RENERGEN LIMITED
Incorporated in the Republic of South Africa
(Registration number: 2014/195093/06)
Share code: REN ISIN: ZAE000202610
Australian Business Number ABN: 93998352675 ASX Share code: RLT
(“Renergen” or “the Company” or “the Group”)

AUDITED SUMMARY OF CONSOLIDATED ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 29 February 2020, RELEASE OF INTERGRATED ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING (“AGM”)

RELEASE OF INTERGRATED ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING ("AGM")

Shareholders are hereby advised that the integrated annual report was released today electronically due to the Company operating within the restrictions available during the Covid-19 lockdown. The integrated annual report, which incorporates the notice of annual general meeting to be held electronically at 12:00 on Friday, 7 August 2020 in accordance with the provisions of the Companies Act 71 of 2008 of South Africa ("**Companies Act**"), as amended, and the Company's memorandum of incorporation.The integrated report will only be available on the Company's website at www.renergen.co.za The date on which shareholders must be recorded as such in the share register for purposes of being entitled to participate at this meeting is Friday, 31 July 2020 (record date) with the last day to trade being Tuesday, 28 July 2020.

About Renergen

Renergen is an emerging helium and natural gas producer in South Africa. Through its investment in Tetra4, we benefit from the first and currently only onshore petroleum production right in South Africa, with proven helium and methane reserves and arguably one of the highest concentrations of helium globally.

Of key importance is that many of the traditional risks associated with a greenfield project have either been mitigated or eliminated in the New Liquefied Natural Gas (LNG) and Liquefied Helium plant ("the plant"). To add to this the Company is fully funded to production as a result of the recent listing on the Australian Securities Exchange (ASX) and the loan from the DFC US International Development Finance Corporation (formerly known as OPIC).

The Company also enjoys very strong prospects related to the untapped upside potential of the Virginia gas field with the commencement of exploration of the previously unknown sandstone body where a well was drilled and is producing helium at a concentration of up to 12%, or more than 20 times global average.

COMMENTARY

The 2020 reporting period has been our busiest and arguably our most successful to date. The major milestones include:

- Successfully completed an Initial Public Offering on the Australian Securities Exchange raising A$ 10 million
- Conclusion and first draw of the OPIC (now known as the DFC U.S International Development Finance Corporation) loan for US$ 40 million to build Phase I
- Appointing EPCM Bonisana as the construction firm to build the gas gathering system
- Appointing WSCE as the technology supplier for the LNG (Liquefied Natural Gas)/LHe (Liquid Helium) plant
- Commissioning our second CNG (Compressed Natural Gas) station to service the Black Knight contract in Johannesburg
- Redemption of convertible notes with a face value of AUD$ 500 000
- Achieving all the milestones on time as set in the project schedule up to the time of issuing this report
- Purchase of the remaining 10% stake in Tetra4 previously held by our BEE partner for an amount of R28 million
- Appointing Bohrmeister Technik to drill the horizontal well in the sandstone deposit within the production right, and
- A successful gas strike in the horizontal well recording Helium concentrations of up to 12%
- A contract for 200 GJ per day of LNG executed by our sales department with Bulk Haulers Transport International (BHIT)

The progress illustrated above demonstrates that the company is on track with the program to execute the Virginia Gas Project and continues to make great progress.

The global macro-economic picture is changing and has seen helium market remain in tight supply, with a prolonged depressed oil price further exacerbating this position as it will most likely have an impact on future large scale LNG and Helium projects from a financing perspective by delaying the much needed critical investment decisions. We believe this, together with decreasing supply from the US with Hugoton's production diminishing and the Bureau of Land Management (BLM) announcing its shutdown. This will put significant pressure on the supply dynamics of Helium for the foreseeable future. Demand at this stage is not expected to fall in line with the reduced supply shortages.

The impact of COVID 19 has been assessed by management and is deemed to not have a material impact on the Group in the new financial year. Given however that South Africa is a net importer of crude oil and liquid fuels, the impact from the decline of oil prices have been offset by a weakening currency. Supply chains will most likely be impacted and the extent of the problem could worsen should countries and organizations not plan effectively to deal with this unprecedented crisis. The Group opted from the 18th of March to implement drastic measures:

- to self-isolate where possible and work remotely
- non-essential staff have been placed on special leave
- operations reduced to critical team members only
- all meetings with external parties are via digital platforms to ensure we limit and reduce contact where possible
- Significant emphasis on personal hygiene with no physical contact allowed where practical

At present, the impact of the virus has not yet resulted in any substantial delays to either the fabrication of the liquefaction equipment, nor to the construction of the pipeline. We will continue to monitor this and update investors as the situation develops.

