3 675 | 275 | 1 422 | 83 |
| Interest expense and imputed interest | 25 | (4 583) | (4 217) | (5) | - |
| Loss before taxation | | (36 432) | (42 303) | (25 278) | (7 964) |
| Taxation | 26 | 9 707 | 8 553 | (235) | 387 |
| LOSS FOR THE YEAR | | (26 725) | (33 750) | (25 513) | (7 577) |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | | (26 725) | (33 750) | (25 513) | (7 577) |

| Loss attributable to: | | | | | |
|------------------------------|--|-----------------|-----------------|---|---|
| Owners of Renergen Limited | | (26 725) | (33 750) | - | - |
| LOSS FOR THE YEAR | | (26 725) | (33 750) | - | - |

| Total comprehensive loss attributable to: | | | | | |
|--|--|-----------------|-----------------|---|---|
| Owners of Renergen Limited | | (26 725) | (33 750) | - | - |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | | (26 725) | (33 750) | - | - |

| Loss per ordinary share | | | | | |
|--|----|---------|---------|---|---|
| Basic and diluted loss per share (cents) | 34 | (19,86) | (27,73) | - | - |

Consolidated and Separate Statements of Cash Flows



Figures in Rand Thousands

| | Notes | GROUP | | COMPANY | |
|---|-----------|------------------|------------------|------------------|-----------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Cash flows (used in)/from operating activities | | (70 596) | (79 175) | 6 952 | (9 048) |
| Cash (used in)/from operations | 28 | (72 903) | (78 941) | 5 530 | (9 131) |
| Interest received | 24 | 2 307 | 275 | 1 422 | 83 |
| Interest paid | 25 | - | (509) | - | - |
| Cash flows used in investing activities | | (440 781) | (306 956) | (571 405) | (93 377) |
| Investment in property, plant and equipment | 3 | (352 448) | (260 723) | (2 179) | - |
| Disposal of property, plant and equipment | | 55 | - | - | - |
| Investment in intangible assets | 4 | (88 388) | (46 233) | (117) | (475) |
| Disposal of intangible assets | 4 | - | - | 720 | - |
| Investments in subsidiary | 5 | - | - | (12 318) | - |
| Loans granted to subsidiaries | 31 | - | - | (557 511) | (92 902) |
| Cash flows from financing activities | | 470 925 | 347 227 | 572 542 | 110 539 |
| Ordinary shares issued for cash | 13 | 573 914 | 113 115 | 573 914 | 113 115 |
| Share issue costs | 13 | (1 367) | (2 576) | (1 367) | (2 576) |
| Repayment of borrowings - capital | 29 | (56 114) | - | - | - |
| Repayment of interest on borrowings | 29 | (43 072) | (31 293) | - | - |
| Interest paid on leasing and other arrangements | 25 | (308) | - | (5) | - |
| Proceeds from borrowings | 29 | - | 270 989 | - | - |
| Lease liabilities - lease payments | 16 | (2 128) | (3 008) | - | - |
| TOTAL CASH MOVEMENT FOR THE YEAR | | (40 452) | (38 904) | 8 089 | 8 114 |
| Cash and cash equivalents at the beginning of the year | 12 | 95 088 | 130 878 | 9 362 | 1 096 |
| Effects of exchange rate changes on cash and cash equivalents | | 1 069 | 3 114 | 1 069 | 152 |
| TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 12 | 55 705 | 95 088 | 18 520 | 9 362 |

Significant Accounting Policies



Figures in Rand Thousands

1. BASIS OF PREPARATION

Regergen Limited (“the Company”, together with its subsidiaries, “the Group”), is a company incorporated in South Africa and is listed on the Johannesburg Stock Exchange and the Australian Securities Exchange. General company information is included on page 97 of the consolidated and separate financial statements. The Group is focused on alternative and renewable energy in South Africa and sub-Saharan Africa. Further details on the operation of Group companies are provided in note 6.

The consolidated and separate financial statements of the Group and Company for the year ended 28 February 2023 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 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 financial statements of the Group and 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 the financial year ended 28 February 2023. Note 2 discloses the impact of new standards, interpretations and amendments to published standards on the consolidated and separate financial statements of the Group and Company.

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

Going concern

The consolidated and separate financial statements of the Group and 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 subsidiary

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

The Company initially recognised its investment in its subsidiary at cost and subsequently measures this investment at cost less accumulated impairment losses.

The Company's subsidiaries as at 28 February 2023 are set out in note 5.



1.2 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

JUDGEMENTS

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.

Going concern (note 37)

Management's assessment of the Group's ability to continue as a going concern involved making a judgment that regulatory and other approvals required to secure funding during the assessment period will be obtained. In addition, management exercised judgement to conclude that the funding initiatives will be completed during the assessment.

Recognition of deferred tax assets (notes 1.8 and 8)

After determining whether future taxable income will be available against which deductible temporary differences and tax losses carried forward can be utilised, management exercises its judgement to further establish a percentage to limit the amount of the deferred tax asset that can be recognised.

Capitalisation of development costs (notes 1.4 and 4)

Distinguishing the research and development phases of the Cryo-Vacc™ and Helium Token System projects and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to the established project management model.

Determination of a lease term (notes 1.9 and 10)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

Exploration and development costs (notes 1.4 and 4)

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. In applying this judgement, management considers the outcomes from the exploration campaigns of the Group and relies on Reserve and Evaluation Reports prepared by independent sub-surface consultants in assessing the reserves and resources and associated economics of the Virginia Gas Field. This process determines whether exploration and development costs are capitalised.



Commissioning date for the Virginia Gas Project (note 1.3 and 3)

Judgement is involved in determining the commissioning date of the plant which is the date on which the capitalisation of borrowing costs ceases, depreciation commences, and assets are transferred from assets under construction to their relevant categories within property, plant and equipment. Management places reliance on experts to determine the commissioning date by way of certification. A variation in the commissioning date may materially impact the categorisation of assets, capitalisation of borrowing costs and the recognition of depreciation.

ESTIMATES AND ASSUMPTIONS

Measurement of expected credit losses for financial assets (notes 7, 10, 11 and 33)

The Group applies the expected credit losses (“ECL”) model to determine the impairment of trade and other receivables and finance lease receivables, and in the case of the Company, the loans to subsidiaries. The application of the model involves judgement in determining whether there has been a significant increase in risk. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group considers qualitative and quantitative reasonable and supportable forward-looking information.

Reserves and resources (notes 1.4 and 4)

The determination of reserves and resources is an estimation process that involves varying degrees of uncertainty depending on how the reserves and resources are classified. Reserves and resources could differ depending on significant changes in the factors or assumptions used in the estimation process. These factors could include:

- Changes in proved and probable gas reserves;
- Differences in pricing assumptions;
- Unforeseen operational issues; and
- Changes in capital, operating, processing and other costs, discount rates and foreign exchange rates.

The Group relies on independent sub-surface consultants in assessing the reserves and resources.

Impairment of non-financial assets (note 4)

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about reserves and resources, commodity prices, future operating and capital costs, interest rates, exchange rates, inflation rates and the determination of a suitable discount rate. Reserves and resources - The Group relies on independent sub-surface consultants in assessing the reserves and resources which are used to determine projected cash flows.

Commodity prices, Interest rates, inflation rates and exchange rates – these are benchmarked against external sources of information. Where existing sales contracts are in place, the effects of such contracts are considered in determining future cash flows.

Future operating and capital costs - operating costs and capital expenditure are based on financial budgets covering a three-year period. Cash flow projections beyond five years are based on the life-of-asset plan, as applicable, and internal management forecasts. Cost assumptions incorporate management experience and expectations.



Useful lives for property, plant and equipment and intangible assets (notes 1.3 and 3)

In determining the useful life of items of property, plant and equipment, management considers the expected usage of assets, expected physical wear and tear, legal or similar limits of assets and past experience of the Group with similar assets. Any change in management's estimate of the useful lives of assets would impact the depreciation charge.

Provision for environmental rehabilitation (notes 1.10 and 18)

Management relies on environmental experts to assist with the determination of rehabilitation obligations. The determination of rehabilitation 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 (notes 8 and 26)

Taxation of oil and gas companies is highly complex, and the determination of the Group's tax position involves an estimation of tax outcomes which include special allowances that would be available to the Group, amongst other factors. Where such outcomes are 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.

Fair value measurement (notes 3, 4 and 33)

The assessment of fair value is principally used in accounting for impairment testing, the valuation of certain financial instruments and the valuation of land and buildings. The Group Executive Committee oversees material assessments of fair values applicable to the Group's financial instruments and non-financial assets.

Management uses various valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

1.3 PROPERTY, PLANT AND EQUIPMENT

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. For qualifying assets, costs includes capitalised borrowing costs (note 1.15).

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

Significant Accounting Policies



Figures in Rand Thousands

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment is 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 during 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 with sufficient frequency, to ensure that at any point in time the carrying amount still approximates fair value. A revaluation surplus is recorded in other comprehensive income and credited to the revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve. Upon disposal, any revaluation surplus relating to the revalued land being sold is transferred to the accumulated loss.

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 fixtures | Straight line | 6 years |
| Leasehold improvements - office equipment | Straight line | 6 years |
| Right-of-use - motor vehicles | Straight line | Lease term |
| 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 are 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 within cost of sales and other operating expenses.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. The impairment tests are performed as set out in note 1.5.

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.

Significant Accounting Policies



Figures in Rand Thousands

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 initially recognised at cost. Following initial recognition intangible assets are measured 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.

Internally generated intangible assets (development costs)

Expenditure on internally developed intangible assets is capitalised when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following initial recognition of the intangible asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in other operating expenses within profit or loss. During the period of development, the asset is tested for impairment annually.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in profit or loss as incurred.

The Group's internally generated intangible assets include development costs attributable to Cryo-Vacc™ and the Helium Token System.

Computer software licences

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 associated with maintaining computer software programs are recognised as an expense as incurred.

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 |
| Development costs - Cryo-Vacc™ | Straight line basis (12 years) |
| Development costs - Helium Token System | Straight line basis (10 years) |
| Computer software | Straight line basis (10 years) |

Significant Accounting Policies



Figures in Rand Thousands

Amortisation of exploration and development costs will commence upon the start of production.

Impairment tests are performed on intangible assets other than development costs when there is an indicator that they may be impaired. The impairment tests are performed as set out in note 1.5.

1.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Future cash flows are based on detailed budgets and forecast calculations which generally cover a period of three years. For longer periods, a long-term growth rate is calculated and applied to projected future cash flows after the third year. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

Impairment charges are included in profit or loss within other operating expenses, except to the extent they reverse gains previously recognised in other comprehensive income.

A previously recognised impairment charge is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment charge was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment charge been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

1.6 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on trade date when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

FINANCIAL ASSETS

Classification

The Group classifies its financial assets as financial assets at amortised cost. At 28 February 2023 and 28 February 2022, the Group did not have financial assets at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVOCI).

Significant Accounting Policies



Figures in Rand Thousands

Financial assets at amortised cost

These assets arise principally from the provision of products to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. Except for those trade receivables measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable), that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less an allowance for impairment.

The Group's financial assets measured at amortised cost comprise trade and other receivables (note 11), restricted cash (note 9) and cash and cash equivalents (note 12) in the consolidated statement of financial position. The Company's financial assets measured at amortised cost also comprise loans to subsidiaries (note 7).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within interest expense and interest income, except for the impairment of financial assets which is presented within other operating expenses.

Trade and other receivables

The Group's trade receivables do not contain a significant financing component and are accounted for as outlined above.

Cash and cash equivalents

In the consolidated and separate statements of financial position and the consolidated and separate statements of cash flows, cash and cash equivalents include cash on hand and at banks, short-term deposits and other short-term highly liquid investments with original maturities of three months or less. The Group does not have overdraft facilities.

Restricted cash

The Group has cash deposits in call accounts that have been ring-fenced. Access to such accounts is restricted and requires authorisation of third-party counterparties. These cash deposits consist of 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 Finance Agreements with the US International Development Finance Corporation (DFC) and Industrial Development Corporation (IDC) (see note 15). This cash is not treated as cash and cash equivalents.

Loans to subsidiaries

Loans to subsidiaries are included in non-current assets as management expects the loans to be repaid later than 12 months after the reporting period.

Impairment of financial assets

Trade receivables and finance lease receivables

Expected credit losses for trade receivables and finance lease receivables are recognised based on the simplified approach within IFRS 9. The expected credit losses on trade receivables and finance lease receivables are estimated using a provision matrix by reference to past default experience and financial metrics, adjusted as appropriate for observable data (e.g. gross domestic product (GDP) and interest rates). Expected credit losses are recognised in profit or loss within other operating expenses. When a subsequent event causes the amount of impairment charge to decrease, the decrease in impairment charge is reversed through profit or loss.

Significant Accounting Policies



Figures in Rand Thousands

On confirmation that the trade receivable or finance lease receivable will not be collectable, the gross carrying value of the trade receivable or finance lease receivable is written off against the associated provision, and if the associated provision is not sufficient, the trade receivable or finance lease receivables is written off in profit or loss within other operating expenses.

Other financial assets at amortised cost (cash and cash equivalents, restricted cash, other receivables and loans to subsidiaries)

Impairment provisions for cash and cash equivalents, restricted cash, other receivables and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses are recognised. For those that are determined to be credit impaired, lifetime expected credit losses are recognised.

The loans to related parties currently do not have repayment terms. The Group exercises judgement to determine whether there has been a significant increase in credit risk and considers factors such as outcomes of various projects undertaken by subsidiaries which influence their ability to settle amounts owed to the Company. Forward looking information also considered by the Group includes the ability of the subsidiaries to raise adequate funding for projects and projected commodity prices which impact operations. It is not expected that the loans to related parties will be settled in the next 3 years. An increase in credit risk will arise when the subsidiary fails to secure adequate funding for projects undertaken.

The Group's other receivables mainly comprise deposits held by third parties and prepayments. An increase in credit risk associated with these assets is determined by assessing the third party's ability to repay amounts owed or to provide services procured. Where credit ratings are available, the Group uses these to determine whether there has been an increase in risk reflected by credit downgrades. Where credit ratings are not available the Group considers publicly available information which reflects the third party's ability to repay amounts owed or to provide services procured in future. The Group considers other receivables to be in default if they are more than 90 days past due, or if any other event has occurred that represents a serious threat to the going-concern basis of the debtor.

The Group deposits cash with banks and financial institutions with high credit standing which are independently rated. An increase in credit risk would be determined with reference to downgrades in these credit ratings.

The Group would write off loans to related parties in profit or loss within other operating expenses if information indicates that the subsidiary is in severe financial difficulty and there is no realistic prospect of recovery. This would likely occur when a project or key operations are no longer viable.

The Group would write off other receivables if the third party does not repay deposits within 6 months from the date they become refundable or does not provide the services procured within 6 months of the expected timing of the receipt of the services.

FINANCIAL LIABILITIES

Classification

The Group classifies its financial liabilities as financial liabilities at amortised cost. At 28 February 2023 and 28 February 2022, the Group did not have financial liabilities at fair value through profit or loss (FVTPL) or derivative financial instruments.

Significant Accounting Policies



Figures in Rand Thousands

Financial liabilities at amortised cost

The Group's financial liabilities at amortised cost primarily arise from transactions with lenders and suppliers. The Group's financial liabilities at amortised cost comprise borrowings (note 15) and trade and other payables (note 19).

Borrowings

Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. All interest-related charges are reported in profit or loss within interest expense.

Interest-bearing borrowings are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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 income 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.

1.7 SHARE BASED PAYMENTS

Long-term employee benefits - Bonus Shares

The Group operates an equity-settled compensation plan where the Governance, Ethics, Transformation, Social and Compensation Committee (GETSC) makes an award of forfeitable shares to the Executive Directors, prescribed officers, senior management and general 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 (VWAP) market price of the equity-settled instrument granted. The grant date fair value of the equity-settled instruments is recognised as

Significant Accounting Policies



Figures in Rand Thousands

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

ASX listing

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 Monte Carlo Method, 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 vested on grant date. The share options awarded to the lead and corporate advisors grant them the right to acquire shares at a specific price.

Share Appreciation Rights Plan

The Group operates an equity-settled Share Appreciation Rights Plan (SAR Plan) where the GETSC makes a once-off award of forfeitable share options to the Executive Directors, prescribed officers, senior management and general employees of the Group who can influence the growth of the Company. The terms and conditions of the shares issued after vesting and after exercising the share options under the plan, are the same as those traded publicly.

The fair value of the share appreciation rights share options granted is measured using the Monte Carlo Method, taking into account the terms and conditions under which the options were granted. The grant date fair value of the share options is recognised as an employee benefit expense over the vesting period, with a corresponding increase in the share-based payment reserve.

Share options awarded under the SAR Plan will vest subject to the achievement of performance conditions which are pre-determined and linked to the growth of Renergen's share price, with participants having 5 years from the award date to achieve any or all performance conditions. Participants will be required to achieve and sustain the target share price for a 30-day period. Both the vesting and exercise of the share options awarded under the plan is subject to continued employment of a participant.

The GETSC reviews the the progress on the achievement of performance conditions on a monthly basis throughout the performance period.

1.8 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. This is because the investment is controlled by the holding company and there is no plan to reverse the temporary differences in the foreseeable future.