From a local economic perspective, energy landscape is still constrained and front of mind for many companies in South Africa, the government announced a carbon tax which came into effect earlier in this financial year, resulting in many companies seeking cleaner alternatives to petrol and diesel to save on this new tax. The new Integrated Resource Plan (IRP 2019) has demonstrated the Government is looking to shift its reliance over the longer term towards cleaner forms of energy and natural gas play a prominent role in the IRP 2019. This positions the company front and center of an enormous opportunity and will play an important role in how we develop phase 2.

Virginia

The Megabus project continues to operate on a stable basis supply gas to the 10 buses. The buses have now travelled in excess of 2 million kilometers combined and have saved approximately 3 million kilograms of Co2. We have scaled up the operation to include two shifts in preparation to service the Black Knight CNG contract. The CNG dispenser and additional CNG trailer were commissioned and the operation is to commence shortly as our customer finalises its last remaining processes.

Evander

We continue to enjoy good prospects on this field and are proceeding with the necessary steps to bring this field into production.

Overall, the company continues to be an attractive investment to our shareholders as it participates in two important commodities that are in short supply locally in the form of natural gas and globally strategic in the form of helium.

Email investor queries to investorrelations@renergen.co.za.

Financial Review

- The Group has a cash balance of R141 million at year end (February 2019: R98 million)
- The Group property plant and equipment increased by 828%% to R350.8 million (February 2019: R37.8 million) as a result of commencing construction of the New Liquefied Natural Gas (LNG) and Liquefied Helium(LHe) Plant in September 2019 and acquisition of the farm on which the plant operates. Phase 1 plant will also be constructed on the same farm. The land was revalued at year end, resulting in revaluation reserves being recognised in the financial statements.
- Tetra4's drilling campaign commenced in September 2019 increasing the Intangible assets by 27% to R89.2 million (February 2019: R70.5 million)

- Tetra4 concluded a US$40 million finance agreement with Overseas Public Investment Corporation (OPIC), now known as U.S International Development Finance Corporation (DFC), on 20 August 2019 to spend towards LNG and LHe plant. US$20 million of this facility was drawn in September 2019 increasing in the Group's financial liabilities by 787% R351.2 million (February 2019: R39.6). The loan has a three-year capital repayment grace period, with the first capital repayment in August 2022.
- Renergen listed on the ASX in June 2019, raising AUD$10 million (R103.1 million) raised at the initial public offering (IPO) and raising a further AUD$5.7 million (R56.8 million) in January 2020. The Group's Stated capital increase by 50% to R452.3 million (February 2019: R301.3 million).
- On listing on ASX in June 2019, Renergen granted options with a fair value of R6.3 million to the ASX listing transaction advisors, the options can only be exercised four years from grant date. This has been accounted for in the share-based payment reserves.
- The eighteen-month term 500 convertible notes issued at AUD$1000 per note in prior year was settled in cash during the current financial year.
- Net tangible assets per share increased to 134.55 cents (February 2019: 93.61 cents)
- Group revenue decreased by 13% to R2.6 million (February 2019: R3.0 million) as a result of the 5-month long Association of Mine Workers and Construction Union (AMCU) strike in Virginia which saw a decrease in the Compressed Natural Gas (CNG) sales volumes in the first quarter of the financial year

Changes to the Board of Directors

Following the successful listing on the ASX, the Board welcomed Dr David King to the Board as a non-executive director. David was a founder and director of Sapex Ltd, Gas2Grid Ltd and Eastern Star Gas Ltd. He holds an MSc in Geophysics from Imperial College, London, and a PhD in Seismology from the Australian National University, Canberra. He has substantial natural resource related experience.

Other than the changes mentioned above, there are no other changes to the board of directors.

Consolidated Statement of financial position

The statement of financial position of the Group as at 29 February 2020 are set out below:

Figures in Rand thousand	Note	Audited 29 February 2020	Audited 28 February 2019
Assets			
Non-Current Assets			
Property, plant and equipment	5	350 824	37 757
Intangible assets	6	89 223	70 494
Deferred tax	8	26 803	12 243
Restricted cash		2 729	2 178
		469 579	**122 672**
Current Assets			
Trade and other receivables		5 533	4 482
Financial assets		246	-
Restricted cash		10 161	-
Cash and cash equivalents		140 972	97 956
		156 912	**102 438**
Total Assets		**626 491**	**225 110**
Equity and Liabilities			
Equity			
Stated capital	10	452 254	301 277
Share-based payment reserve		7 526	448
Revaluation reserve		598	-
Accumulated loss	13	(213 148)	(121 091)
Equity Attributable to Parent		**247 230**	**180 634**
Non-controlling interest	13	-	(16 401)
		247 230	**164 233**
Liabilities			
Non-Current Liabilities			
Financial liabilities	11	351 182	39 647
Lease liability		2 963	208
Provisions		4 000	9 829
		358 145	**49 684**
Current Liabilities			
Trade and other payables		16 387	10 855
Lease liability		2 549	338
Provision		2 180	-
		21 116	**11 193**
Total Liabilities		**379 261**	**60 877**
Total Equity and Liabilities		**626 491**	**225 110**

Consolidated Statement of profit or loss and other comprehensive income

The statement of profit or loss and other comprehensive income of the Group for the audited 12-month period 29 February 2020 are set out below:

Figures in R'000	Notes	Audited 29 February 2020	Audited 28 February 2019
Revenue		2 635	2 987
Cost of sales		(3 302)	(3 197)
Gross loss		**(667)**	**(210)**
Other income		81	851
Share - based payments		(7 078)	(334)
Impairment		(938)	(1 295)
Operating expenses	7	(58 703)	(45 026)
Operating loss		**(67 305)**	**(46 014)**
Interest Income		5 352	1 604
Interest expense		(5 325)	(4 138)
Total loss before tax		**(67 278)**	**(48 548)**
Taxation		14 659	3 572
Total loss after tax		**(52 619)**	**(44 976)**
Other comprehensive income (loss):			
Revaluation Reserve		598	-
Other comprehensive income for the year net of taxation		**598**	**-**
Total Comprehensive loss for the year		**(52 021)**	**(44 976)**
Total loss attributable to:			
Owners of the parent		(52 619)	(40 860)
Non-controlling interest		-	(4 116)
		(52 619)	**(44 976)**
Total comprehensive loss attributable to:			
Owners of the parent		(52 021)	(40 860)
Non- controlling interest		-	(4 116)
		(52 021)	**(44 976)**
Loss per share	15		
Basic loss per share (cents)		**(47.92)**	**(47.03)**
Diluted loss per share (cents)		**(47.92)**	**(47.03)**
Weighted average number of shares (‘000)		**109 799**	**86 997**
Number of shares in issue (‘000)		**117 427**	**100 135**

Consolidated Statement of Changes in Equity

The statement of changes in equity of the Group for the audited 12- month period ended 29 February 2020 are set out below:

Figures in Rand thousands	**Share Capital**	**Share based payment reserve**	**Revaluation reserve**	**Accumul-ated loss**	**Total attributable to the parent**	**Non-controlling interest**	**Total equity**
GROUP							
Balance at 01 March 2018	**161 065**	**114**	**-**	**(80 231)**	**80 948**	**(12 285)**	**68 663**
Total Comprehensive Loss after tax	-	-	-	(40 860)	(40 860)	(4116)	(44 976)
Issue of shares	146 760	-	-	-	146 760	-	146 760
Share issue costs	(6 548)	-	-	-	(6 548)	-	(6 548)
Share-based payment	-	334	-	-	334	-	334
Balance at 01 March 2019	**301 277**	**448**	**-**	**(121 091)**	**180 634**	**(16 401)**	**164 233**
Adjustment on initial application of IFRS 16*	-	-	-	(37)	(37)	-	(37)
Restated balance as at 01 March 2019	**301 277**	**448**	**-**	**(121 128)**	**180 597**	**(16 401)**	**164 196**
Total loss after tax	-	-	-	(52 619)	(52 619)	-	(52 619)
Other comprehensive income after tax			598	-	598	-	598
Issue of shares	159 746	-	-	-	159 746	-	159 746
Share issue cost	(8 769)	-	-	-	(8 769)	-	(8 769)
Changes in ownership	-	-	-	(39 401)	(39 401)	16 401	(23 000)
Share-based payment	-	7 078	-	-	7 078	-	7 078
Balance at 29 February 2020	**452 254**	**7 526**	**598**	**(213 148)**	**247 230**	**-**	**247 230**

* IFRS 16 adjustment to retained earnings due to the adoption of IFRS 16. Using the modified retrospective approach, the prior year IAS17 straight lining balance is adjusted to retained earnings.