Deductions applicable to oil and gas companies

The Tenth Schedule of the South African Income Tax Act permits special tax allowances for companies involved in the exploration of oil and gas. This incentivises companies to pursue oil and gas exploration and creates fiscal certainty for companies involved in oil and gas activities in South Africa. The Tenth Schedule provides a 200%/150% super tax deduction for capital expenditure incurred for exploration and post-exploration respectively, in terms of an oil and gas right, which can be applied against the taxable income of the Group to reduce its tax liability in the year in which the expenditure is incurred. These deductions also affect the tax bases of assets when determining the deferred tax of the Group.

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.

1.9 LEASES

a) Group as lessee

The Group assesses whether a contract contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability in the statement of financial position, except for short-term leases with a term of twelve months or less and leases of 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.

Significant Accounting Policies



Figures in Rand Thousands

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. When a purchase option is included in the lease terms, the asset is depreciated over its estimated useful life.

b) Group as lessor

The Group enters into lease agreements as a lessor whereby customers lease equipment and infrastructure required for the delivery, storage, utilisation and conversion of LNG to natural gas.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables in the statement of financial position at the amount of Tetra4's net investment in the leases. At lease commencement date Tetra4 therefore accounts for the finance lease as follows:

- a) derecognises the carrying amount of the underlying leased asset/identified asset;
- b) recognises the net investment in the lease; and
- c) recognises, in profit or loss, any selling profit or loss.

The Group determines the lease commencement date to be the date on which it makes an underlying asset available for use by a lessee.

Subsequent to initial recognition, finance lease interest is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. Finance lease interest is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance). Lease payments are determined in the lease contracts and are applied to reduce the lease receivable by the amounts paid.

Impairment considerations applicable to finance lease receivables are dealt with as outlined in note 1.6.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

1.10 PROVISIONS

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.

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.

Significant Accounting Policies



Figures in Rand Thousands

The Group's is required by law to undertake rehabilitation work to address the environment damage 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).

1.11 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives revenue from contracts with customers as defined in IFRS 15 Revenue from contracts with customers from the sale of Compressed Natural Gas (CNG) in the Free State province of South Africa to one customer and the sale of Liquefied Natural Gas (LNG) to two customers.

Revenue is recognised at a point in time when the performance obligations have been satisfied, which is once the product is delivered to the destination specified by the customer and the customer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset.

There are no other performance obligations.

Revenue is measured at the fair value of the consideration received or receivable, after deducting value added tax. The consideration received is allocated to the products based on their selling price per the sales agreements and the volumes delivered. Volumes delivered are determined using a metering system. Each delivery is evidenced by a customer weighbridge ticket.

The Group recognises revenue only when it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific recognition criteria above have been met.

The recognition criteria above applies to sales of both CNG and LNG. All sales of CNG and LNG during the exploration phase are accounted for as revenue. The Group's customers are afforded 30 day terms for sales of both CNG and LNG.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in its statement of financial position (see note 17).

A refund is provided to customer if the Natural Gas delivered is not in line with the agreed specifications. The Group will be responsible to decant the storage tank and refill the storage tank with the correct specifications. Any claim in this regard must be lodged by the customer in writing within 7 days after the date of delivery of the Natural Gas.

1.12 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.

1.13 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.

Significant Accounting Policies



Figures in Rand Thousands

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 1.15. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

1.14 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. Renegen Limited is an investment holding company focused on investing in prospective green projects.

Tetra4 Proprietary Limited

Tetra4 explores for, develops and sells compressed natural gas and liquified natural gas to the South African market. It also explores for and develops helium gas.

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.

1.15 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 is 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 and IDC loans were 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.

Figures in Rand Thousands

Exchange differences relating to the DFC loan are treated as borrowing costs to the extent that they are an adjustment to interest costs, in accordance with IAS 23 - Borrowing Costs paragraph 6(e). 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.

The Group has elected to present repayments of interest on borrowings within financing activities which is permissible under IAS7 - Statement of Cash Flows.

2. NEW STANDARDS AND INTERPRETATIONS

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.

Onerous contracts- cost of fulfilling a contract - Amendments to IAS 37

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

This amendment did not have an impact on the Group as there were no onerous contracts during the year under review. This amendment will be applied should transactions of this nature arise in future.

Taxation in Fair Value Measurements- Clarification of IAS 41 (Agriculture)

This amendment requires companies to exclude taxation cash flows when determining fair value of a biological asset through a present value technique removed ensuring consistency with IFRS 13.

This amendment did not have an impact on the Group as it does not own biological assets.

Property, Plant and Equipment – Proceeds before Intended Use - Amendments to IAS 16

This amendment prohibits 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. An entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. 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 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 did not have an impact on the Group as it does not have sales of this nature.

Annual Improvements 2018-2020 Cycle

These improvements make amendments the following standard:

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

The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. Early application is permitted.

This amendment did not have an impact on the Group as it did not derecognise any financial liabilities during the year under review. This amendment will be applied should transactions of this nature arise in future.

Reference to the Conceptual Framework - Amendments to IFRS 3

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard. Early application is permitted.

This amendment did not have an impact on the Group as there were no business combinations during the year under review. This amendment will be applied should transactions of this nature arise in future.

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 2023 or later periods but which the Group has not early adopted. These new standards, amendments and interpretations to existing standards are listed below. The Group is evaluating the impact of these standards on 01 March of each year that the standards, amendments and interpretations become effective.

Deferred Tax related to Assets and Liabilities arising from a single transaction - Amendments to IAS 12 (effective date 1 January 2023)

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective 1 January 2023)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Definition of Accounting Estimates (Amendments to IAS 8) (effective 1 January 2023)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Classification of Liabilities as Current or Non-Current - Amendments to IAS 1 (effective date 1 January 2024)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Figures in Rand Thousands

3. PROPERTY, PLANT AND EQUIPMENT

| | GROUP | | | | | |
|---|-------------------|--------------------------|----------------|-------------------|--------------------------|----------------|
| | 2023 | | | 2022 | | |
| | Cost or Valuation | Accumulated depreciation | Net book value | Cost or Valuation | Accumulated depreciation | Net book value |
| Assets under construction | 1 342 450 | - | 1 342 450 | 785 460 | - | 785 460 |
| Right-of-use asset - head office building | 2 243 | (2 243) | - | 2 243 | (1 590) | 653 |
| Land - at revalued amount | 3 473 | - | 3 473 | 3 473 | - | 3 473 |
| Plant and machinery | 23 164 | (13 504) | 9 660 | 22 928 | (11 345) | 11 583 |
| Furniture and fixtures | 1 240 | (846) | 394 | 1 024 | (691) | 333 |
| Motor vehicles | 10 375 | (1 924) | 8 451 | 2 152 | (1 962) | 190 |
| Office equipment | 243 | (135) | 108 | 171 | (108) | 63 |
| IT equipment | 1 148 | (772) | 376 | 910 | (581) | 329 |
| Right-of-use assets - motor vehicles | 5 603 | (2 488) | 3 115 | 4 526 | (1 462) | 3 064 |
| Office building | 2 065 | (682) | 1 383 | 2 065 | (476) | 1 589 |

| LEASEHOLD IMPROVEMENTS | | | | | | |
|------------------------|------------------|-----------------|------------------|----------------|-----------------|----------------|
| Office equipment | 142 | (140) | 2 | 142 | (128) | 14 |
| Furniture and fixtures | 3 064 | (728) | 2 336 | 885 | (609) | 276 |
| TOTAL | 1 395 210 | (23 462) | 1 371 748 | 825 979 | (18 952) | 807 027 |

| | COMPANY | | | | | |
|------------------------|---------|--------------------------|----------------|------|--------------------------|----------------|
| | 2023 | | | 2022 | | |
| | Cost | Accumulated depreciation | Net book value | Cost | Accumulated depreciation | Net book value |
| Furniture and fixtures | 605 | (575) | 30 | 605 | (520) | 85 |
| Office equipment | 90 | (90) | - | 90 | (82) | 8 |
| IT equipment | 31 | (31) | - | 31 | (31) | - |

| LEASEHOLD IMPROVEMENTS | | | | | | |
|------------------------|--------------|----------------|--------------|--------------|----------------|------------|
| Office equipment | 142 | (140) | 2 | 142 | (128) | 14 |
| Furniture and fixtures | 3 064 | (728) | 2 336 | 885 | (609) | 276 |
| TOTAL | 3 932 | (1 564) | 2 368 | 1 753 | (1 370) | 383 |

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

| | GROUP 2023 | | | | | |
|--|-----------------|------------------------|---|-----------|--------------|---------------------|
| | At 1 March 2022 | Disposals ¹ | Environmental rehabilitation costs ² | Additions | Depreciation | At 28 February 2023 |
| Assets under construction | 785 460 | (50 309) | 9 206 | 598 093 | - | 1 342 450 |
| Right-of-use asset - head office building ³ | 653 | - | - | - | (653) | - |
| Land - at revalued amount | 3 473 | - | - | - | - | 3 473 |
| Plant and machinery | 11 583 | - | - | 236 | (2 159) | 9 660 |
| Furniture and fixtures | 333 | - | - | 216 | (155) | 394 |
| Motor vehicles | 190 | - | - | 8 557 | (296) | 8 451 |
| Office equipment | 63 | - | - | 72 | (27) | 108 |
| IT equipment | 329 | - | - | 238 | (191) | 376 |
| Right-of-use assets - motor vehicles | 3 064 | - | - | 1 076 | (1 025) | 3 115 |
| Office building | 1 589 | - | - | - | (206) | 1 383 |

| LEASEHOLD IMPROVEMENTS | | | | | | |
|------------------------|----------------|-----------------|--------------|----------------|----------------|------------------|
| Office equipment | 14 | - | - | - | (12) | 2 |
| Furniture and fixtures | 276 | - | - | 2 179 | (119) | 2 336 |
| TOTAL | 807 027 | (50 309) | 9 206 | 610 667 | (4 843) | 1 371 748 |

1 - Attributable to the derecognition of the carrying amounts of assets leased by the Group to customers under finance leases (see note 10).

2 - Current year rehabilitation costs as outlined in note 18.

3 - The lease for the head office building expired in June 2022 and the Group is currently on a short-term lease for office space.

During the year under review the Group disposed of a motor vehicle with a Rnil book value for R55 000.

| | GROUP 2022 | | | | | |
|---|-----------------|--|---|-----------|--------------|---------------------|
| | At 1 March 2021 | Reclassification from intangible assets ⁴ | Environmental rehabilitation costs ⁵ | Additions | Depreciation | At 28 February 2022 |
| Assets under construction | 451 576 | 4 000 | 26 758 | 303 126 | - | 785 460 |
| Right-of-use asset - head office building | 2 243 | - | - | - | (1 590) | 653 |
| Land - at revalued amount | 3 473 | - | - | - | - | 3 473 |
| Plant and machinery | 11 263 | - | - | 2 248 | (1 928) | 11 583 |
| Furniture and fixtures | 527 | - | - | 21 | (215) | 333 |
| Motor vehicles | 44 | - | - | 24 | 122 | 190 |
| Office equipment | 76 | - | - | 41 | (54) | 63 |
| IT equipment | 103 | - | - | 406 | (180) | 329 |
| Right-of-use assets - motor vehicles | 3 979 | - | - | - | (915) | 3 064 |
| Office building | 1 795 | - | - | - | (206) | 1 589 |

| LEASEHOLD IMPROVEMENTS | | | | | | |
|------------------------|----------------|--------------|---------------|----------------|----------------|----------------|
| Office equipment | 42 | - | - | - | (28) | 14 |
| Furniture and fixtures | 437 | - | - | - | (161) | 276 |
| TOTAL | 475 558 | 4 000 | 26 758 | 305 866 | (5 155) | 807 027 |

4 - Rehabilitation costs transferred from exploration and evaluation assets within intangible assets (see note 4).

5 - Rehabilitation costs as outlined in note 18.

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

| | COMPANY 2023 | | | |
|------------------------|-----------------|-----------|--------------|---------------------|
| | At 1 March 2022 | Additions | Depreciation | At 28 February 2023 |
| Furniture and fixtures | 85 | - | (55) | 30 |
| Office equipment | 8 | - | (8) | - |

| LEASEHOLD IMPROVEMENTS | | | | |
|------------------------|------------|--------------|--------------|--------------|
| Office equipment | 14 | - | (12) | 2 |
| Furniture and fixtures | 276 | 2 179 | (119) | 2 336 |
| TOTAL | 383 | 2 179 | (194) | 2 368 |

| | COMPANY 2022 | | |
|------------------------|-----------------|--------------|---------------------|
| | At 1 March 2021 | Depreciation | At 28 February 2022 |
| Furniture and fixtures | 204 | (119) | 85 |
| Office equipment | 22 | (14) | 8 |

| LEASEHOLD IMPROVEMENTS | | | | |
|------------------------|------------|--------------|------------|--|
| Office equipment | 42 | (28) | 14 | |
| Furniture and fixtures | 437 | (161) | 276 | |
| TOTAL | 705 | (322) | 383 | |

Pledge of assets

Tetra4 concluded finance agreements with the US International Development Finance Corporation ("DFC") on 20 August 2019 and the Industrial Development Corporation ("IDC") on 17 December 2021. 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 28 February 2023 (2022: R788.9 million), representing 100% (2022: 100%) of each of these asset categories.

Additions - Group

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

The Group's capitalisation policy for borrowing costs is provided in note 1.15 and borrowings are disclosed in note 15. Borrowing costs amounting to R183.1 million (2022: R45.1 million) were capitalised to assets under construction representing 100% (2022: 100%) of borrowing costs incurred during the year.

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

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:

| | GROUP | |
|---|----------------|----------------|
| | 2023 | 2022 |
| Additions as shown above | 610 667 | 305 866 |
| Capitalised borrowing costs attributable to the DFC loan (note 29) | (38 846) | (31 293) |
| Unrealised foreign exchange losses attributable to the DFC loan (note 29) | (120 290) | (10 619) |
| Capitalised borrowing costs attributable to the IDC loan (note 29) | (23 950) | (3 231) |
| Accruals attributable to assets under construction (note 19) | (74 057) | - |
| Non-cash additions to right-of-use assets | (1 076) | - |
| Additions as reflected in the cash flow statement | 352 448 | 260 723 |

The rate used to determine the amount of interest eligible for capitalisation was 1.75% (2022: 3.68%), which is the weighted average interest rate of the specific borrowings.

Capital commitments

Capital commitments attributable to assets under construction are disclosed in note 30.

Revalued property

On 28 February 2020 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 an independent valuer using the comparable sales method which relied on level 3 inputs as per the IFRS 13 requirements for determining fair value. 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 (see note 27).

The significant unobservable input is the average price per hectare which was R8 500 at 28 February 2020. Significant increases (decreases) in the estimated price per hectare in isolation would result in a significantly higher (lower) fair value on a linear basis. A 10% increase or (decrease) in the average price per hectare would result in an increase or (decrease) in the fair value of land by R0.3 million. The total land size is 408.5897 hectares. At 28 February 2023, management determined that the effect of changes in fair values between the last valuation date (28 February 2020) and the reporting date is immaterial. This conclusion was reached based on a high level assessment performed using information obtained from a Windeed search on prices of similar properties in the area.

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

| | 2023 | 2022 |
|-----------------------|--------------|--------------|
| | R'000 | R'000 |
| Cost | 2 777 | 2 777 |
| Net book value | 2 777 | 2 777 |

Land is not depreciated.

Lease assets

The corresponding lease liabilities disclosures for the right-of-use assets are provided in note 16.

Figures in Rand Thousands

4. INTANGIBLE ASSETS

| | GROUP | | | | | |
|-----------------------------------|--------------|---------------------------------|-----------------------|-------------|---------------------------------|-----------------------|
| | 2023 | | | 2022 | | |
| | Cost | Accumulated amortisation | Net book value | Cost | Accumulated amortisation | Net book value |
| ACQUIRED INTANGIBLE ASSETS | | | | | | |
| Exploration and development costs | 217 459 | (32) | 217 427 | 137 161 | (32) | 137 129 |
| Computer software | 6 647 | (1 373) | 5 274 | 4 184 | (804) | 3 380 |

| INTERNALLY DEVELOPED INTANGIBLE ASSETS | | | | | | |
|---|----------------|----------------|----------------|----------------|--------------|----------------|
| Development costs - Cryo-Vacc™ | 15 666 | - | 15 666 | 11 466 | - | 11 466 |
| Development costs - Helium Tokens System | 3 475 | - | 3 475 | 2 048 | - | 2 048 |
| TOTAL | 243 247 | (1 405) | 241 842 | 154 859 | (836) | 154 023 |

| | COMPANY | | | | | |
|---|----------------|---------------------------------|-----------------------|-------------|---------------------------------|-----------------------|
| | 2023 | | | 2022 | | |
| | Cost | Accumulated amortisation | Net book value | Cost | Accumulated amortisation | Net book value |
| INTERNALLY DEVELOPED INTANGIBLE ASSETS | | | | | | |
| Development costs - Cryo-Vacc™ | 25 | - | 25 | 745 | - | 745 |
| Development costs - Helium Tokens System | 117 | - | 117 | - | - | - |
| TOTAL | 142 | - | 142 | 745 | - | 745 |

RECONCILIATION OF INTANGIBLE ASSETS

| | GROUP 2023 | | | | |
|--|------------------------|--|---|---------------------|----------------------------|
| | At 1 March 2022 | Additions - separately acquired | Additions - internally developed | Amortisation | At 28 February 2023 |
| Exploration and development costs | 137 129 | 80 298 | - | - | 217 427 |
| Computer software | 3 380 | 2 463 | - | (569) | 5 274 |
| Development costs - Cryo-Vacc™ | 11 466 | - | 4 200 | - | 15 666 |
| Development costs - Helium Tokens System | 2 048 | - | 1 427 | - | 3 475 |
| TOTAL | 154 023 | 82 761 | 5 627 | (569) | 241 842 |

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

| | GROUP 2022 | | | | | At 28 February 2022 |
|--|-----------------|--|---------------------------------|----------------------------------|--------------|---------------------|
| | At 1 March 2021 | Reclassification to property, plant and equipment ¹ | Additions - separately acquired | Additions - internally developed | Amortisation | |
| Exploration and development costs | 108 994 | (4 000) | 32 135 | - | - | 137 129 |
| Computer software | 2 864 | - | 881 | - | (365) | 3 380 |
| Development costs - Cryo-Vacc™ | 297 | - | - | 11 169 | - | 11 466 |
| Development costs - Helium Tokens System | - | - | - | 2 048 | - | 2 048 |
| TOTAL | 112 155 | (4 000) | 33 016 | 13 217 | (365) | 154 023 |

1 - Transfer of rehabilitation costs to assets under construction within property, plant and equipment (note 3).

| | COMPANY 2023 | | | |
|--|-----------------|----------------------------------|-----------------------|---------------------|
| | At 1 March 2022 | Additions - internally developed | Transfer ² | At 28 February 2023 |
| Development costs - Cryo-Vacc™ | 745 | - | (720) | 25 |
| Development costs - Helium Tokens System | - | 117 | - | 117 |
| TOTAL | 745 | 117 | (720) | 142 |

2 - Transfer of assets to Cryovation at book value

| | COMPANY 2022 | | |
|--------------------------------|-----------------|----------------------------------|---------------------|
| | At 1 March 2021 | Additions - internally developed | At 28 February 2022 |
| Development costs - Cryo-Vacc™ | 270 | 475 | 745 |
| TOTAL | 270 | 475 | 745 |

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 24/04/07PR) in the Free State Province, South Africa.

Exploration and development costs will be recovered through use as determined through the units of production of the Virginia Gas Project. Amortisation will commence upon the start of production.

Impairment of exploration and development costs

A Reserve and Resource Evaluation Report ("Evaluation Report") was completed as at 1 September 2021 by Sproule Incorporated ("Sproule"), an independent sub-surface consultancy based in Calgary, Canada. The evaluation was both a geologic and economic update, based on technical and economic data supplied by Tetra4. Material changes to this Evaluation Report compared to the last one completed in 2019 were the inclusion of 5 new completed wells, the initial flow testing of two wells with new "slant completions", a more detailed sub-surface geologic model, updated capital expenditure and operating costs, updated currency exchange rates, new gas sales agreements and an updated field development plan. Management has not obtained an updated evaluation report to support the impairment assessment as at 28 February 2023, as it is considered that such an update will likely reflect an increase in the value of the Virginia Gas Field given the successful outcomes of exploration activities undertaken during the year and the increase in helium and LNG prices, amongst other factors.

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

The Independent Reserve and Resource estimates and associated economics contained in the Evaluation Report were prepared in accordance with the Society of Petroleum Engineers (SPE) Petroleum Resources Management (PRMS) guidance. Proved Plus Probable Helium and Methane Reserves ("2P Gas Reserves") measured at 420.5 BCF (billion cubic feet) as at 1 September 2021 (2019: 142.4 BCF) with a net present value of R31.0 billion (2019: R9.8 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 15% (2022: 15%). In order to determine whether the Group's exploration and evaluation assets were impaired as at 28 February 2023 the carrying amount of these assets of R217.4 million (2022: R137.1 million) was compared to the recoverable amount of R31.0 billion (2022: R31.0 billion) which resulted in no impairment charge being recognised for the year under review (2022: Nil). 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 R30.8 billion (2022: R30.9 billion), being the difference between the carrying amount of exploration and evaluation assets of R217.4 million (2022: R137.1 million) and their recoverable amount of R31.0 billion (2022: R31.0 billion).

The recoverable amount of 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 operation, which takes into account the life of the Virginia Gas Field. 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 Company and reviewed for reasonableness by Sproule.

Methane prices: The initial methane price of R249.69/MMBtu 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 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: 15%

Development costs - Cryo-Vacc™

These development costs comprise expenditure incurred during the internal development of Cryo-Vacc™ vaccine storage units. No amortisation was recognised during the year as the storage units have not yet been brought into use. Development costs include costs that meet the criteria in note 1.4 and are directly attributable to the development of the storage units. At 28 February 2023 the development costs are not impaired based on an assessment performed by management. No research and development costs were incurred during the year under review (2022: Nil).

Development costs - Helium Tokens System

These development costs comprise expenditure incurred during the internal development of the helium tokens system. Once fully developed, these tokens will be traded and will allow holders to purchase helium from Tetra4. No amortisation was recognised during the year as the tokens system has not yet been brought into use. Development costs include costs that meet the criteria in note 1.4 and are directly attributable to the development of the tokens. At 28 February 2023 the development costs are not impaired based on an assessment performed by management. No research and development costs were incurred during the year under review (2022: Nil).

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 were capitalised to computer software, however these costs are not material. The ERP system was implemented during the 2021 financial year and system improvements were further implemented during the current and prior financial years.

Figures in Rand Thousands

5. INVESTMENTS IN SUBSIDIARIES

| | COMPANY | | | | | |
|--|-------------------------|-----------------------------|-----------|-----------|-----------------|-----------------|
| | | | 2023 | 2022 | 2023 | 2022 |
| | Country of registration | Principal place of business | % Holding | % Holding | Carrying amount | Carrying amount |
| Tetra4 Proprietary Limited ("Tetra4") | South Africa | South Africa | 100% | 100% | 630 006 | 627 666 |
| Balance at 1 March | | | | | 627 666 | 624 603 |
| Equity contribution relating to share-based payments (note 14) | | | | | 2 340 | 3 063 |
| Cryovation Proprietary Limited ("Cryovation") | South Africa | South Africa | 100% | - | 12 350 | - |
| Balance at 1 March | | | | | - | - |
| Equity contribution relating to initial investment | | | | | 12 318 | - |
| Equity contribution relating to share-based payments (note 14) | | | | | 32 | - |
| TOTAL | | | | | 642 356 | 627 666 |

Tetra4 and Cryovation are wholly owned subsidiaries of Renergen Limited. On 25 August 2022, Renergen incorporated a new subsidiary, Cryovation, to hold its Cryovacc™ business. A description of the Cryovation and Tetra4 operations is provided in note 6.

Tetra4 and Cryovation's share capital consists solely of ordinary shares that are held directly by the Company, and the proportion of ownership interest held equals the voting rights held by the Company.

Renergen has two share schemes under which shares are granted to Executives, senior management and other employees who can influence the growth of the Company - the Bonus Share Scheme implemented in 2017 and the Share Appreciation Rights Plan (SAR Plan) implemented in December 2021 pursuant to approvals obtained from shareholders. The shares granted to employees, senior management and Executives of Tetra4 who participate in the Bonus Share Scheme or the SAR Plan are Renergen shares. The investment in Tetra4 is therefore increased by the share-based payments expenses attributable to the Bonus Share Scheme and SAR Plan shares granted to Tetra4 employees which are treated as an equity contribution. This note should be read together with note 14.

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 Limited 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.

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

b) Tetra4

Tetra4 explores for, develops and sells Liquefied Natural Gas ("LNG") to the South African market. Up until September 2022, Tetra4 also sold Compressed Natural Gas ("CNG") locally. It operates in the Gauteng Province, Free State Province and Mpumalanga Province in the town of Evander.

c) 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.

No geographical information is provided as all assets are situated in South Africa and all sales are made to two South African customers (three up until September 2022) (2022: one customer).

The analysis of reportable segments as at 28 February 2023 is set out below:

| | 2023 | | | | | | |
|-------------------------------|--------|-----------------------|--------------------|----------------|--------------------|--------------------|--------------------|
| | Notes | Corporate Head Office | Tetra4 | Cryovation | Total | Eliminations | Consolidated |
| Revenue | | - | 12 687 | - | 12 687 | - | 12 687 |
| <i>External</i> | 20 | - | 12 687 | - | 12 687 | - | 12 687 |
| Depreciation and amortisation | 21, 23 | (194) | (5 218) | - | (5 412) | - | (5 412) |
| Share-based payment expenses | 14 | (7 905) | (2 373) | - | (10 278) | - | (10 278) |
| Employee costs ¹ | 23 | (8 555) | 5 712 | - | (2 843) | - | (2 843) |
| Consulting and advisory fees | 23 | (2 151) | (2 787) | (81) | (5 019) | - | (5 019) |
| Listing costs | 23 | (2 769) | - | - | (2 769) | - | (2 769) |
| Computer and IT expenses | 23 | (49) | (3 751) | (1) | (3 801) | - | (3 801) |
| Marketing and advertising | 23 | (684) | (3 082) | - | (3 766) | - | (3 766) |
| Legal and professional fees | 23 | (1 822) | (1 651) | - | (3 473) | - | (3 473) |
| Net foreign exchange gains | 22 | 818 | 8 751 | - | 9 569 | - | 9 569 |
| Interest income | 24 | 1 422 | 2 253 | - | 3 675 | - | 3 675 |
| Imputed interest | 25 | - | (4 275) | - | (4 275) | - | (4 275) |
| Interest expense | 25 | (5) | (303) | - | (308) | - | (308) |
| Taxation | 26 | (235) | 9 942 | - | 9 707 | - | 9 707 |
| LOSS FOR THE YEAR | | (25 513) | (1 040) | (172) | (26 725) | - | (26 725) |
| TOTAL ASSETS | | 1 716 294 | 1 853 584 | 15 520 | 3 585 398 | (1 684 517) | 1 900 881 |
| TOTAL LIABILITIES | | (29 928) | (2 069 626) | (3 284) | (2 102 838) | 1 042 161 | (1 060 677) |

¹ - Tetra4 employee costs impacted by the reversal of payroll related accruals.

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

| | 2022 | | | | | | |
|-------------------------------|--------|-----------------------|--------------------|------------|--------------------|--------------------|------------------|
| | Notes | Corporate Head Office | Tetra4 | Cryovation | Total | Eliminations | Consolidated |
| Revenue | | - | 2 637 | - | 2 637 | - | 2 637 |
| <i>External</i> | 20 | - | 2 637 | - | 2 637 | - | 2 637 |
| Depreciation and amortisation | 21, 23 | (322) | (5 198) | - | (5 520) | - | (5 520) |
| Share-based payment expenses | 14 | (52) | (3 063) | - | (3 115) | - | (3 115) |
| Employee costs | 23 | - | (3 280) | - | (3 280) | - | (3 280) |
| Consulting and advisory fees | 23 | (1 148) | (735) | - | (1 883) | - | (1 883) |
| Listing costs | 23 | (1 568) | - | - | (1 568) | - | (1 568) |
| Computer and IT expenses | 23 | (16) | (3 396) | - | (3 412) | - | (3 412) |
| Marketing and advertising | 23 | (21) | (1 049) | - | (1 070) | - | (1 070) |
| Legal and professional fees | 23 | (2 230) | (2 299) | - | (4 529) | - | (4 529) |
| Net foreign exchange gains | 22 | 12 | 3 557 | - | 3 569 | - | 3 569 |
| Interest income | 24 | 83 | 192 | - | 275 | - | 275 |
| Imputed interest | 25 | - | (3 708) | - | (3 708) | - | (3 708) |
| Interest expense | 25 | - | (509) | - | (509) | - | (509) |
| Taxation | 26 | 387 | 8 166 | - | 8 553 | - | 8 553 |
| LOSS FOR THE YEAR | | (7 577) | (26 173) | - | (33 750) | - | (33 750) |
| TOTAL ASSETS | | 1 131 986 | 1 149 051 | - | 2 281 037 | (1 116 343) | 1 164 694 |
| TOTAL LIABILITIES | | (724) | (1 366 335) | - | (1 367 059) | 488 677 | (878 382) |

During the year ended 28 February 2023, R1.6 million or 12.2% (2022: R2.6 million or 100%) of the Group's revenue depended on the sales of CNG to one customer. With respect to the Group's revenue generated from the sale of LNG which commenced during the year under review, R8.5 million or 66.8% depended on the sales of LNG to a second customer and R2.6 million or 21.0% to a third customer. This revenue is reported under the Tetra4 operating segment.

Inter-segment revenues and balances 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 20.

7. LOANS TO SUBSIDIARIES

| | COMPANY | |
|-------------------------|------------------|----------------|
| | 2023 | 2022 |
| NON-CURRENT | | |
| Tetra4 ¹ | 1 044 213 | 488 677 |
| Cryovation ² | 1 975 | - |
| TOTAL | 1 046 188 | 488 677 |

1 - 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 loss allowance attributable to the loan advanced to Tetra4 based on 12-month expected credit losses as credit risk has not increased significantly since initial recognition. During September 2022, Tetra4 commissioned Phase 1 of the Virginia Gas Project which improved its prospects of repaying the loan owed to the Company. Following the commissioning of the plant, Tetra4 is now producing and selling gas to customers under long-term contracts. As such, the expected credit loss on this loan has been considered to be immaterial.

2 - The loan to Cryovation 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 loss allowance attributable to the loan advanced to Cryovation based on 12-month expected credit losses as credit risk has not increased significantly since initial recognition. As at 28 February 2023, management has assessed that expected credit losses attributable to the loan to Cryovation would be immaterial due to the loan outstanding being immaterial.

Credit risk disclosures relating to these loans are provided in note 33.

Figures in Rand Thousands

8. DEFERRED TAX

| | GROUP 2023 | | | | |
|-------------------------------|-----------------|------------------------------|---------------------|--------------------|------------------------|
| | At 1 March 2022 | Recognised in profit or loss | At 28 February 2023 | Deferred tax asset | Deferred tax liability |
| Property, plant and equipment | (102 819) | (83 881) | (186 700) | - | (186 700) |
| Intangible assets | (19 733) | (21 740) | (41 473) | - | (41 473) |
| Lease liabilities | (146) | (77) | (223) | - | (223) |
| Finance lease receivables | - | (1 827) | (1 827) | - | (1 827) |
| Provisions | 9 958 | 2 815 | 12 773 | 12 773 | - |
| Deferred revenue | - | 4 075 | 4 075 | 4 075 | - |
| S24c Allowance | - | (716) | (716) | - | (716) |
| Unutilised tax losses | 156 269 | 111 058 | 267 327 | 267 327 | - |
| TOTAL | 43 529 | 9 707 | 53 236 | 284 175 | (230 939) |

| | GROUP 2022 | | | | |
|-------------------------------|-----------------|------------------------------|---------------------|--------------------|------------------------|
| | At 1 March 2021 | Recognised in profit or loss | At 28 February 2022 | Deferred tax asset | Deferred tax liability |
| Property, plant and equipment | (49 692) | (53 127) | (102 819) | - | (102 819) |
| Intangible assets | (8 530) | (11 203) | (19 733) | - | (19 733) |
| Lease liabilities | - | (146) | (146) | - | (146) |
| Provisions | 2 991 | 6 967 | 9 958 | 9 958 | - |
| Unutilised tax losses | 90 207 | 66 062 | 156 269 | 156 269 | - |
| TOTAL | 34 976 | 8 553 | 43 529 | 166 227 | (122 698) |

| | COMPANY 2023 | | | | |
|-------------------------------|-----------------|------------------------------|---------------------|--------------------|------------------------|
| | At 1 March 2022 | Recognised in profit or loss | At 28 February 2023 | Deferred tax asset | Deferred tax liability |
| Property, plant and equipment | 177 | - | 177 | 177 | - |
| Provisions for bonus | - | 1 031 | 1 031 | 1 031 | - |
| Unutilised tax losses | 4 019 | (1 266) | 2 753 | 2 753 | - |
| TOTAL | 4 196 | (235) | 3 961 | 3 961 | - |

| | COMPANY 2022 | | | | |
|-------------------------------|-----------------|------------------------------|---------------------|--------------------|------------------------|
| | At 1 March 2021 | Recognised in profit or loss | At 28 February 2022 | Deferred tax asset | Deferred tax liability |
| Property, plant and equipment | 177 | - | 177 | 177 | - |
| Unutilised tax losses | 3 632 | 387 | 4 019 | 4 019 | - |
| TOTAL | 3 809 | 387 | 4 196 | 4 196 | - |

The losses incurred by the Group are mainly attributable to its subsidiary, Tetra4. Tetra4 was in the process of constructing the Virginia Gas Project and recently commissioned Phase 1 of the project in September 2022. The plant is now operational and Tetra4 is producing and selling LNG under long-term contracts. Given the commissioning of the plant in the latter part of the year, revenue for the year under review is minimal.

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

As at 28 February 2023 the Group's estimated tax losses were R1 450.9 million (2022: R964.6 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. A Group net deferred taxation asset of R53.2 million (2022: R43.5 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 and the leasing of storage and related infrastructure to customers under 8 year contracts which came into effect during the year under review. Expected future profits are also reflected in the valuation of the exploration and development assets amounting to R31.0 billion (see note 4).

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.