Consolidated Statement of Cash Flows

The statement of cash flow of the Group for the audited 12- month period ended 29 February 2020 are set out below:

Figures in Rand thousand	Note	Audited 29 February 2020	Audited 28 February 2019
Cash flows from operating activities			
Cash used in operations	9	(42 636)	(38 287)
Interest income		5 352	1 604
Interest expense		(187)	(185)
Net cash from operating activities		**(37 471)**	**(36 868)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(298 347)	(9 587)
Purchase of intangible assets		(18 728)	(3 756)
Purchase of options		(8 256)	-
Proceeds on exercise of options		9 517	-
Net cash from investing activities		**(315 814)**	**(13 343)**
Cash flows from financing activities			
Proceeds on share issue	10	159 746	146 760
Share issue cost	10	(8 769)	(6 548)
Increase in borrowings		295 976	5 149
Borrowings costs		(4 814)	-
Settlement of Convertible note		(5 452)	-
Right of use – lease payments		(2 338)	(231)
Non-controlling interest buy-out		(23 000)	-
Net cash from financing activities		**411 349**	**145 130**
Total cash movement for the year		**58 064**	**94 919**
Cash at the beginning of the year		97 956	3 037
Effects of exchange rate changes on cash and cash equivalents		(15 048)	-
Total cash at end of the year		**140 972**	**97 956**

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial information as at 29 February 2020 are set out below:

1. Basis of preparation

The summary of the consolidated financial statements for the year ended 29 February 2020 have been prepared and presented in accordance with the requirements of the JSE and ASX Listing requirements and the requirements of the South African Companies Act 71 of 2008, as amended. The JSE and ASX Listing Requirements require summary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

This summary of the consolidated financial statements is extracted from audited financial statements but it is not itself audited. The audited Group consolidated financial statements are available electronically on the Company's website www.renergen.co.za. The directors take full responsibility for the preparation of this summary report and the financial information has been correctly extracted from the underlying annual financial statements.

This summary of the consolidated financial statements has been prepared under the supervision of Ms FH Ravele CA(SA), the Group's Chief Financial Officer.

Auditor's Opinion

The summary of the consolidated financial statements has been derived from the Group's audited consolidated annual financial statements which have been audited by Mazars. The auditor, Mazars, has issued its unmodified opinion on the Group's audited consolidated annual financial statements for the year ended 29 February 2020. The audit was conducted in accordance with International Standards on Auditing. Mazars has issued an unmodified audit opinion on the Group's audited consolidated annual financial statements. This auditor's report does not necessarily report on all the information contained in this announcement. A copy of the auditor's report on the consolidated annual financial statements is available electronically on the Company's website www.renergen.co.za , together with the financial statements identified in the respective auditor's reports. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Company's auditor.

2. Accounting policies

All accounting policies applied in the summary of the consolidated financial statements are in terms of IFRS and are consistent with those applied by the Group in its consolidated financial statements for the year ended 28 February 2019, except for new standard related to the application of IFRS 16, which is described in note 4.

3. Areas of significant judgements

In preparing the summary of the consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual financial statements for year ended 28 February 2019, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS16, which are described in note 4.

4. Changes in accounting policies

The Group adopted IFRS16 Leases on 1 March 2019, using the modified retrospective approach whereby the comparative impact was recognised against retained earnings. This resulted in an increase in property, plant and equipment (right-of-use asset) of R4.1 million and a corresponding increase in liabilities (lease liability) of R4.1 million and a decrease in opening retained earnings of R0.03 million relating to the straight lining of leases as per IAS17.

The Group’s leases include its head office building, motor vehicles and certain office and IT equipment.

The Group has elected to not recognise right-of-use assets and lease liabilities for leases of low-value assets with a value of R100 000 or less (e.g office equipment) and for short term leases (leases with a lease term of 12 months or less at commencement date).The Group recognises the lease payments associated with these leases as on expense on a straight line basis.