9. RESTRICTED CASH

| | GROUP | | COMPANY | |
|---|---------------|---------------|---------|------|
| | 2023 | 2022 | 2023 | 2022 |
| NON-CURRENT | | | | |
| Environmental rehabilitation cash guarantee | 6 021 | 3 738 | - | - |
| Eskom Holdings SOC Limited ("Eskom") cash guarantee | 8 414 | - | - | - |
| | 14 435 | 3 738 | - | - |
| CURRENT | | | | |
| Debt Service Reserve Accounts ("DSRAs") | 77 552 | 34 257 | - | - |
| DFC | 61 733 | 34 257 | - | - |
| IDC | 15 819 | - | - | - |
| TOTAL | 91 987 | 37 995 | - | - |

Environmental Rehabilitation Cash Guarantee

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 R40.0 million (2022: R30.8 million) as disclosed in note 18. Cash totalling R6.0 million (2022: R3.7 million) is held in a restricted cash deposit account which has been ringfenced for use towards the settlement of the environmental rehabilitation obligation. Tetra4 does not have access to this account due to restrictions on the use of the funds imposed by a third party. Interest earned on the cash deposit 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.

Eskom cash guarantee

The Eskom guarantee represents amounts held as security for the due payment of electricity accounts and as an early termination guarantee.

DSRAs

DFC

As part of the terms of the DFC finance agreement (see note 15) Tetra4 is required at any given date, to reserve in

Figures in Rand Thousands

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.

IDC

Similar to the terms of the DFC finance agreement, Tetra4 is also required to reserve in a Rand denominated bank account the sum of all payments of principal, interest and fees required to be made to the IDC within the next 6 months. Should Tetra4 default on any payments due and payable, the IDC 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 DRSAs are held as security for the DFC and IDC loans (see note 15). Foreign exchange gains amounting to R9.8 million (2022: R1.8 million) were recognised during the year under review with respect to the DFC DSRA.

10. FINANCE LEASE RECEIVABLES

| | GROUP | | COMPANY | |
|---------------------------|---------------|----------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Finance lease receivables | 54 559 | - | - | - |
| TOTAL | 54 559 | - | - | - |

The classification of the above finance lease receivables between long-term and short-term is as follows:

| | GROUP | | COMPANY | |
|---------------------------|---------------|----------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| NON-CURRENT | | | | |
| Finance lease receivables | 48 095 | - | - | - |
| CURRENT | | | | |
| Finance lease receivables | 6 464 | - | - | - |
| TOTAL | 54 559 | - | - | - |

Finance lease arrangements

During the 2023 financial year end, Tetra4 entered into finance leasing arrangements, as a lessor for certain equipment and infrastructure required for the delivery, storage, utilisation and conversion of LNG to natural gas. The average term of finance leases entered into is 8 years. Generally, these lease contracts do not include extension options and provide for the transfer of the ownership of the leased assets to the lessees upon the fulfilment of contract provisions, including but not limited to the settlement of all amounts due to Tetra4 under the lease contracts. Tetra4's finance lease arrangements do not include variable payments or lease modifications. The average effective interest rate contracted approximates 9.2% per annum.

The Directors of the Company estimate the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECLs using the simplified approach as the lessees are also the Group's only trade debtors. None of the finance lease receivables at the end of the reporting period is past due. The Directors of the Company therefore consider that the finance lease receivables are not impaired.

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

The maturity analysis of finance lease receivables including the undiscounted lease payments to be received is as follows:

Amounts receivable under finance leases:

| | GROUP | | COMPANY | |
|---|---------------|------|---------|------|
| | 2023 | 2022 | 2023 | 2022 |
| Year 1 | 11 823 | - | - | - |
| Year 2 | 10 040 | - | - | - |
| Year 3 | 10 040 | - | - | - |
| Year 4 | 10 040 | - | - | - |
| Year 5 | 10 040 | - | - | - |
| Year 6 onwards | 26 457 | - | - | - |
| Total undiscounted lease payments receivable | 78 440 | - | - | - |
| Less: unearned interest income | (23 881) | - | - | - |
| Net investment in the lease | 54 559 | - | - | - |

| Undiscounted lease payments analysed as: | | | | |
|--|---------------|---|---|---|
| Recoverable after 12 months | 66 617 | - | - | - |
| Recoverable within 12 months | 11 823 | - | - | - |
| | 78 440 | - | - | - |

| Net investment in the lease analysed as: | | | | |
|--|---------------|---|---|---|
| Recoverable after 12 months | 48 095 | - | - | - |
| Recoverable within 12 months | 6 464 | - | - | - |
| | 54 559 | - | - | - |

The movements in finance lease receivables were as follows:

| Group | At 1 March 2022 | New leases | Repayments | Interest | At 28 February 2023 |
|---------------------------|-----------------|---------------|----------------|--------------|---------------------|
| Finance lease receivables | - | 54 233 | (1 042) | 1 368 | 54 559 |
| TOTAL | - | 54 233 | (1 042) | 1 368 | 54 559 |

The following table presents the amounts included in profit or loss:

| | Notes | GROUP |
|--|-------|--------------|
| | | 2023 |
| Selling profit on finance lease receivables | 22 | 3 924 |
| Interest income - net investment in finance leases | 24 | 1 368 |
| TOTAL | | 5 292 |

Figures in Rand Thousands

11. TRADE AND OTHER RECEIVABLES

| | GROUP | | COMPANY | |
|--|---------------|---------------|--------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| FINANCIAL INSTRUMENTS | | | | |
| Trade receivables ¹ | 8 798 | 565 | - | - |
| Other receivables ² | - | 927 | - | 882 |
| | 8 798 | 1 492 | - | 882 |
| NON-FINANCIAL INSTRUMENTS | | | | |
| Value-added tax | 21 493 | 25 529 | 2 759 | 75 |
| Deposits | 1 279 | - | - | - |
| Prepayments | 87 | 11 | - | - |
| | 22 859 | 25 540 | 2 759 | 75 |
| TOTAL TRADE AND OTHER RECEIVABLES | 31 657 | 27 032 | 2 759 | 957 |

1 - The increase in trade receivables is due to sales attributable to LNG which commenced in September 2022 following the commissioning of Phase 1 of the Virginia Gas Project and the commencement of operations at the plant. Prior year trade receivables were attributable to the sale of CNG. The Group ceased selling CNG in September 2022.

2 - Prior year other receivables primarily comprised amounts that were due for shares issued in February 2022. Due to banking delays payments for these shares were received in March 2022.

Trade receivables are generally on 30 day terms and are not interest bearing.

CATEGORISATION OF TRADE AND OTHER RECEIVABLES

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

| | GROUP | | COMPANY | |
|---------------------------|---------------|---------------|--------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| At amortised cost | 8 798 | 1 492 | - | 882 |
| Non-financial instruments | 22 859 | 25 540 | 2 759 | 75 |
| TOTAL | 31 657 | 27 032 | 2 759 | 957 |

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 loss allowance matrix by reference to past default experience, adjusted as appropriate for current observable data. Current observable data includes gross domestic product (GDP) and interest rates. Expected credit losses attributable to trade receivables were assessed as immaterial as at 28 February 2023 (2022: Rnil).

All trade and other receivables are denominated in South African Rands.

12. CASH AND CASH EQUIVALENTS

| | GROUP | | COMPANY | |
|--|---------------|---------------|---------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| Cash and cash equivalents consist of: | | | | |
| Cash at banks and on hand | 17 301 | 36 714 | 10 672 | 2 769 |
| Short-term deposits | 38 404 | 58 374 | 7 848 | 6 593 |
| TOTAL | 55 705 | 95 088 | 18 520 | 9 362 |

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

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 R5.8 million (2022: R2.2 million) denominated in Australian Dollars. The amounts denominated in US Dollars at 28 February 2023 are immaterial (2022: Rnil). The Group banks with financial institutions with a Ba2 Moody's standalone credit rating.

13. STATED CAPITAL

| | GROUP | | COMPANY | |
|--|-------------|-------------|-------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| 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 | 123 934 | 117 508 | 123 934 | 117 508 |
| Issue of shares - ordinary shares issued for cash | 20 777 | 6 400 | 20 777 | 6 400 |
| Issue of shares - share incentive scheme, non-cash | 37 | 26 | 37 | 26 |
| Balance at 28 February | 144 748 | 123 934 | 144 748 | 123 934 |

| RECONCILIATION OF ISSUED STATED CAPITAL | | | | |
|--|------------------|----------------|------------------|------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Balance at 1 March | 563 878 | 453 078 | 1 162 277 | 1 051 477 |
| Issue of shares | 574 447 | 113 376 | 574 447 | 113 376 |
| Issue of shares - ordinary shares issued for cash | 573 914 | 113 115 | 573 914 | 113 115 |
| Issue of shares - share incentive scheme, non-cash | 533 | 261 | 533 | 261 |
| Share issue costs ¹ | (3 575) | (2 576) | (3 575) | (2 576) |
| Balance at 28 February | 1 134 750 | 563 878 | 1 733 149 | 1 162 277 |

1 - Share issue costs paid as at 28 February 2023 totalled R1.4 million (2022: R2.6 million) as presented in the statement of cash flows and the remaining amount totalling R2.2 million was unpaid as at year end (2022: Rnil).

Shares issued for cash during the year under review comprise:

| 2023 | | | | |
|---|---------------|------------------------------|------------------|------------------------------|
| Nature | Date | Number of shares issued '000 | Issue price Rand | Value of shares issued R'000 |
| Ivanhoe Mines Limited | 14 March 2022 | 5 632 | 35,62 | 200 632 |
| Issue of shares on the Johannesburg Stock Exchange ² | Various | 10 543 | 27,76 | 292 637 |
| Issue of shares on the Australian Stock Exchange ² | Various | 2 336 | 23,90 | 55 825 |
| Exercise of options ^{3,4} | Various | 2 266 | 10,95 | 24 820 |
| TOTAL | | 20 777 | | 573 914 |

2 - Shares were issued to numerous parties consisting of existing and new domestic and international institutions and investors.

3 - Issue price represents the average exercise price of the options exercised during the year.

4 - Refer to note 14 for further details on options exercised during the year.

Figures in Rand Thousands

| 2022 | | | | |
|---|--------------|------------------------------|------------------|------------------------------|
| Nature | Date | Number of shares issued '000 | Issue price Rand | Value of shares issued R'000 |
| Issue of Chess Depository Interests on the Australian Stock Exchange ⁵ | 25 June 2021 | 2 474 | 18,24 | 45 129 |
| Issue of shares on the Johannesburg Stock Exchange ⁵ | 25 June 2021 | 3 178 | 19,10 | 60 709 |
| Exercise of options ⁶ | Various | 748 | 9,73 | 7 277 |
| TOTAL | | 6 400 | | 113 115 |

5 - Shares were issued to numerous parties consisting of existing and new domestic and international institutions and sophisticated investors, under the Company's general authority to issue shares for cash.

6 - Issue price represents the average exercise price of the options exercised during the year, under the Company's specific authority to issue shares for cash.

14. EQUITY SETTLED SHARE-BASED PAYMENTS

EMPLOYEE BONUS SHARE SCHEME

Shares were granted to Executive Directors, senior management and general employees on the dates specified below pursuant to the Bonus Share Scheme approved by shareholders in September 2017. 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 an executive director, senior management and general employees on 17 May 2019 vested on 17 May 2022.

| Grant date | Vesting date |
|--------------|--------------|
| 6 July 2018 | 6 July 2021 |
| 17 May 2019 | 17 May 2022 |
| 1 March 2020 | 1 March 2023 |

| Grant date | Vesting date |
|--------------|--------------|
| 1 July 2021 | 1 July 2024 |
| 1 March 2022 | 1 March 2025 |

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 2023 | | | 28 FEBRUARY 2022 | | |
| Reconciliation of shares granted to date: | Number of shares granted ('000) | Fair value per share at grant date Rand ¹ | Value of shares at grant date (R'000) | Number of shares granted ('000) | Fair value per share at grant date Rand ¹ | Value of shares at grant date (R'000) |
| Balance at the beginning of the year | 486 | | 7 138 | 433 | | 4 864 |
| ALLOCATION FOR THE YEAR | 127 | 37,43 | 4 775 | 145 | 22,78 | 3 325 |
| Executive Directors | 84 | 37,43 | 3 136 | 106 | 22,78 | 2 425 |
| Senior management | 11 | 37,43 | 428 | 20 | 22,78 | 457 |
| General employees | 32 | 37,43 | 1 211 | 19 | 22,78 | 443 |
| VESTED SHARES FOR THE YEAR | (142) | 8,17 | (1 168) | (27) | 9,90 | (261) |
| Executive Directors | (117) | 8,17 | (960) | (10) | 9,90 | (97) |
| Senior management | (9) | 8,17 | (71) | (7) | 9,90 | (67) |
| General employees | (16) | 8,17 | (137) | (10) | 9,90 | (97) |
| LAPSED SHARES FOR THE YEAR | (1) | 37,43 | (44) | (65) | 12,15 | (790) |
| Senior management | - | | - | (61) | 11,59 | (707) |
| General employees | (1) | 37,43 | (44) | (4) | 22,78 | (83) |
| Balance at the end of the year | 470 | | 10 701 | 486 | | 7 138 |

1 - Numbers presented are impacted by rounding.

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

SHARE OPTIONS GRANTED

ASX listing

Regergen 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 AUD0.96 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 AUD0.96 per option and 1.7 million share options with a strike price of AUD0.80 per option were granted to the lead and corporate advisors. These share options vested on the grant date.

During the year under review the ASX lead advisor and corporate advisor exercised 1.9 million share options (at AUD0.96 or an average of R11.03) and 0.4 million share options (at AUD0.80 or R10.59), respectively.

| SHARE OPTIONS | 28 FEBRUARY 2023 | | | | 28 FEBRUARY 2022 | | | |
|--|--|--|--------------------------------|---|---------------------------------|--|-------------------------|---|
| | Number of share options granted ('000) | Fair value per share option at grant date Rand | Value of share options (R'000) | Weighted average exercise price (Rand) ¹ | Number of shares awarded ('000) | Fair value per share option at grant date Rand | Value of shares (R'000) | Weighted average exercise price (Rand) ¹ |
| Balance at 1 March | 5 051 | | 5 369 | 8,92 | 5 549 | | 6 342 | 10,37 |
| Vested during the year | 250 | | 52 | 11,91 | 250 | | 52 | 10,59 |
| Non-executive Director | 250 | 0,21 | 52 | 11,91 | 250 | 0,21 | 52 | 10,59 |
| Exercised during the year² | (2 266) | | (2 592) | 10,95 | (748) | | (1 025) | 9,73 |
| ASX lead advisor | (1 851) | 1,03 | (1 907) | 11,03 | (338) | 1,03 | (348) | 10,33 |
| Corporate advisor | (415) | 1,65 | (685) | 10,59 | (410) | 1,65 | (677) | 9,23 |
| Total share options awarded to date | 3 035 | | 2 829 | 11,36 | 5 051 | | 5 369 | 8,92 |
| Exerciseable at 28 February | 3 035 | | 2 829 | 11,36 | 5 051 | | 5 369 | 8,92 |

¹ - Exercise prices are denominated in Australian Dollars and have been translated into South African Rand at the prevailing exchange rate at each year end date or on the date that the share options were exercised.

² - Refer to note 13 for shares issued for cash during the year.

The fair value at grant date of all share options awarded was determined using Monte Carlo Method.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

| | Grant date | Expiry date | Exercise price | | Number of share options | |
|------------------------|-------------|-------------|---------------------|-------|-------------------------|--------------|
| | | | (Rand) ¹ | | ('000s) | |
| | | | 2023 | 2022 | 2023 | 2022 |
| ASX lead advisor | 6 June 2019 | 6 June 2023 | 11,91 | 10,59 | 1 190 | 3 041 |
| Corporate advisor | 6 June 2019 | 6 June 2023 | 9,92 | 8,82 | 845 | 1 260 |
| Non-executive Director | 6 June 2019 | 6 June 2023 | 11,91 | 10,59 | 1 000 | 750 |
| TOTAL | | | | | 3 035 | 5 051 |

¹ - Exercise prices are denominated in Australian Dollars and have been translated into South African Rand at the prevailing exchange rate at each year end date.

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

Equity-settled Share Appreciation Rights Plan (SAR Plan)

The share options below were granted pursuant to the SAR Plan approved by shareholders in July 2021 (see note 1.7). Awards will be subject to the fulfilment of both predetermined performance conditions and continued employment. The share options are categorised into tiers, each of which will be linked to separate performance conditions and performance periods as follows:

| Tier | Award price | Performance period | Share Price performance condition which must be achieved | Share price percentage growth from award date ¹ | Estimated market cap at achievement of share price performance hurdle (Rand) ² |
|------|-------------|--------------------|--|--|---|
| 1 | R37.50 | 2 years | R75 | 231% | R8 813 105 025 |
| 2 | R50.00 | 3 years | R100 | 341% | R11 750 806 700 |
| 3 | R62.50 | 4 years | R125 | 452% | R14 688 508 375 |
| 4 | R75.00 | 5 years | R150 | 562% | R17 626 210 050 |

1 - Calculated on a 30 day VWAP as at 31 May 2021 (R22.65)

2 - Calculated as share price which must be achieved multiplied by the number of shares in issue at the time the SAR Plan was adopted (117 508 067 shares).

All awards are subject to malus and clawback, meaning unvested awards can be reduced or cancelled (by application of malus) and exercised and settled awards can be recouped (by application of clawback), should a trigger event occur during the holding period. The trigger events include but are not limited to:

- A material misstatement of the financial results resulting in an adjustment in the audited consolidated accounts of the Company or the audited accounts of any member of the Group;
- The fact that any information used to determine the quantum of an incentive was based on error or inaccurate or misleading information;
- Action or conduct of a participant which, in the reasonable opinion of the Board, amounts to serious misconduct or gross negligence; or
- Events or behaviour of a participant, or the existence of events attributable to a participant, which led to the censure of the Company or a member of the Group by a regulatory authority or have had a significant detrimental impact on the reputation of the Company.