Motor vehicles are leased on a finance lease basis, IFRS 16 had no material impact on these lease arrangements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

5. Property, plant and equipment

Figures in R’000	**Cost**	**Accumulated depreciation**	**Carrying Value**
29 February 2020		-	
Assets under construction	325 886	-	325 886
Right of use – Head office building	4 129	(1 376)	2 753
Land	3 473	-	3 473
Plant and machinery	20 715	(7 767)	12 948
Furniture and fixtures	1 146	(486)	660
Motor vehicles	2 050	(1 725)	325
Office equipment	209	(104)	105
IT equipment	542	(365)	177
Right of use - motor vehicle	2 359	(516)	1 843
Office building	2 065	(63)	2 002
Lease hold improvements:			
- Office equipment	152	(84)	68
- Furniture and fixtures	887	(303)	584
Total	**363 613**	**(12 789)**	**350 824**

Comparatives

Figures in R'000	Cost	Accumulated depreciation	Carrying Value
29 February 2019		-	
Assets under construction	19 491	-	19 491
Plant and machinery	20 335	(5 610)	14 725
Furniture and fixtures	783	(322)	461
Motor vehicles	2 086	(1 425)	661
Office equipment	144	(80)	64
IT equipment	366	(219)	147
Computer software	1 434	(319)	1 115
Right of use - motor vehicle	857	(252)	605
Lease hold improvements:			
- Office equipment	152	(59)	93
- Furniture and fixtures	567	(172)	395
Total	**46 215**	**(8 458)**	**37 757**

Classification of Computer Software

In the prior year computer software was classified as property, plant and equipment, in the current year it has been reclassified to intangible assets as it is a separable component from the computer.

Revaluation of property

The land was revalued to its market value as at period end by an independent valuer as at 29 February 2020 using the comparable sales method. In determining the fair value of the land level 3 inputs were used as per the fair value hierarchy requirements of IFRS 13. The comparable sales method assumes that the market value of property should be an average of similar properties that have been sold in the area

6. Intangible assets

Figures in R'000	Cost	Accumulated Amortisation	Impairment	Carrying Value
29 February 2020				
Exploration and development costs	87 511	(32)	-	87 479
Computer software	3 115	(474)	(938)	1 703
Domain	41	-	-	41
Total	**90 667**	**(506)**	**(938)**	**89 223**

Comparatives

Figures in R'000	Cost	Accumulated Amortisation	Impairment	Carrying Value
28 February 2019				
Exploration and development costs	13 006	(32)	-	12 974
Molopo project rights	57 479	-	-	57 479
Domain	41	-	-	41
Total	**70 526**	**(32)**	**-**	**70 494**

Exploration and Development costs and Mopolo Project Mineral Rights consolidation

In the prior year Exploration and development costs and Molopo project rights balances were shown separately. In the current year they have been consolidated as they both relate to costs incurred by Tetra4 in the exploration of natural gas.

Classification of Computer Software

In the prior year computer software was classified as property, plant and equipment, in the current year it has been reclassified to intangible assets as it is a separable component from the computer.

7. Operating Expenses

Figures in R'000	Audited 29 February 2020	Audited 29 February 2019
Consulting and advisory fees	2 342	18 573
Listing costs	6 388	-
Depreciation, amortisation and impairment	3 542	1 165
Operating lease charges	-	983
Directors fees – Non-executive	2 581	1 470
Directors Fees – Executive	9 808	8 019
Employee costs	12 970	3 073
Net foreign exchange losses	15 048	-
Other Operating costs	6 024	11 743
	58 703	**45 026**

8. Deferred tax

Figures in R'000	Audited 29 February 2020	Audited 29 February 2019
Deferred tax liability		
Property, plant and equipment	(4 041)	(4 433)
Intangible	(2 123)	(1 740)
Put Option contracts*	(69)	-
Total deferred tax liability	**(6 233)**	**(6 173)**
Deferred tax asset		

Unutilised tax losses	33 036	18 416
Total Deferred tax asset	**33 036**	**18 416**
Deferred tax liability	(6 233)	(6 173)
Deferred tax asset	33 036	18 416
Net deferred tax asset	**26 803**	**12 243**

*The fair value of the Put option contracts is determined using models and other valuation techniques, the key inputs for which include current market and contractual prices for the underlying instrument, time to expiry, yield curves, volatility of the underlying instrument and counter party risk.

The fair value of the Put option contracts is determined by using level 2 inputs as required by IFRS13**.**

9. Cash (used in) generated from operations

Figures in R'000	**Audited 29 February 2020**	**Audited 29 February 2019**
Loss before taxation	(67 278)	(48 548)
Cash adjustments:		
Interest received	(5 352)	(1 604)
Cash interested paid	187	185
Capitalised interest on Convertible notes	264	-
Allocation of restricted cash	(551)	(555)
Non-cash adjustments:		
Imputed interest	4 442	3 953
Right of use liability – interest expense	430	-
Depreciation and amortisation	4 760	3 150
Impairment loss	-	1 295
Loss on disposal of Intangible assets	938	-
Net fair value gains on Put Option contracts	(3 661)	-
Share based payment expense	7 078	334
Deposits written off	143	-
Loss on disposal of leased vehicle	78	-
Provision for IDC (reversal)/expense	(3 649)	5 829
Effects of exchange rate changes on cash and cash equivalents:		
Net foreign exchange losses	15 048	-
Changes in working capital:		
Trade and other receivables	(1 050)	(2 015)
Trade and other payables	5 537	(312)
	(42 636)	(38 287)

10. Stated Capital

Figures in R'000	Audited 29 February 2020	Audited 29 February 2019
Authorised		
500 000 000 no par value shares	500 000	500 000
Reconciliation of number of shares issued:		
Opening balance	100 135	81 035
Issue of shares – ordinary shares	17 292	19 100
	117 427	**100 135**
Reconciliation of issued stated capital		
Opening balance	301 277	161 065
Issue of shares – ordinary shares issued for cash	159 746	146 760
Share issue costs	(8 769)	(6 548)
	452 254	**301 277**

11. Financial liabilities

Figures in R'000	Audited 29 February 2020	Audited 29 February 2019
Held at amortised cost		
Molopo Energy Limited	38 940	34 498
DFC, U.S International Development Corporation	312 242	-
Convertible notes	-	5 149
	351 182	**39 647**

Molopo Energy Limited

Tetra4 (Pty) Ltd entered into a R50 million loan agreement on 01 May 2013. This loan was part of the conditions of the sale of shares in Tetra4 (Pty) Ltd from Molopo Energy Limited to Windfall Energy (Pty) Ltd. The loan agreement is for the period from inception of the loan on 1 May 2013 until 31 December 2022. During this period, the loan is unsecured and interest free. The loan can only be repaid when Tetra4 (Pty) Ltd declares a dividend and 36% of distributable profits must be repaid before a dividend is declared. In the event that by 31 December 2022 the loan is not repaid, the loan shall bear interest at prime overdraft plus 2% and will have no repayment terms. Shareholders loans can only be repaid after the loans from Molopo Energy Limited have been settled.

The loan is discounted to present value for the period that it is interest free at a discount rate which is equal to the prime lending rate plus 2% which at 29 February 2020 is 11.75% (prime lending rate of 9.75% plus 2%). The imputed interest expense is included in profit and loss. The fair value of the loan amount outstanding at 29 February 2020 amounts to R38.9 million.

DFC loan

Tetra4 (Pty) Ltd entered into a US$40 million finance agreement with DFC on 20 August 2019. The first draw down of US$20million took place in September 2019. Tetra4 shall repay the loan in approximately equal installments on each payment date beginning 1 August 2022 and ending no later than the thirty-sevenths payment date, 15 August 2031. Loan bears interest at 2.11%. The loan is secured.

Convertible note instrument

Renergen issued Convertible notes at face value AUD$ 500 000 (R5 .1 million) in December 2018. The Notes carried interest at 15% per annum and were convertible into shares at an equivalent of AUD$ 0.74 (R7.84) per share.

The Note holders elected not to redeem the notes for shares on 20 June 2019, the notes including the capitalised interest was settled on 17 September 2019 for AUD$ 545 011.72 (R5.5 million).

12. Segment Analysis

Renergen Limited has two operating segments.

Corporate Head Office

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

• Tetra4 (Pty) Ltd

Tetra4 explores, develops and sells compressed natural gas to the South African market. Natural gas is a renewable resource, since it is produced by living microbial organisms.
Analysis of reportable segments as at 29 February 2020 is set out below:

2020	**Corporate Head office**	**Tetra4**	**Total**	**Consolidating Adjustments**	**Consolidated**
Revenue	21 129	2 635	23 764	(21 129)	2 635
External	-	2 635	2 635	-	2 635
Inter-segmental	21 129	-	21 129	(21 129)	-
Depreciation* and amortisation	(1 963)	(2 797)	(4 760)	-	(4 760))
Interest income	(3 340)	(2 012)	(5 352)	-	5 352
Imputed interest	-	(4 442)	(4 442)	-	(4 442)
Interest expense	(883)	-	(883)	-	(883)
Taxation	732	13 297	14 659	-	14 659
Total loss after tax	(15 642)	(36 977)	(52 619)	-	(52 619)
Total assets	**1 030 938**	**590 272**	**1 621 210**	**(994 719)**	**626 491**
Total liabilities	**11 727**	**738 441**	**750 168**	**(370 907)**	**379 261**

Comparatives

2019	**Corporate Head office**	**Tetra4**	**Total**	**Consolidating Adjustments**	**Consolidated**
Revenue	16 487	2 987	19 473	(16 487)	2 987
External	-	2 987	2 987	-	2 987
Inter-segmental	16 487	-	16 487	(16 487)	-
Depreciation* and amortization	(714)	(2 436)	(3 150)	-	(3 150)
Interest income	1 484	120	1 604	-	1 604
Imputed interest	-	(3 953)	(3 953)	-	(3 953)
Interest expense	(185)	-	(185)	-	(185)
Taxation	306	3 266	3 572	-	3 572
Total loss after tax	(3 817)	(41 159)	(44 976)	-	(44 976)
Total assets	**885 172**	**124 740**	**1 009 912**	**(784 802)**	**225 110**
Total liabilities	**8 330**	**237 432**	**245 762**	**(184 885)**	**60 877**

The Group has one major customer with revenue amounting to R2.6 million (28 February 2019: R2.9 million) which amounts to more than 10% of the Group's revenue for the current and prior period. This revenue is reported under the Tetra4 operating segment.

*Depreciation on plant and equipment of R2 million is included cost of sales.

13. Accumulated Loss

Renergen acquired the non-controlling interest's 10% shareholding in Tetra4 in December 2019 for R28 million. This resulted in the subsidiary becoming 100% owned. On consolidation 100% of Tetra4's net losses after tax are attributable to Renergen. The increase of in accumulated loss is due to the purchase of the 10% shareholding.

14. Contingent liabilities and commitments

14.1. Contingent liabilities

There are no contingent liabilities in the Annual Financial Statements for 29 February 2020.

14.2. Commitments

The board has approved total project value of R750 million with capital equipment expenditure of R512 million to spend on the New Plant and R238 million on other costs linked to the project. As at the end of the reporting period the group has executed construction and drilling contracts, the spend of the approved project value to date is disclosed below:

Figures in R'000	Approved	Spent to date	Committed – but not spent	Uncommitted
Capital equipment	512 000	231 796	268 557	11 647
Other	228 000	97 644	84 694	55 661
Total	**750 000**	**329 440**	**353 251**	**67 308**

15. Loss per share

Figures in R'000	Audited 29 February 2020	Audited 28 February 2019
Basic loss		
Loss from continuing operations attributable to equity owners of the parent	(52 619)	(40 860)
Weighted average number of shares	109 799	86 889
Basic loss per share (cents)	**(47.92)**	**(47.03)**
Reconciliation of diluted loss		
Basic loss	(52 619)	(40 860)
Weighted average number of shares	109 799	86 889
Diluted Loss per share	**(47.92)**	**(47.03)**

15. Loss per share (continued)

Reconciliation of basic loss to headline loss

Basic loss attributable to equity owners of parent	(52 619)	(40 860)
Impairment loss -	-	1 295
Loss on disposal of intangible asset	938	-
Tax effects of disposal and impairment	(263)	(363)
Headline loss	(51 944)	(39 928)
Headline loss per share (cents)	**(47.31)**	**(45.95)***
Reconciliation of basic headline loss to diluted headline loss		
Headline loss	**(51 944)**	**(39 928)**
Adjustments	-	-
Diluted headline loss	(51 944)	(39 928)
Diluted weighted average number of shares	109 799	86 997
Diluted headline loss per share	**(47.31)**	**(45.95)***
Number of shares in issue ('000)	**117 427**	**100 135**

*Headline loss per share and diluted headline loss per share were incorrectly disclosed as 47.03 cents in the prior year, the correct amount is 45.95 cents.