On 17 December 2021, 9.9 million share options were granted to Executive Directors, senior management and general employees of the Group as outlined in the table below. An additional 0.9 million share options were awarded during the year and 0.3 million share options lapsed upon termination of employment of participants.

| GROUP AND COMPANY | | | | | | | | |
|---|--|--|--------------------------------|--|---------------------------------|--|-------------------------|--|
| SAR PLAN | 28 FEBRUARY 2023 | | | | 28 FEBRUARY 2022 | | | |
| Reconciliation of share options granted to date under the SAR Plan: | Number of share options granted ('000) | Fair value per share option at grant date Rand | Value of share options (R'000) | Weighted average exercise price (Rand) | Number of shares awarded ('000) | Fair value per share option at grant date Rand | Value of shares (R'000) | Weighted average exercise price (Rand) |
| Balance at 1 March | 9 956 | | 15 479 | 61,10 | - | | - | - |

| Granted during the year | | | | | | | | |
|---|-----|------|-------|-------|-------|------|--------|-------|
| Executives, senior management and general employees | 900 | | 1 231 | 63,19 | 9 956 | | 15 479 | 61,10 |
| Tier 1 | 100 | 4,64 | 464 | 37,50 | 1 344 | 4,64 | 6 236 | 37,50 |
| Tier 2 | 150 | 2,20 | 330 | 50,00 | 2 067 | 2,20 | 4 547 | 50,00 |
| Tier 3 | 250 | 1,14 | 285 | 62,50 | 2 906 | 1,14 | 3 313 | 62,50 |
| Tier 4 | 400 | 0,38 | 152 | 75,00 | 3 639 | 0,38 | 1 383 | 75,00 |

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

| GROUP AND COMPANY | | | | | | | | |
|---|--|--|--------------------------------|--|---------------------------------|--|-------------------------|--|
| SAR PLAN | 28 FEBRUARY 2023 | | | | 28 FEBRUARY 2022 | | | |
| Reconciliation of share options granted to date under the SAR Plan: | Number of share options granted ('000) | Fair value per share option at grant date Rand | Value of share options (R'000) | Weighted average exercise price (Rand) | Number of shares awarded ('000) | Fair value per share option at grant date Rand | Value of shares (R'000) | Weighted average exercise price (Rand) |

| Lapsed during the year | | | | | | | | |
|---|---------------|------|---------------|--------------|--------------|--|---------------|--------------|
| Executives, senior management and general employees | (302) | | (480) | 60,80 | - | | - | 61,10 |
| Tier 1 | (43) | 4,64 | (200) | 37,50 | - | | - | - |
| Tier 2 | (63) | 2,20 | (139) | 50,00 | - | | - | - |
| Tier 3 | (88) | 1,14 | (100) | 62,50 | - | | - | - |
| Tier 4 | (108) | 0,38 | (41) | 75,00 | - | | - | - |
| TOTAL SHARES AWARDED TO DATE | 10 554 | | 16 231 | 61,29 | 9 956 | | 15 479 | 61,10 |
| EXERCISEABLE AT 28 FEBRUARY | - | | - | - | - | | - | - |

The fair value at grant date of all share options awarded was determined using the Monte Carlo Method. The significant inputs into the model are provided below.

| | Tier 1 | Tier 2 | Tier 3 | Tier 4 |
|----------------|---------|---------|---------|---------|
| Spot price | R30.14 | R30.14 | R30.14 | R30.14 |
| Volatility | 52,6% | 39,5% | 32,9% | 26,3% |
| Risk-free rate | 5% | 5% | 5% | 5% |
| Option life | 2 years | 3 years | 4 years | 5 years |
| Strike price | 37,50 | 50,00 | 62,50 | 75,00 |
| Dividend yield | 0% | 0% | 0% | 0% |

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

| | Grant date | Expiry date | Exercise price (Rand) | | Number of share options | |
|--------------|-----------------------|-------------|-----------------------|-------|-------------------------|--------------|
| | | | 2023 | 2022 | 2023 | 2022 |
| Tier 1 | 17 Dec 2021 | 17 Dec 2023 | 37,50 | 37,50 | 1 301 | 1 344 |
| Tier 2 | 17 Dec 2021 | 17 Dec 2024 | 50,00 | 50,00 | 2 004 | 2 067 |
| Tier 3 | 17 Dec 2021 | 17 Dec 2025 | 62,50 | 62,50 | 2 818 | 2 906 |
| Tier 4 | 17 Dec 2021 | 17 Dec 2026 | 75,00 | 75,00 | 3 531 | 3 639 |
| Tier 1 | 1 Mar 2022 - Feb 2023 | 17 Dec 2023 | 37,50 | 37,50 | 100 | - |
| Tier 2 | 1 Mar 2022 - Feb 2023 | 17 Dec 2024 | 50,00 | 50,00 | 150 | - |
| Tier 3 | 1 Mar 2022 - Feb 2023 | 17 Dec 2025 | 62,50 | 62,50 | 250 | - |
| Tier 4 | 1 Mar 2022 - Feb 2023 | 17 Dec 2026 | 75,00 | 75,00 | 400 | - |
| TOTAL | | | | | 10 554 | 9 956 |

Figures in Rand Thousands

RECONCILIATION OF SHARE-BASED PAYMENTS RESERVE

| | GROUP | |
|--|---------------|---------------|
| | 2023 | 2022 |
| Balance at the beginning of the year | 11 354 | 8 500 |
| Bonus share scheme - share-based payments expense for Renergen participants charged to profit or loss¹ | 2 802 | - |
| Executive Directors | 2 534 | - |
| Senior management | 258 | - |
| General employees | 10 | - |
| Bonus share scheme - share-based payments expense for Tetra4 participants¹ | 859 | 2 086 |
| Executive Directors | 162 | 1 609 |
| Senior management | 219 | 252 |
| General employees | 478 | 225 |
| SAR Plan¹ | 6 565 | 1 310 |
| Renergen | 5 052 | - |
| Tetra4 | 1 481 | 1 310 |
| Cryovation | 32 | - |
| Share options - share-based payments expense charged to profit or loss¹ | 52 | 52 |
| Non-executive Director | 52 | 52 |
| Shares which lapsed during the year ¹ | - | (333) |
| Vested shares issued during the year | (533) | (261) |
| Balance at the end of the year | 21 099 | 11 354 |

1 - Total share-based payments expenses amount to R10 278 000 for the year under review as presented in the statement of comprehensive income (2022: R3 115 000).

| | COMPANY | |
|--|--------------|--------------|
| | 2023 | 2022 |
| Balance at the beginning of the year | 11 354 | 8 500 |
| Bonus share scheme - share-based payments expense for Renergen participants charged to profit or loss¹ | 2 802 | - |
| Executive Directors | 2 534 | - |
| Senior management | 258 | - |
| General employees | 10 | - |
| Bonus share scheme - share-based payments expense for Tetra4 participants² | 859 | 2 086 |
| Executive Directors | 162 | 1 609 |
| Senior management | 219 | 252 |
| General employees | 478 | 225 |

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

| | COMPANY | |
|---|---------------|---------------|
| | 2023 | 2022 |
| SAR Plan | 6 565 | 1 310 |
| Reenergy ¹ | 5 052 | - |
| Tetra4 ² | 1 481 | 1 310 |
| Cryovation ³ | 32 | - |
| Share options - share-based payments expense charged to profit or loss | 52 | 52 |
| Non-executive Director ¹ | 52 | 52 |
| Shares which lapsed during the year - Tetra4 ² | - | (333) |
| Vested shares issued during the year | (533) | (261) |
| Balance at the end of the year | 21 099 | 11 354 |

1 - Total share-based payments expenses amount to R7 905 000 for the year under review as presented in the statement of comprehensive income (2022: R52 000).

2 - Total share-based payments expenses recognised as an equity contribution in note 5 amount to R2 340 000 for the year under review (2022: R3 063 000).

3 - Total share-based payments expenses recognised as an equity contribution in note 5 amount to R32 000 for the year under review (2022: Rnil).

15. BORROWINGS

| | GROUP | | COMPANY | |
|--|----------------|----------------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| HELD AT AMORTISED COST | | | | |
| Molopo Energy Limited ("Molopo") | 51 036 | 46 761 | - | - |
| US International Development Finance Corporation ("DFC") | 678 180 | 614 004 | - | - |
| Industrial Development Corporation ("IDC") | 181 799 | 162 075 | - | - |
| TOTAL | 911 015 | 822 840 | - | - |

The classification of the above borrowings between long-term and short-term is as follows:

| | GROUP | | COMPANY | |
|--------------------|----------------|----------------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| NON-CURRENT | | | | |
| Molopo | 51 036 | 46 761 | - | - |
| DFC | 598 394 | 564 220 | - | - |
| IDC | 157 128 | 162 075 | - | - |
| | 806 558 | 773 056 | - | - |
| CURRENT | | | | |
| DFC | 79 786 | 49 784 | - | - |
| IDC | 24 671 | - | - | - |
| | 104 457 | 49 784 | - | - |
| TOTAL | 911 015 | 822 840 | - | - |

Movements in the Group's borrowings are analysed in note 29.

Figures in Rand Thousands

Molopo

Tetra4 entered into a R50.0 million loan agreement with Molopo on 1 May 2013. This loan was part of the conditions of the sale of shares in Tetra4 from Molopo to Windfall Energy Proprietary Limited. The original loan term was for the period from inception of the loan on 1 May 2013 until 31 December 2022. During this period, the loan was unsecured and interest free.

As the loan was not repaid on 31 December 2022, it now accrues interest at the prime lending rate plus 2%. The loan is still unsecured and does not have repayment terms. 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. 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 has been classified as long term. The loan advanced to Tetra4 by Renergen can only be repaid after the loan from Molopo has been settled.

The loan was discounted to present value for the period that it was interest free, at a discount rate which was equal to the prime lending rate plus 2.00%. For the year under review the average discount rate applicable to the loan was 10.88% (2022: 9.50%). The imputed interest expense, representing the unwinding of the discount applied in recognising the present value of the loan, is included in profit and loss under interest expense.

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\$1.1 million (R20.3 million using the rate at 28 February 2023) on each payment date beginning on 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.

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. This interest is capitalised to assets under construction within PPE in line with the Group policy. Interest paid during the year totalled US\$0.7 million (R11.7 million) (2022: US\$0.6 million (R9.7 million)).

Guarantee fee

A guarantee 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\$1.6 million (R26.6 million) during the year under review (2022: US\$1.3 million (R21.0 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 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. (2022: US\$2 500 (R38 250)).

Facility fee

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

Figures in Rand Thousands

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, commencing on 15 November 2020. The maintenance fee covers administrative costs relating to the loan. Tetra4 paid maintenance fees amounting to US\$0.04 million (R0.6 million) during the year under review (2022: US\$0.04 million (R0.5 million)).

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 Phase 1 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.

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 commencing in July 2023. The loan terms include a 12-month interest capitalisation and an 18-month capital repayment moratorium. The loan accrues interest at the prime lending rate plus 3.5% and 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.

Debt covenants

The following debt covenants apply to the IDC loan.

- a) Tetra4 is required to maintain 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:
 - Tetra4 is in breach of any term of the loan agreement; or
 - The making of such payment would result in a breach of any one or more of the financial ratios above.

The covenants in a) will apply from 1 August 2023. 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 also maintains a Debt Service Reserve Account with respect to the IDC loan.

Figures in Rand Thousands

16. LEASE LIABILITIES

| | GROUP | | COMPANY | |
|--------------|--------------|--------------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Non-current | 1 108 | 1 407 | - | - |
| Current | 1 184 | 1 775 | - | - |
| TOTAL | 2 292 | 3 182 | - | - |

The maturity analysis of lease liabilities is as follows:

| | GROUP | | COMPANY | |
|------------------------------|--------------|--------------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Lease payments | | | | |
| Due within one year | 1 358 | 1 990 | - | - |
| Due within two to five years | 1 260 | 1 518 | - | - |
| | 2 618 | 3 508 | - | - |
| Finance charges | (326) | (326) | - | - |
| Net present value | 2 292 | 3 182 | - | - |

The lease liability relates to the lease of certain motor vehicles and the head office building. The net book value of the right of use assets as at 28 February 2023 is R3.1 million (28 February 2022: R3.7 million). The lease term for motor vehicles is 5 years and 3 years for the head office building. The lease for the head office building expired in June 2022 and the Group is currently on a short-term lease for office space up until June 2023 when it is expected to commence a new lease.

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 | |
|----------------------------|------------|------------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Leases of low value assets | 571 | 386 | - | - |
| TOTAL | 571 | 386 | - | - |

As at 28 February 2023 the Group was committed to leases of low value assets and total commitments at that date were R0.3 million (2022: R0.5 million). Payments made during the year relating to low value leases totalled R0.6 million (2022: R0.4 million).

A reconciliation for the related right-of-use assets is provided in note 3 and the interest expense on leases is disclosed in note 25.

The movements in lease liabilities are outlined below:

| | GROUP 2023 | | | | | |
|-------------------|-----------------|--------------|------------------|---------------|----------------|---------------------|
| | At 1 March 2022 | New leases | Interest expense | Interest paid | Lease payments | At 28 February 2023 |
| Lease liabilities | 3 182 | 1 238 | 302 | (302) | (2 128) | 2 292 |
| TOTAL | 3 182 | 1 238 | 302 | (302) | (2 128) | 2 292 |

Figures in Rand Thousands

| | GROUP 2022 | | | | |
|-------------------|-----------------|------------------|---------------|----------------|---------------------|
| | At 1 March 2021 | Interest expense | Interest paid | Lease payments | At 28 February 2022 |
| Lease liabilities | 6 190 | 480 | (480) | (3 008) | 3 182 |
| TOTAL | 6 190 | 480 | (480) | (3 008) | 3 182 |

17. DEFERRED REVENUE

| | GROUP | | COMPANY | |
|-------------------------------|---------------|----------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Balance at 1 March | - | - | - | - |
| Arising during the year | 14 956 | - | - | - |
| Foreign exchange losses | 137 | - | - | - |
| Balance at 28 February | 15 093 | - | - | - |

Tokens to the value of \$0.8 million (3 556 units at a price of \$225 per unit) were issued. The tokens have no expiry date. When a token is redeemed, revenue relating to the transaction is recognised at the original value at which the token has been issued.

18. PROVISIONS

RECONCILIATION OF PROVISIONS

| | GROUP | | | | | | |
|--------------------------------|-----------------|-------------------------|---------------|-----------------|-------------------------|----------------|---------------|
| | 2023 | | | 2022 | | | |
| | Opening Balance | Arising during the year | Total | Opening Balance | Arising during the year | Reversals | Total |
| NON-CURRENT LIABILITIES | | | | | | | |
| Environmental rehabilitation | 29 486 | 8 078 | 37 564 | 4 000 | 25 486 | - | 29 486 |
| CURRENT LIABILITIES | | | | | | | |
| Environmental rehabilitation | 1 272 | 1 128 | 2 400 | - | 1 272 | - | 1 272 |
| Provision for IDC costs | - | - | - | 2 180 | - | (2 180) | - |
| TOTAL | 30 758 | 9 206 | 39 964 | 6 180 | 26 758 | (2 180) | 30 758 |

Additional amounts recognised with respect to the rehabilitation provision were recorded against assets under construction within property, plant and equipment (see note 3).

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 R40.0 million (2022: R30.8 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 to address the following:

- Disturbed infrastructure areas;
- Existing production wells and all exploration wells;

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

- General surface rehabilitation;
- Monitoring; and
- Latent/residual environmental risk related to resealing wells.

The rehabilitation provision was calculated on scheduled closure costs. The scheduled closure costs represented the costs required to rehabilitate the environment as at the end of Feb 2023. There are no uncertainties around the amount nor timing as the rehabilitation provision refers to current obligations based on the current condition of the environment.

This note should be read together with notes 3 and 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 construction of the Virginia Gas Project. 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 liquified natural gas (LNG) and helium facility. The loan agreement was cancelled during the 2019 financial year and a provision of R5.8 million was raised by the Group 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 2020 year to 1% of the amount that would have been advanced. During the prior year the provision was reversed due to the cancellation by the IDC of the historical commitment and administration fees on inception of the new loan agreement referred to in note 15.

19. TRADE AND OTHER PAYABLES

| | GROUP | | COMPANY | |
|----------------------------------|---------------|---------------|---------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| FINANCIAL INSTRUMENTS | | | | |
| Trade payables ¹ | 71 070 | 6 225 | 21 086 | 180 |
| Accrued expenses | 13 769 | 9 275 | 5 026 | 544 |
| | 84 839 | 15 500 | 26 112 | 724 |
| NON-FINANCIAL INSTRUMENTS | | | | |
| Accrued leave pay | 3 029 | 2 758 | 1 301 | - |
| Accrual for bonus | 4 445 | 3 344 | 2 515 | - |
| TOTAL | 92 313 | 21 602 | 29 928 | 724 |

¹ - The increase in trade payables reflects the increase in operations following the commissioning of the Virginia Gas Project in September 2022. The increase also reflects costs associated with finalising the construction and commissioning of the plant.

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

| | GROUP | | COMPANY | |
|----------------------|---------------|---------------|---------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| US Dollars | 18 292 | 28 | 16 444 | - |
| Australian Dollars | 59 | 144 | 59 | 139 |
| Great British Pounds | 1 075 | - | 667 | - |
| Euros | 32 112 | - | - | - |
| South African Rands | 40 775 | 21 430 | 12 758 | 585 |
| TOTAL | 92 313 | 21 602 | 29 928 | 724 |

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

For purposes of the cashflow statement the movement in trade and other payables comprises:

| | GROUP | | COMPANY | |
|---|----------------|----------------|---------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| Trade and other payables at the beginning of the year | (21 602) | (27 291) | (724) | (1 353) |
| Eliminated in the cashflow statement: | | | | |
| Accruals attributable to - share issue costs | (2 208) | - | (2 208) | - |
| - leave pay | (138) | 728 | (1 302) | - |
| - bonus | (1 877) | 2 293 | (3 250) | - |
| - assets under construction | (74 057) | - | - | - |
| Trade and other payables at the end of the year | 92 313 | 21 602 | 29 928 | 724 |
| Movement in trade and other payables as per the cashflow statement | (7 569) | (2 668) | 22 444 | (629) |

20. REVENUE

| | GROUP | | COMPANY | |
|--|---------------|--------------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| REVENUE FROM CONTRACTS WITH CUSTOMERS | | | | |
| Sale of CNG | 1 550 | 2 637 | - | - |
| Sale of LNG | 11 137 | - | - | - |
| TOTAL | 12 687 | 2 637 | - | - |

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.

Revenue increased by 381% during the year under review as Tetra4 entered into supply agreements with two new customers for the supply of LNG. Tetra4 commenced sales of LNG in September 2022.

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

21. COST OF SALES

| | GROUP | | COMPANY | |
|---------------------|--------------|--------------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Employee costs | 499 | 689 | - | - |
| Plant depreciation | 2 435 | 2 142 | - | - |
| Fuel and lubricants | 1 409 | 88 | - | - |
| Utilities | 4 341 | 493 | - | - |
| TOTAL | 8 684 | 3 412 | - | - |

Cost of sales increased during the year under review due to production costs associated with LNG. Tetra4 commenced producing LNG in September 2022.

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

22. OTHER OPERATING INCOME

| | GROUP | | COMPANY | |
|--|---------------|--------------|------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| Profit on disposal of property, plant and equipment ¹ | 55 | - | - | - |
| Selling profit on finance lease receivables | 3 924 | - | - | - |
| Net foreign exchange gains | 9 569 | 3 569 | 818 | 12 |
| Other income | 82 | 167 | - | - |
| TOTAL | 13 630 | 3 736 | 818 | 12 |

1 - A motor vehicle with a net book value of Rnil was disposed of during the year for R55 000 resulting in the reported profit on disposal.

The net foreign exchange gains above arose on translation of foreign creditors and US Dollar and Australian Dollar denominated cash balances.

23. OTHER OPERATING EXPENSES

| | GROUP | | COMPANY | |
|--|---------------|---------------|---------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| OPERATING EXPENSES BY NATURE | | | | |
| Consulting and advisory fees ¹ | 5 019 | 1 883 | 2 151 | 1 148 |
| Listing costs ² | 2 769 | 1 568 | 2 769 | 1 568 |
| Employee costs ³ | 2 843 | 3 280 | 8 555 | - |
| Depreciation and amortisation ⁴ | 2 977 | 3 378 | 194 | 322 |
| Computer and IT expenses | 3 801 | 3 412 | 49 | 16 |
| Security | 322 | 1 871 | - | - |
| Selling and distribution expense | 1 455 | - | - | - |
| Marketing and advertising | 3 766 | 1 070 | 684 | 21 |
| Insurance | 1 245 | 1 548 | - | - |
| Legal and professional fees | 3 473 | 4 529 | 1 822 | 2 230 |
| Other operating costs ⁵ | 9 798 | 8 037 | 1 223 | 407 |
| Directors fees - Non-executive | 2 161 | 2 295 | 2 161 | 2 295 |
| Executive Directors' remuneration ⁶ | 3 250 | 5 336 | - | - |
| TOTAL | 42 879 | 38 207 | 19 608 | 8 007 |

1 - Increase attributable to advisory fees for the proposed initial public offering in the United States of America and consulting relating to the Group's strategy, risk management and funding initiatives. Prior year fees primarily comprised tax advisory, remuneration consultancy and corporate research costs.

2 - Listing costs in the current year were impacted by additional listing fees for the new shares issued as highlighted in note 13.

3 - Excludes employee costs amounting to R0.5 million (2022: R0.7 million) attributable to the manufacturing of gas sold which are included in cost of sales.

4 - Excludes depreciation for plant and machinery amounting to R2.4 million (2022: R2.1 million) which is included in cost of sales. Amounts presented include amortisation for computer software amounting to R0.6 million (2022: R0.4 million).

5 - The remaining other operating costs primarily consist of travel and accommodation costs, training expenses, health and safety costs, office expenses, motor vehicle costs, repairs and maintenance and exploration expenses.

6 - Directors fees amounting to R13.0 million (2022: R9.7 million) were capitalised to assets under construction (note 3) during the year under review.

24. INTEREST INCOME

| | GROUP | | COMPANY | |
|--|--------------|------------|--------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| Interest income - cash and cash equivalents | 2 307 | 275 | 1 422 | 83 |
| Interest income - net investment in finance leases | 1 368 | - | - | - |
| TOTAL | 3 675 | 275 | 1 422 | 83 |

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

Interest received as presented in the statement of cash flows excludes interest income on the net investment in finance leases which is non-cash in nature.

25. INTEREST EXPENSE AND IMPUTED INTEREST

| | GROUP | | COMPANY | |
|---------------------------------|--------------|--------------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Interest - leasing arrangements | 302 | 480 | - | - |
| Imputed interest - borrowings | 4 275 | 3 708 | - | - |
| Interest - other | 6 | 29 | 5 | - |
| TOTAL | 4 583 | 4 217 | 5 | - |

Interest paid as presented in the statement of cash flows comprises:

| | GROUP | | COMPANY | |
|--|------------|------------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Interest - leasing arrangements | 302 | 480 | - | - |
| Interest - other | 6 | 29 | 5 | - |
| Interest paid per the statement of cash flows | 308 | 509 | 5 | - |

26. TAXATION

| | GROUP | | COMPANY | |
|---|--------------|--------------|--------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| MAJOR COMPONENTS OF THE TAX INCOME | | | | |
| <i>Deferred</i> | | | | |
| Originating and reversing temporary differences | 9 707 | 8 553 | (235) | 387 |
| TOTAL | 9 707 | 8 553 | (235) | 387 |

| RECONCILIATION OF EFFECTIVE TAX RATE | | | | |
|---|--------------|--------------|--------------|------------|
| Accounting loss before taxation | (36 432) | (42 303) | (25 278) | (7 964) |
| Tax at the applicable tax rate of 28% (2022: 28%) | 10 201 | 11 845 | 7 078 | 2 230 |
| Tax effect of: | | | | |
| Non-deductible expenses | | | | |
| - Share-based payments | (2 869) | (872) | (2 213) | (14) |
| - Imputed interest expense | (1 197) | (1 038) | - | - |
| - Bursaries | (29) | - | - | - |
| - Legal fees | - | 470 | - | - |
| Current year losses for which no deferred tax asset has been recognised | (22 762) | (29 581) | (4 926) | (1 614) |
| Special oil & gas allowances ¹ | 24 093 | 20 294 | - | - |
| Increase in rehabilitation guarantee | 2 485 | 9 057 | - | - |
| Effect of change in tax rate | (215) | (1 622) | (174) | (215) |
| TOTAL | 9 707 | 8 553 | (235) | 387 |

¹ - See note 1.8

Figures in Rand Thousands

27. REVALUATION RESERVE

| | GROUP | | COMPANY | |
|---------------------------------------|------------|------------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Balance at the beginning of the year | 598 | 598 | - | - |
| Balance at the end of the year | 598 | 598 | - | - |

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

28. CASH (USED IN)/FROM OPERATIONS

| | Notes | GROUP | | COMPANY | |
|-----------------------------|-------|-----------------|-----------------|-----------------|----------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Loss before taxation | | (36 432) | (42 303) | (25 278) | (7 964) |

| CASH ADJUSTMENTS | | | | | |
|---|----|----------|----------|---------|------|
| Interest received - cash and cash equivalents | 24 | (2 307) | (275) | (1 422) | (83) |
| Cash interest paid | 25 | 6 | 29 | 5 | - |
| Movement in restricted cash | 9 | (53 992) | (17 184) | - | - |
| Lease liabilities - interest expense | 25 | 302 | 480 | - | - |

| NON-CASH ADJUSTMENTS | | | | | |
|---|--------|---------|---------|---------|-------|
| Interest received - net investment in financial lease | 24 | (1 368) | - | - | - |
| Imputed interest | 25 | 4 275 | 3 708 | - | - |
| Depreciation and amortisation | 21, 23 | 5 412 | 5 520 | 194 | 322 |
| Share-based payments expense | 14 | 10 278 | 3 115 | 7 905 | 52 |
| Selling profit on finance lease receivables | 22 | (3 924) | - | - | - |
| Profit on disposal of property, plant and equipment | 22 | (55) | - | - | - |
| Decrease in IDC provision | 18 | - | (2 180) | - | - |
| Increase/(decrease) in leave pay accrual | | 138 | (728) | 1 302 | - |
| Increase/(decrease) in bonus accrual | | 1 877 | (2 293) | 3 250 | - |
| Net foreign exchange gains | 19 | (933) | (4 899) | (1 069) | (152) |

| CHANGES IN WORKING CAPITAL | | | | | |
|-----------------------------|----|-----------------|-----------------|--------------|----------------|
| Inventory | | (147) | - | - | - |
| Deferred Revenue | 17 | 14 956 | - | - | - |
| Finance lease receivables | 10 | 1 042 | - | - | - |
| Trade and other receivables | | (4 462) | (19 263) | (1 801) | (677) |
| Trade and other payables | | (7 569) | (2 668) | 22 444 | (629) |
| TOTAL | | (72 903) | (78 941) | 5 530 | (9 131) |

Figures in Rand Thousands

29. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

| | GROUP 2023 | | | | | At 28 February 2023 (note 15) |
|--|-----------------|-----------------------|--|-----------------------------------|------------------------------------|-------------------------------|
| | At 1 March 2022 | Interest ¹ | Non-cash movements: foreign exchange losses ² | Repayments - capital ³ | Repayments - interest ³ | |
| Molopo Energy Limited ("Molopo") | 46 761 | 4 275 | - | | - | 51 036 |
| US International Development Finance Corporation ("DFC") | 614 004 | 38 846 | 120 290 | (56 114) | (38 846) | 678 180 |
| Industrial Development Corporation ("IDC") | 162 075 | 23 950 | - | | (4 226) | 181 799 |
| TOTAL | 822 840 | 67 071 | 120 290 | (56 114) | (43 072) | 911 015 |

1 - Interest on the Molopo loan is non-cash imputed interest representing the unwinding of the discount applied on initial recognition of the loan (see notes 15 and 25). Interest on the DFC and IDC loans is cash in nature and is capitalised to assets under construction within property, plant and equipment (see note 3).

2 - Exchange differences are capitalised to assets under construction within property, plant and equipments (see note 3)

3 - Repayments of capital, interest and fees attributable to the DFC loan in line with loan terms (see note 15). The Group has elected to show repayments of interest under financing activities (see note 1.15).

| | GROUP 2022 | | | | | At 28 February 2022 (note 15) |
|--------------|-----------------|----------------|-----------------------|--|------------------------------------|-------------------------------|
| | At 1 March 2021 | Advances | Interest ⁴ | Non-cash movements: foreign exchange losses ⁵ | Repayments - interest ⁶ | |
| Molopo | 43 053 | - | 3 708 | - | - | 46 761 |
| DFC | 491 240 | 112 145 | 31 293 | 10 619 | (31 293) | 614 004 |
| IDC | - | 158 844 | 3 231 | - | - | 162 075 |
| TOTAL | 534 293 | 270 989 | 38 232 | 10 619 | (31 293) | 822 840 |

4 - Interest on the Molopo loan is non-cash imputed interest representing the unwinding of the discount applied on initial recognition of the loan (see notes 15 and 25).

Interest on the DFC and IDC loans is cash in nature and is capitalised to assets under construction within property, plant and equipment (see note 3).

5 - Exchange differences are capitalised to assets under construction within property, plant and equipments (see note 3) which is permissible under IAS-23 borrowing costs.

6 - Repayments of interest and fees attributable to the DFC loan in line with loan terms (see note 15). The Group has elected to show repayments of interest under financing activities (see note 1.15).

30. COMMITMENTS AND CONTINGENT LIABILITIES

30.1 CONTINGENT LIABILITIES

There are no contingent liabilities as at 28 February 2023 (2022: nil) attributable to any of the Group companies.

30.2 COMMITMENTS

| 2023 | | | |
|--|----------------|-------------------------|----------------|
| | Spent to date | Contractual commitments | Total approved |
| Capital equipment, construction and drilling costs | 317 020 | 56 365 | 373 385 |
| TOTAL | 317 020 | 56 365 | 373 385 |

| 2022 | | | |
|--|----------------|-------------------------|----------------|
| | Spent to date | Contractual commitments | Total approved |
| Capital equipment, construction and drilling costs | 390 000 | 219 700 | 609 700 |
| TOTAL | 390 000 | 219 700 | 609 700 |

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

The Board approved total project costs amounting to R1.5 billion (2022: R1.1 billion) relating to the construction of the Virginia Gas Plant. At 28 February 2023 the Group had contractual commitments totalling R56.4 million (Feb 2022: R219.7 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.

31. RELATED PARTIES

RELATIONSHIPS

| | |
|--|--|
| Subsidiary | Tetra4 (Proprietary) Limited (see note 5) |
| | Cryovation (Proprietary) Limited (see note 5) |
| Shareholders 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 (2022: Rnil).

Key management personnel include Executive and Non-executive Directors and members of the Executive Committee. Refer to the Directors' Report for more detail. Remuneration of key management personnel is disclosed in note 32.

RELATED PARTY BALANCES

| COMPANY | | | |
|----------------------------|------------------|--------------|------------------|
| 2023 | TETRA4 | CRYOVATION | TOTAL |
| At 1 March 2022 | 488 677 | - | 488 677 |
| New loans advanced | 555 536 | 1 975 | 557 511 |
| At 28 February 2023 | 1 044 213 | 1 975 | 1 046 188 |

| 2022 | TETRA4 |
|----------------------------|----------------|
| At 1 March 2021 | 395 775 |
| New loans advanced | 92 902 |
| At 28 February 2022 | 488 677 |

Figures in Rand Thousands

32. DIRECTORS' AND PRESCRIBED OFFICERS EMOLUMENTS

| GROUP | | | | | | |
|---------------------------------------|-----------------------|----------------|--------------|-----------------------|----------------|--------------|
| NON-EXECUTIVES | | | | | | |
| 2023 | | | | 2022 | | |
| Fees paid to Non-executive Directors: | Directors' Board fees | Committee fees | Total | Directors' Board fees | Committee fees | Total |
| Brett Kimber ¹ | - | - | - | 550 | 59 | 609 |
| David King | 739 | 77 | 816 | 338 | 4 | 342 |
| Mbali Swana | 274 | 190 | 464 | 240 | 207 | 447 |
| Luigi Matteucci | 274 | 200 | 474 | 254 | 224 | 478 |
| Bane Maleke ² | 274 | 133 | 407 | 254 | 165 | 419 |
| TOTAL | 1 561 | 600 | 2 161 | 1 636 | 659 | 2 295 |

1 - Resigned from his roles as Chairman and Non-Executive Director of Renergen on 30 November 2021.

2 - Retired on 6 February 2023

Thembsa Skweyiya and Dumisa Hlatshwayo who were appointed as independent Non-Executive Directors on 6 February 2023 did not earn any remuneration during the year under review.

Francois Olivier stepped down from his role as Non-Executive Director of Renergen on 6 February 2023. He was appointed in November 2018 to represent Mazi Asset Management (one of Renergen's shareholders) and did not earn Directors fees.

Alex Pickard stepped down from his role as Non-Executive Director of Renergen on 6 February 2023. He was appointed in April 2022 to represent Ivanhoe Mines Limited (one of Renergen's shareholders) and did not earn Directors fees.

| GROUP | | | | | | | | | |
|---|---------------------------------|--------------------------------|-----------------|---------------|---------------------------------|--------------------------------|-----------------|--------------------|---------------|
| EXECUTIVES | | | | | | | | | |
| 2023 | | | | | 2022 | | | | |
| 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 | Other ² | Total |
| Stefano Marani | 4 666 | 1 213 | 1 213 | 7 092 | 4 320 | 860 | 860 | - | 6 040 |
| Fulu Ravele ¹ | - | - | - | - | 227 | - | - | 1 444 | 1 671 |
| Brian Harvey | 3 779 | 723 | 723 | 5 225 | 2 917 | - | 500 | - | 3 417 |
| Nick Mitchell | 4 666 | 1 201 | 1 201 | 7 068 | 4 320 | 916 | 916 | - | 6 152 |
| TOTAL | 13 111 | 3 137 | 3 137 | 19 385 | 11 784 | 1 776 | 2 276 | 1 444 | 17 280 |

1 - Resigned on 31 March 2021.

2 - Payment made as part of exit package upon resignation on 31 March 2021.