16. Net Asset Value Per Share

Figures in R'000	**Audited 29 February 2020**	**Audited 28 February 2019**
Number of shares in issue ('000)	117 427	100 135
Net assets	247 230	164 233
Tangible net assets	158 007	93 739
Net asset value per share	**210.54**	**164.01**
Tangible net asset value per share	**134.56**	**93.61**

17. Events after the reporting period

On 10 March 2020, Renergen released a SENS announcement on the drilling update. Since the announcement on 17 December 2019 of strong gas flows with high (up to 12%) helium, drilling and other technical issues have necessitated significant changes from the original horizontal well design. The sections penetrated by several side-tracks have provided valuable encouraging data for future development drilling.

On 18 March 2020, Renergen released a SENS announcement on the safety measures taken by the Group in response to Corona Virus. On 15 March 2020, President Cyril Ramaphosa declared the COVID 19 outbreak a National disaster, to allow the government to begin taking measures to counteract the virus. The company took swift and decisive measures to limit the impact of the virus to staff and from 18 March all staff in the Johannesburg office have been working from home in self isolation and with the company continuing with "business as usual" under unusual times. The country went into a National shutdown on 26 March 2020, management continues to assess the requirements of the company and balance those with the expectations of our stakeholders namely, employees and customers. Both the CNG pilot project in Virginia, South Africa and the project construction have been halted due to the COVID-19 crisis. Management has successfully applied to the Government to register Tetra4 as an essential service and is authorized to commence activity when management determines it is appropriate to do so.

As at the date of approving these Annual finical statements, management have assessed that there is no material impact on the financial statements for the year ended 29 February 2020. Due to COVID-19 after period end, there have been significant fluctuations in the foreign currencies that the Group trades in. During the year, the Group has entered into Put Option contracts to hedge the Group against ZAR: USD foreign exchange fluctuations. The devaluation of the SA Rand against the US dollar is continually being evaluated Under IFRS, these are non-adjusting events in respect of the year ended 29 February 2020, as these are events after the reporting period that are indicative of a condition that arose after the reporting period. It was concluded that the declaration of the COVID 19 pandemic as a National disaster and the National Lockdown is such an event.

On 17 April 2020, Renergen announced the completion of the pipeline design. The milestone was achieved 8 days behind schedule, which under current conditions is an achievement. This milestone is not considered to be critical for the completion date, and therefore the Company does not anticipate that missing this milestone will lead to delays in the final project completion given the pipeline is intended to be complete well before the liquefiers are intended to be delivered in South Africa. Based on the current circumstances, management believes it has no reason to believe there will be any material delays on our scheduled turn on date of the new LNG and LHe plant project.

Management has made an assessment on the impact of COVID 19 on the pilot project and the impact is deemed to be immaterial in the new financial year.

The directors are not aware of any material events that occurred after the reporting period and up to the date of this report other than those mentioned above.

18. Going concern

The Consolidated and Separate Financial Statements have been prepared assuming the Group will continue as a going concern, which contemplates the realisation of assets and settlement of liabilities in the normal course of business for the foreseeable future. The Group’s ability to achieve profitability is dependent on the capital spend of proceeds raised. 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, including with specific consideration of the risk associated with COVID 19.

The Group has received a funding commitment of US$40million from the DFC to spend towards the New Plant Project as well as a secondary listing on the Australian Stock Exchange wherein the Group raised an additional AUD$15.7 million in the current financial year. The DFC commitment will not be affected by the COVID 19 pandemic and the Group has made its first draw down on the loan in the current year. The construction of the New Plant commenced in October 2019 and is on track for commissioning in the financial year ending 28 February 2022. The Group has entered into off take agreements for the sale of both LNG and He.

Johannesburg

29 May 2020

Designated Advisor

PSG Capital

CORPORATE INFORMATION

Country of incorporation and domicile	South Africa
Company and registration number	2014/195093/06
JSE Share code	REN
JSE ISIN	ZAE000202610
Registered office	First Floor 1 Bompas Road Dunkeld West 2196
Nature of the business and principal activities	Energy company focused on alternative and renewable energy sectors in South Africa and sub-Saharan Africa. The Company is listed on the JSE Alternative Exchange (“AltX”), and a secondary listing on the Australian Securities Exchange (“ASX”) and A2X Markets
Directors	Stefano Marani Fulu Ravele Nick Mitchell Brett Kimber Mbali Swana Luigi Matteucci Bane Maleke Francois Olivier David King
Auditors	Mazars Chartered Accountants (SA) Registered Auditors
Company Secretary	Acorim Proprietary Limited
Transfer secretaries	Computershare Investor Services Proprietary Limited
Designated adviser	PSG Capital