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

| GROUP | | | | | | | | |
|---|---------------------------------|--------------------------------|-----------------|--------------|---------------------------------|--------------------------------|-----------------|--------------|
| PRESCRIBED OFFICERS | | | | | | | | |
| | 2023 | | | | 2022 | | | |
| 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 |
| Johann Weideman ³ | - | - | - | - | 1 953 | 198 | 198 | 2 349 |
| Khalid Patel ³ | - | - | - | - | 1 552 | 149 | 149 | 1 850 |
| Mandy-Leigh Stuart ³ | - | - | - | - | 1 399 | 111 | 111 | 1 621 |
| Nalanie Naidu ³ | - | - | - | - | 1 610 | 148 | 148 | 1 906 |
| Leonard Eiser ⁴ | 2 238 | - | - | 2 238 | - | - | - | - |
| TOTAL | 2 238 | - | - | 2 238 | 6 514 | 606 | 606 | 7 726 |

³ - These employees are no longer prescribed officers due to a change in the structure of the Group Executive Committee.

⁴ - Appointed on 1 April 2022

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

| GROUP | | | | | | |
|--|---------------------------------|---|--|---------------------------------|---|--|
| EXECUTIVES AND PRESCRIBED OFFICERS | | | | | | |
| | 2023 | | | 2022 | | |
| 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 (R'000) ⁶ | Number of shares granted ('000) | Fair value per share at grant date Rand | Value of shares at grant date (R'000) ⁶ |
| Stefano Marani | 32 | 37,43 | 1 213 | 38 | 22,78 | 860 |
| Brian Harvey | 19 | 37,43 | 723 | 22 | 22,78 | 500 |
| Nick Mitchell | 32 | 37,43 | 1 201 | 40 | 22,78 | 916 |
| Johann Weideman ⁷ | - | - | - | 9 | 22,78 | 198 |
| Khalid Patel ⁷ | - | - | - | 6 | 22,78 | 149 |
| Mandy-Leigh Stuart ⁷ | - | - | - | 5 | 22,78 | 111 |
| Nalanie Naidu ⁷ | - | - | - | 6 | 22,78 | 148 |
| TOTAL | 83 | | 3 137 | 126 | | 2 882 |

⁶ - Numbers presented are impacted by rounding.

⁷ - Bonus shares were granted to these employees during the year under review, however the awards are not disclosed above as the employees are no longer prescribed officers due to a change in the structure of the Group Executive Committee.

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

| GROUP | | | | | | |
|--|---------------------------------|---|---------------------------------------|---------------------------------|---|---------------------------------------|
| EXECUTIVES AND PRESCRIBED OFFICERS | | | | | | |
| Share options granted to Executive Directors and Prescribed Officers pursuant to the SAR Plan: | 2023 | | | 2022 | | |
| | Number of shares granted ('000) | Fair value per share at grant date Rand | Value of shares at grant date (R'000) | Number of shares granted ('000) | Fair value per share at grant date Rand | Value of shares at grant date (R'000) |
| Stefano Marani | - | - | - | 2 360 | | 3 687 |
| Tier 1 | - | - | - | 320 | 4,64 | 1 485 |
| Tier 2 | - | - | - | 500 | 2,20 | 1 100 |
| Tier 3 | - | - | - | 680 | 1,14 | 775 |
| Tier 4 | - | - | - | 860 | 0,38 | 327 |
| Brian Harvey | - | - | - | 1 652 | | 2 581 |
| Tier 1 | - | - | - | 224 | 4,64 | 1 039 |
| Tier 2 | - | - | - | 350 | 2,20 | 770 |
| Tier 3 | - | - | - | 476 | 1,14 | 543 |
| Tier 4 | - | - | - | 602 | 0,38 | 229 |
| Nick Mitchell | - | - | - | 2 360 | | 3 687 |
| Tier 1 | - | - | - | 320 | 4,64 | 1 485 |
| Tier 2 | - | - | - | 500 | 2,20 | 1 100 |
| Tier 3 | - | - | - | 680 | 1,14 | 775 |
| Tier 4 | - | - | - | 860 | 0,38 | 327 |
| Johan Weiderman | - | - | - | 400 | | 597 |
| Tier 1 | - | - | - | 50 | 4,64 | 232 |
| Tier 2 | - | - | - | 75 | 2,20 | 165 |
| Tier 3 | - | - | - | 125 | 1,14 | 143 |
| Tier 4 | - | - | - | 150 | 0,38 | 57 |
| Khalid Patel | - | - | - | 400 | | 597 |
| Tier 1 | - | - | - | 50 | 4,64 | 232 |
| Tier 2 | - | - | - | 75 | 2,20 | 165 |
| Tier 3 | - | - | - | 125 | 1,14 | 143 |
| Tier 4 | - | - | - | 150 | 0,38 | 57 |
| Mandy-Leigh Stuart | - | - | - | 400 | | 597 |
| Tier 1 | - | - | - | 50 | 4,64 | 232 |
| Tier 2 | - | - | - | 75 | 2,20 | 165 |
| Tier 3 | - | - | - | 125 | 1,14 | 143 |
| Tier 4 | - | - | - | 150 | 0,38 | 57 |
| Nalanie Naidu | - | - | - | 400 | | 597 |
| Tier 1 | - | - | - | 50 | 4,64 | 232 |
| Tier 2 | - | - | - | 75 | 2,20 | 165 |
| Tier 3 | - | - | - | 125 | 1,14 | 143 |
| Tier 4 | - | - | - | 150 | 0,38 | 57 |

Figures in Rand Thousands

(continued)

| Share options granted to Executive Directors and Prescribed Officers pursuant to the SAR Plan: | GROUP | | | | | |
|--|---|---------------------------------------|---------------------------------|---|---------------------------------------|---------------|
| | EXECUTIVES AND PRESCRIBED OFFICERS | | | | | |
| | 2023 | | | 2022 | | |
| Number of shares granted ('000) | Fair value per share at grant date Rand | Value of shares at grant date (R'000) | Number of shares granted ('000) | Fair value per share at grant date Rand | Value of shares at grant date (R'000) | |
| Leonard Eiser | 450 | | 616 | - | | - |
| Tier 1 | 50 | 4,64 | 232 | - | - | - |
| Tier 2 | 75 | 2,20 | 165 | - | - | - |
| Tier 3 | 125 | 1,14 | 143 | - | - | - |
| Tier 4 | 200 | 0,38 | 76 | - | - | - |
| Russell Broadhead | 450 | | 616 | - | | - |
| Tier 1 | 50 | 4,64 | 232 | - | - | - |
| Tier 2 | 75 | 2,20 | 165 | - | - | - |
| Tier 3 | 125 | 1,14 | 143 | - | - | - |
| Tier 4 | 200 | 0,38 | 76 | - | - | - |
| TOTAL | 900 | | 1 232 | 7 972 | | 12 343 |

The performance and service conditions for the above share options and bonus scheme shares are provided in note 14.

Post employment and termination benefits.

The Group does not provide post-employment or termination benefits.

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

CATEGORIES OF FINANCIAL INSTRUMENTS

Categories of financial assets

| | Notes | GROUP | |
|-----------------------------|-------|----------------|----------------|
| | | 2023 | 2022 |
| | | Amortised cost | Amortised cost |
| Restricted cash | 9 | 91 987 | 37 995 |
| Trade and other receivables | 11 | 8 798 | 27 032 |
| Cash and cash equivalents | 12 | 55 705 | 95 088 |
| TOTAL | | 156 490 | 160 115 |

| | Notes | COMPANY | |
|-----------------------------|-------|------------------|----------------|
| | | 2023 | 2022 |
| | | Amortised cost | Amortised cost |
| Loans to subsidiaries | 7 | 1 046 188 | 488 677 |
| Cash and cash equivalents | 12 | 18 520 | 9 362 |
| Trade and other receivables | 11 | - | 957 |
| TOTAL | | 1 064 708 | 498 996 |

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

The carrying values of the financial assets disclosed above approximate their fair values.

Categories of financial liabilities

| | GROUP | | | | | | |
|--------------------------|-------|----------------|--------------|----------------|----------------|--------------|----------------|
| | Notes | 2023 | | | 2022 | | |
| | | Amortised cost | Leases | Total | Amortised cost | Leases | Total |
| Trade and other payables | 19 | 84 839 | - | 84 839 | 21 602 | - | 21 602 |
| Borrowings | 15 | 911 015 | - | 911 015 | 822 840 | - | 822 840 |
| Lease liabilities | 16 | - | 2 292 | 2 292 | - | 3 182 | 3 182 |
| TOTAL | | 995 854 | 2 292 | 998 146 | 844 442 | 3 182 | 847 624 |

| | COMPANY | | | | |
|--------------------------|---------|----------------|--|----------------|--|
| | Notes | 2023 | | 2022 | |
| | | Amortised cost | | Amortised cost | |
| Trade and other payables | 19 | 26 112 | | 724 | |
| TOTAL | | 26 112 | | 724 | |

The carrying values of the financial liabilities disclosed above approximate their fair values.

PRE-TAX GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

Gains and (losses) on financial assets

| | GROUP | | | | |
|-------------------------------------|-------|----------------|-------|----------------|-------|
| | Notes | 2023 | | 2022 | |
| | | Amortised cost | Total | Amortised cost | Total |
| RECOGNISED IN PROFIT OR LOSS | | | | | |
| Interest income | 24 | 2 307 | 2 307 | 275 | 275 |

| | COMPANY | | | | |
|-------------------------------------|---------|----------------|-------|----------------|-------|
| | Notes | 2023 | | 2022 | |
| | | Amortised cost | Total | Amortised cost | Total |
| RECOGNISED IN PROFIT OR LOSS | | | | | |
| Interest income | 24 | 1 422 | 1 422 | 83 | 83 |

Gains and (losses) on financial liabilities

| | GROUP | | | | |
|-------------------------------------|-------|----------------|--------------|----------------|--------------|
| | Notes | 2023 | | 2022 | |
| | | Amortised cost | Total | Amortised cost | Total |
| RECOGNISED IN PROFIT OR LOSS | | | | | |
| Net foreign exchange gains | 22 | 9 569 | 9 569 | 3 569 | 3 569 |
| Interest expense | 25 | (6) | (6) | (509) | (509) |
| Imputed interest expense | 25 | (4 275) | (4 275) | (3 708) | (3 708) |
| TOTAL | | 5 288 | 5 288 | (648) | (648) |

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

| | COMPANY | | | | |
|-------------------------------------|---------|----------------|------------|----------------|-----------|
| | Notes | 2023 | | 2022 | |
| | | Amortised cost | Total | Amortised cost | Total |
| RECOGNISED IN PROFIT OR LOSS | | | | | |
| Interest expense | 25 | (5) | (5) | - | - |
| Net foreign exchange gains | 22 | 818 | 818 | 12 | 12 |
| TOTAL | | 813 | 813 | 12 | 12 |

CAPITAL RISK MANAGEMENT

The Group's objective when managing capital is 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. It manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Group recently transitioned from a construction project following the commencement of LNG operations in September 2022. As such, the Group is in the process of finalising the optimal capital structure along with funding for Phase 2 of the Virginia Gas Project. In order to maintain or adjust the capital structure, the Group may issue new shares or acquire new debt.

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

| | Notes | GROUP | | COMPANY | |
|---------------------------|-------|--------------------|--------------------|--------------------|--------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Cash and cash equivalents | 12 | 55 705 | 95 088 | 18 520 | 9 362 |
| Stated capital | 13 | (1 134 750) | (563 878) | (1 733 149) | (1 162 277) |
| Borrowings | 15 | (911 015) | (822 840) | - | - |
| TOTAL | | (1 990 060) | (1 291 630) | (1 714 629) | (1 152 915) |

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. Overall responsibility for establishment and oversight of the risk management framework rests with the Board of directors ("Board"). The Board, through the Group Executive Committee, is responsible for the development, monitoring and communication of the processes for managing risk across the Group. The Group's overall risk management programme ensures that business risks are systematically identified, assessed and reduced to acceptable levels, whether they are insurable or not, without unduly affecting the Group's competitiveness and flexibility. The Group maintains an integrated, enterprise-wide, risk management programme and risks are monitored, measured, assessed and reported to the Board on a quarterly basis. Through this process the Board reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets to manage financial risks.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales and cash held on its behalf by counterparties. The Company's credit risk also arises from loans advanced to subsidiaries. Credit risk in this regard is managed on a Group basis as well as on an individual company basis to ensure that counterparty default risk is reduced to an acceptable level. Financial instruments exposed to credit risk include restricted cash (note 9), cash and cash equivalents (note 12), trade and other receivables (note 11), finance lease receivables (note 10) and the loans to subsidiaries (note 7).

Cash and cash equivalents and restricted cash

The Company and Group only deposit cash with major banks with high-quality credit standing and limit exposure to any one counterparty. The Group's cash is held with financial institutions with a Ba2 Moody's credit rating.

Trade and other receivables and lease receivables

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. These procedures include third-party credit checks which assist to assess the short-term liquidity and financial position of each prospective customer. Credit limits are also established for each customer which represent the maximum open amount without requiring approval from the Group Executive Committee.

Loans to subsidiaries

All loans to subsidiaries are approved by the Group Executive Committee and are subject to shareholder approvals which are granted and renewed annually. Loans are granted after an assessment has been performed of the Group company's ability to repay amounts advanced. In this regard, the Company assesses the respective Group's company's cash flow forecasts and financial plans.

The maximum credit risk exposure of the Company and the Group is the carrying values of trade and other receivables, restricted cash, cash and cash equivalents, finance lease receivables and the loans to subsidiaries disclosed in notes 11, 9, 12, 10 and 7, respectively. These financial instruments and related carrying values are listed below.

| | GROUP | | | | | | | |
|-----------------------------|-------|-----------------------|-----------------------|----------------|---------------|-----------------------|-----------------------|----------------|
| | Notes | 2023 | | | | 2022 | | |
| | | Gross carrying amount | Credit loss allowance | Amortised cost | Leases | Gross carrying amount | Credit loss allowance | Amortised cost |
| Finance lease receivables | 10 | - | - | - | 54 559 | - | - | - |
| Trade and other receivables | 11 | 8 798 | - | 8 798 | - | 1 492 | - | 1 492 |
| Restricted cash | 9 | 91 987 | - | 91 987 | - | 37 995 | - | 37 995 |
| Cash and cash equivalents | 12 | 55 705 | - | 55 705 | - | 95 088 | - | 95 088 |
| TOTAL | | 156 490 | - | 156 490 | 54 559 | 134 575 | - | 134 575 |

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

| | COMPANY | | | | | | |
|-----------------------------|---------|-----------------------|-----------------------|------------------|-----------------------|-----------------------|----------------|
| | Notes | 2023 | | | 2022 | | |
| | | Gross carrying amount | Credit loss allowance | Amortised cost | Gross carrying amount | Credit loss allowance | Amortised cost |
| Loans to subsidiaries | 7 | 1 046 188 | - | 1 046 188 | 488 677 | - | 488 677 |
| Trade and other receivables | 11 | - | - | - | 882 | - | 882 |
| Cash and cash equivalents | 12 | 18 520 | - | 18 520 | 9 362 | - | 9 362 |
| TOTAL | | 1 064 708 | - | 1 064 708 | 498 921 | - | 498 921 |

At 28 February 2023, the Group and Company's exposure to credit risk is not material for reasons highlighted above (also see notes 7, 10 and 11) (2022: Rnil).

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. Management manages cash flows on a Group basis through an ongoing review of future commitments against available cash and credit facilities. Rolling cash flow forecasts are prepared monthly and spending is monitored for compliance with internal targets. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on a portion of its long-term borrowings, this is further discussed in the 'interest rate risk' section below.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

| | GROUP 2023 | | | | | | | Total | Carrying amount |
|--------------------------------|------------|-----------------|---------------------|----------------------|----------------|----------------|----------------|------------------|------------------|
| | Notes | Within 3 months | Within 4 - 6 months | Within 7 - 12 months | 2 to 3 years | 4 to 5 years | Over 5 years | | |
| NON-CURRENT LIABILITIES | | | | | | | | | |
| Borrowings | 15 | - | - | - | 295 697 | 351 171 | 453 622 | 1 100 490 | 806 558 |
| Deferred revenue | 17 | - | - | - | 15 093 | - | - | 15 093 | 15 093 |
| Lease Liabilities | 16 | - | - | - | 905 | 355 | - | 1 260 | 1 108 |
| CURRENT LIABILITIES | | | | | | | | | |
| Borrowings | 15 | 36 231 | 37 711 | 77 116 | - | - | - | 151 058 | 104 457 |
| Trade and other payables | 19 | 84 839 | - | - | - | - | - | 84 839 | 84 839 |
| Lease liabilities | 16 | 340 | 340 | 678 | - | - | - | 1 358 | 1 184 |
| TOTAL | | 121 410 | 38 051 | 77 794 | 311 695 | 351 526 | 453 622 | 1 354 098 | 1 013 239 |

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

| GROUP 2022 | | | | | | | | |
|--------------------------------|-----------------|---------------------|----------------------|---------------|----------------|----------------|------------------|----------------|
| 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 | | | | | | | | |
| Borrowings | 15 | - | - | - | 652 427 | 341 668 | 994 095 | 773 056 |
| Lease Liabilities | 16 | - | - | - | 1 518 | - | 1 518 | 1 407 |
| CURRENT LIABILITIES | | | | | | | | |
| Borrowings | 15 | 8 831 | 25 426 | 50 673 | - | - | 84 930 | 49 784 |
| Trade and other payables | 19 | 18 844 | - | 2 758 | - | - | 21 602 | 21 602 |
| Lease liabilities | 16 | 498 | 498 | 994 | - | - | 1 990 | 1 775 |
| TOTAL | | 28 173 | 25 924 | 54 425 | 653 945 | 341 668 | 1 104 135 | 847 624 |

| COMPANY 2023 | | | | | | | | |
|----------------------------|-----------------|---------------------|----------------------|--------------|--------------|----------|-----------------|---------------|
| 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 | 19 | 26 112 | - | - | - | - | 26 112 | 26 112 |
| TOTAL | | 26 112 | - | - | - | - | 26 112 | 26 112 |

| COMPANY 2022 | | | | | | | | |
|----------------------------|-----------------|---------------------|----------------------|--------------|--------------|----------|-----------------|------------|
| 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 | 19 | 724 | - | - | - | - | 724 | 724 |
| TOTAL | | 724 | - | - | - | - | 724 | 724 |

Market risk

Market risk arises from the Group's use of interest bearing and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The Group's financial assets and liabilities affected by market risk include cash and cash equivalents (note 12), restricted cash (note 9), deferred revenue (note 17) and borrowings (note 15).

Foreign currency risk

The Group's operations expose it to foreign currency risk arising from purchases of goods and services, the acquisition of debt and cash held in currencies other than the South African Rand. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. During the year under review the Group transacted in currencies including the US Dollar, Australian Dollar, Euro and British Pound, however the Group is mostly exposed to transactions and balances denominated in US Dollars (see table below). The Company and Group review foreign currency exposure, including exposures arising from commitments on a monthly basis. The Group will in future rely on its ability to generate revenue in US Dollars (from Phase 2 of the Virginia Gas Project) which will be utilised to repay debt and other obligations denominated in this currency. In addition, the Group is also exploring foreign currency hedging strategies following the commissioning of the Virginia Gas Project in the second half of the financial year.

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

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

| | GROUP 2023 | | | | | |
|---------------------------|------------|------------------|--------------|----------------|-----------------|------------------|
| | Notes | USD | AUD | GBP | EURO | TOTAL |
| Restricted cash | 9 | 61 733 | - | - | - | 61 733 |
| Cash and cash equivalents | 12 | 4 | 5 792 | - | - | 5 796 |
| Trade and other payables | 19 | (18 292) | (59) | (1 075) | (32 112) | (51 538) |
| Deferred revenue | 17 | (15 093) | - | - | - | (15 093) |
| Borrowings | 15 | (678 180) | - | - | - | (678 180) |
| TOTAL | | (649 828) | 5 733 | (1 075) | (32 112) | (677 282) |

| | GROUP 2022 | | | |
|---------------------------|------------|------------------|--------------|------------------|
| | Notes | USD | AUD | TOTAL |
| Restricted cash | 9 | 34 257 | - | 34 257 |
| Cash and cash equivalents | 12 | - | 2 206 | 2 206 |
| Trade and other payables | 19 | (28) | (144) | (172) |
| Borrowings | 15 | (614 004) | - | (614 004) |
| TOTAL | | (579 775) | 2 062 | (577 713) |

| | COMPANY 2023 | | | | |
|---------------------------|--------------|-----------------|--------------|--------------|-----------------|
| | Notes | USD | AUD | GBP | TOTAL |
| Cash and cash equivalents | 12 | - | 5 792 | - | 5 792 |
| Trade and other payables | 19 | (16 444) | (59) | (667) | (17 170) |
| TOTAL | | (16 444) | 5 733 | (667) | (11 378) |

| | COMPANY 2022 | | |
|---------------------------|--------------|--------------|--------------|
| | Notes | AUD | TOTAL |
| Cash and cash equivalents | 12 | 2 206 | 2 206 |
| Trade and other payables | 19 | (139) | (139) |
| TOTAL | | 2 067 | 2 067 |

A variation in the exchange rate, with all other variables held constant, would impact the Group post tax loss and equity as follows:

| | GROUP | | COMPANY | |
|--|----------|----------|---------|-------|
| | 2023 | 2022 | 2023 | 2022 |
| Weakening of Rand against the US Dollar by 2% | (12 997) | (11 594) | (329) | - |
| Strengthening of Rand against the US Dollar by 2% | 12 997 | 11 594 | 329 | - |
| Weakening of Rand against the Australian Dollar by 10% | 573 | 206 | 573 | 207 |
| Strengthening of Rand against the Australian Dollar by 10% | (573) | (206) | (573) | (207) |
| Weakening of Rand against the Euro by 5% | (1 606) | - | - | - |
| Strengthening of Rand against the Euro dollar by 5% | 1 606 | - | - | - |

Notes to the Consolidated and Separate Financial Statements

Figures in Rand Thousands

The impact of fluctuations in the British Pound against the Rand is not material at 28 February 2023.

| | GROUP AND COMPANY | |
|-------------------------|-------------------|---------|
| | 2023 | 2022 |
| Year-end exchange rates | R | R |
| US Dollar | 18,4505 | 15,3501 |
| Australian Dollar | 12,4040 | 11,0283 |
| Euro | 19,5328 | * |
| British Pound | 22,2178 | * |

* - no balances denominated in these currencies in 2022.

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 its customers which mitigates the volatility that may arise. As the Group's operations grow, it will consider options available to hedge its price risk exposure and is currently exploring the use of helium tokens currently under development (see note 4) as one way to manage this risk. At 28 February 2023 the Group's exposure to price risk is not material.

The Group is not exposed to equity price risk.

Interest rate risk

The Group's interest rate risk arises from its DFC, IDC and Molopo borrowings disclosed in note 15. The DFC borrowings expose the Group to fair value interest rate risk as they are secured at fixed interest rates. The IDC and Molopo borrowings expose the Group to cash flow interest rate risk as they are secured at a variable interest rates. The Group manages its interest rate risk by having a balanced portfolio of borrowings at fixed and variable rates, and also by monitoring interest rates on a regular basis.

A variation in the interest rate, with all other variables held constant, would impact the Group post tax loss and equity as follows:

| | GROUP | | COMPANY | |
|---|----------|----------|---------|------|
| | 2023 | 2022 | 2023 | 2022 |
| USD borrowings - DFC | | | | |
| A 2% increase in the interest rate | (13 564) | (12 280) | - | - |
| A 2% decrease in the interest rate | 13 564 | 12 280 | - | - |
| Rand borrowings - IDC and Molopo | | | | |
| A 5% increase in the interest rate | (11 642) | (8 104) | - | - |
| A 5% decrease in the interest rate | 11 642 | 8 104 | - | - |

Management of risk associated with leased assets

All lease agreements set out the terms for the use, maintenance, transfer and relocation of leased assets. Tetra4 is responsible for maintaining or appointing a service provider to maintain all leased assets. The relocation of leased assets requires authorisation from Tetra4. The Group also regularly assesses the physical security over all leased assets.

Figures in Rand Thousands

Concentration risk

The Group is subject to marginal concentration risk as it had two LNG customers (see note 6) as at 28 February 2023 and one liquid helium customer. In May 2023, the Group secured a third LNG customer for the supply of LNG (see note 36). In order to manage concentration risk the Group is in discussions with various potential new customers for the remainder of the Phase 1 LNG production.

34. LOSS PER SHARE

| | GROUP | | |
|---|---------|----------|----------|
| | | 2023 | 2022 |
| Loss per share | | | |
| Basic and diluted | (cents) | (19,86) | (27,73) |
| Loss attributable to equity holders of Renergen Limited used in the calculation of the basic and diluted loss per share | R'000 | (26 725) | (33 750) |

| | | | |
|---|----------------|----------------|----------------|
| Weighted average number of ordinary shares used in the calculation of basic loss per share: | (000's) | 134 536 | 121 689 |
| Issued shares at the beginning of the year | (000's) | 123 934 | 117 508 |
| Effect of shares issued during the year (weighted) | (000's) | 10 602 | 4 181 |
| Add: Dilutive share options | | - | - |
| Weighted average number of ordinary shares used in the calculation of diluted loss per share | (000's) | 134 536 | 121 689 |

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.

| Headline loss per share | | | |
|--------------------------------|---------|---------|---------|
| Basic and diluted | (cents) | (19,89) | (27,73) |

| Reconciliation of headline loss | | | |
|---|--------------|-----------------|-----------------|
| Loss attributable to equity holders of Renergen Limited | R'000 | (26 725) | (33 750) |
| Profit on disposal of property, plant and equipment | R'000 | (55) | - |
| Tax effects | R'000 | 15 | - |
| Headline loss | R'000 | (26 765) | (33 750) |

The headline loss has been calculated in accordance with Circular 1/2021 issued by the South African Institute of Chartered Accountants.

Figures in Rand Thousands

35. NET ASSET VALUE PER SHARE

| | | GROUP | |
|---|----------------|---------------|---------------|
| | | 2023 | 2022 |
| Number of shares in issue | (000's) | 144 748 | 123 934 |
| Net assets | R'000 | 840 204 | 286 312 |
| Total equity | | 840 204 | 286 312 |
| Tangible net assets | R'000 | 598 362 | 132 289 |
| Total equity | | 840 204 | 286 312 |
| Intangible assets | | (241 842) | (154 023) |
| Net asset value per share | (cents) | 580,46 | 231,02 |
| Tangible net asset value per share | (cents) | 413,38 | 106,74 |

36. EVENTS AFTER THE REPORTING PERIOD***Proposed issue of 67.5 million ordinary shares of the Company***

On 11 April 2023, the Company obtained specific authority from its shareholders to issue 67.5 million ordinary shares ("Specific Issue Shares"), including such ordinary shares represented by American Depository Shares ("ADSs") and CHESS Depository Interests (a unit of beneficial ownership in Renergen shares as defined in the ASX Settlement Operating Rules) to be issued under the specific authority or convertible debt instruments that will be convertible into Specific Issue Shares in terms of one or more placements ("Placements"), which Placements are expected to primarily be executed through the proposed listing and public offering of Renergen shares represented by ADSs on the Nasdaq Stock Market.

Increase in beneficial interests held by the Government Employees Pension Fund and the FRB ITF Northshore Prime Flexible Qualified Investor Hedge Fund.

On 7 March 2023, the Company announced that it had received notification from the Public Investment Corporation, manager of the Government Employees Pension Fund, advising that it had acquired a beneficial interest in the securities of the Company such that the total of all beneficial interests held by it amounts to 5.118% of the Company's total issued ordinary share capital.

On 6 March 2023, the Company announced that it had received notification from the FRB ITF Northshore Prime Flexible Qualified Investor Hedge Fund advising that it had acquired a beneficial interest in the securities of the Company such that the total of all beneficial interests held by it amounts to 5.72% of the Company's total issued ordinary share capital.

Acquisition of new customer

In May 2023, Tetra4 concluded a sales agreement with Timelink for the supply of LNG.

37. 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 set out in note 33 as part of its ongoing risk management programme. In conducting its most recent going concern assessment:

- The Group has considered the period up to 23 May 2024 (“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 (40%) and helium (30%) 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. Furthermore, based on information available on the assessment date, the Group has concluded that developments with the Russia/Ukraine war and disruptions to global supply chains will not materially impact its operations during the Assessment Period.

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 28 February 2023 which have resulted in cash inflows as well as increasing the certainty of future cash inflows. These inflows have and will continue to address current liabilities exceeding current assets. The Cash Forecast base case and stress case scenarios assume the following fund-raising initiatives (“Funding Initiatives”) during the Assessment Period:

- The Group anticipates securing a R295.0 million bridge loan which is dependent on credit approval by the relevant financial institution.
- The Group expects to obtain financing approval for debt amounting to R14.25 billion (\$750.0 million) from DFC and a commercial bank, which is in the final stages of approval. Management are confident that the approval will be obtained shortly.
- The Group plans to list on the Nasdaq Stock Market in the United States of America (“Proposed IPO”) and anticipates raising R2.6 billion (US\$150.0 million) during the Assessment Period. Shareholder approval for the Proposed IPO was obtained on 11 April 2023, however the Proposed IPO is dependent on market conditions which will determine whether it is completed during the Assessment Period. The Proposed IPO is also subject to Securities and Exchange Commission and exchange control approvals.
- Subject to market conditions, the Group is able to raise funding through the issuing of ordinary shares for Phase 2 expansion as approved by shareholders on 11 April 2023.
- The Group expects to complete the disposal of 10% of Tetra4 to the Central Energy Fund (“CEF”) for R1.0 billion. This disposal remains subject to the CEF securing funding to acquire the interest in Tetra4.

The regulatory and other approvals highlighted above, and the completion of the Funding Initiatives during the Assessment Period represent material uncertainties that may cast significant doubt on the group’s and company’s ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Shareholder Information

SHAREHOLDER ANALYSIS

Company: Renergen Limited
 Register date: 24 February 2023
 Issued Share Capital: 144 748 378

| SHAREHOLDER SPREAD | No of Shareholdings | % | No of Shares | % |
|----------------------------|---------------------|---------------|--------------------|---------------|
| 1 - 1 000 shares | 38 342 | 82,90 | 5 847 739 | 4,04 |
| 1 001 - 10 000 shares | 6 704 | 14,49 | 21 731 133 | 15,01 |
| 10 001 - 100 000 shares | 1 071 | 2,32 | 29 229 317 | 20,19 |
| 100 001 - 1 000 000 shares | 117 | 0,25 | 27 921 940 | 19,29 |
| 1 000 001 shares and over | 17 | 0,04 | 60 018 249 | 41,46 |
| Totals | 46 251 | 100,00 | 144 748 378 | 100,00 |

| DISTRIBUTION OF SHAREHOLDERS | No of Shareholdings | % | No of Shares | % |
|------------------------------|---------------------|---------------|--------------------|---------------|
| Banks/Brokers | 84 | 0,18 | 14 627 776 | 10,11 |
| Close Corporations | 90 | 0,19 | 634 971 | 0,44 |
| Endowment Funds | 17 | 0,04 | 417 279 | 0,29 |
| Individuals | 43 811 | 94,72 | 49 172 975 | 33,97 |
| Insurance Companies | 52 | 0,11 | 961 940 | 0,66 |
| Investment Companies | 6 | 0,01 | 101 971 | 0,07 |
| Medical Scheme | 1 | 0,00 | 6 542 | 0,00 |
| Medical Schemes | 3 | 0,01 | 243 097 | 0,17 |
| Mutual Funds | 61 | 0,13 | 13 167 893 | 9,10 |
| Other Corporations | 175 | 0,38 | 271 334 | 0,19 |
| Private Companies | 587 | 1,27 | 31 083 314 | 21,47 |
| Public Companies | 8 | 0,02 | 14 945 716 | 10,33 |
| Retirement Funds | 785 | 1,70 | 15 457 784 | 10,68 |
| Treasury Stock | 1 | 0,00 | 17 714 | 0,01 |
| Trusts | 570 | 1,23 | 3 638 072 | 2,51 |
| Totals | 46 251 | 100,00 | 144 748 378 | 100,00 |

Shareholder Analysis



| PUBLIC / NON - PUBLIC SHAREHOLDERS | No of Shareholdings | % | No of Shares | % |
|--|----------------------------|---------------|---------------------|---------------|
| Non - Public Shareholders | 14 | 0,03 | 17 785 115 | 12,29 |
| Directors, Associates and Prescribed Officers of the Company | 13 | 0,03 | 17 767 401 | 12,27 |
| Treasury Stock | 1 | 0,00 | 17 714 | 0,01 |
| Public Shareholders | 46 237 | 99,97 | 126 963 263 | 87,71 |
| Totals | 46 251 | 100,00 | 144 748 378 | 100,00 |

| Beneficial shareholders holding 5% or more | No of Shares | % |
|---|---------------------|--------------|
| Notable Pioneer Ltd | 9 230 000 | 6,38 |
| MATC Investments (Pty) Ltd | 8 714 306 | 6,02 |
| CRT Investments (Pty) Ltd | 8 600 269 | 5,94 |
| Northshore Capital | 6 831 981 | 4,72 |
| Government Employees Pension Fund | 6 593 043 | 4,55 |
| Ivanhoe Mines Ltd | 5 631 787 | 3,89 |
| Tamryn Investment Holdings (Pty) Ltd | 4 903 940 | 3,39 |
| Totals | 50 505 326 | 34,89 |

| Institutional shareholders holding 3% or more | No of Shares | % |
|--|---------------------|--------------|
| Mazi Asset Management | 12 332 379 | 8,52 |
| Northshore Capital | 6 831 981 | 4,72 |
| Peresec Prime Brokers | 1 752 325 | 1,21 |
| Mergence Investment Managers | 1 501 098 | 1,04 |
| 36ONE Asset Management | 1 482 487 | 1,02 |
| Totals | 23 900 270 | 16,51 |

| SHAREHOLDER SPREAD | No of Shareholdings | % | No of Shares | % |
|---------------------------|----------------------------|---------------|---------------------|---------------|
| South Africa | 42 951 | 92,87 | 100 876 025 | 69,69 |
| Australiasia | 2 780 | 6,01 | 24 831 529 | 17,15 |
| Asia | 40 | 0,09 | 9 377 528 | 6,48 |
| North America | 17 | 0,04 | 6 026 277 | 4,16 |
| United Kingdom | 34 | 0,07 | 1 377 380 | 0,95 |
| Europe | 27 | 0,06 | 1 242 805 | 0,86 |
| Rest of the World | 402 | 0,87 | 1 016 834 | 0,70 |
| Totals | 46 251 | 100,00 | 144 748 378 | 100,00 |

Corporate Information

RENERGEN LIMITED

Date of incorporation: 30 September 2014

Place of incorporation: South Africa

COMPANY SECRETARY AND REGISTERED ADDRESS

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Benmore
2010

On 17 August 2022, we changed our Auditor from
Mazars to BDO.

MAZARS

Mazars is a partnership, not a registered company.
IRBA membership number 888648 and IRBA
practice number 900222

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