RENERGEN

FUTURE ENERGY, TODAY

Integrated Annual Report

2024

RENERGEN

Table of Contents

About this Report

Our 2024 Integrated Annual Report (IAR) offers a transparent and balanced appraisal of the material issues that impacted the Group's ability to create value during the 2024 financial year. This is our ninth report since our primary listing on the Johannesburg Stock Exchange's AltX exchange (AltX) in June 2015.

Our integrated reporting suite aims to concisely and transparently articulate how our material matters, risks and opportunities, operating environment, financial performance, and prospects unlock value for all stakeholders.

Scope and Boundary

Our Integrated Annual Report includes financial and non-financial information about our operational performance and activities for the financial year ending 29 February 2024 (FY24). All material events after the financial year-end, up to the date of publishing this Report, have been included.

Our Integrated Annual Report covers the performance of Renergen Limited (Renergen or the Company or the Group) for the year from 1 March 2023 to 29 February 2024 (period under review). "The Group" is used in this Integrated Annual Report to refer to Renergen Limited and its subsidiaries. It includes the operations of Renergen's primary asset, Tetra4 (Proprietary) Limited (Tetra4).

Renergen Limited Group Structure

Tetra4 (Proprietary) Limited (Tetra4)	Cryovation (Proprietary) Limited (Cryovation)	Renergen USA Inc. (Renergen USA)
Renergen Limited owns 94.5% of Tetra4. Mahlako Gas Energy Proprietary Limited invested in our primary asset (the Virginia Gas Project) in a 5.5% equity stake in Tetra4 Proprietary Limited (Tetra4) for R550 million in December 2023.	Renergen Limited owns 100% of Cryovation.	Renergen Limited owns 100% of Renergen USA Inc.
Tetra4 is the first producer of liquid helium, and the first commercial producer of LNG in South Africa. It is also the holder of the first and currently the only onshore Petroleum Production Right in South Africa.Tetra4's entire operation falls under the Renergen brand and is reported as such. We refer to Tetra4 operations as the Virginia Gas Project.	Cryovation is a wholly-owned subsidiary of Renergen Limited. It has developed the ground-breaking Cryo-Vacc™, which enables the safe transportation of vaccines at extremely low temperatures without the need for (an external power source) electrical power. Cryo-Vacc™ provides active cooling with temperature control ranging from -70°c degrees to 8°c. Cryovation's entire operation falls under its brand, Cryo-Vacc™. For more information please visit **www.cryovacc.co.za**	Renergen USA Inc. is a wholly-owned subsidiary of Renergen Limited.

Service water tank, diesel tank and substation.

Navigating this Report

We use icons throughout this report to aid connectivity. Our key icons include the following:

The Six Capitals

HUMAN CAPITAL

Workforce skills, health, wellbeing and intellectual engagement.

INTELLECTUAL CAPITAL

Intangibles associated with our brand, reputation, R&D, organisational systems, and related procedures.

FINANCIAL CAPITAL

Includes funds from financing or generated by productivity.

NATURAL CAPITAL

Natural resources, such as our natural gas resource, water and energy, are used to operate our business.

MANUFACTURED CAPITAL

Physical infrastructure or technology we use.

SOCIAL AND RELATIONSHIP CAPITAL

Relationships with all stakeholders and communities.

The Board Committees

Audit, Risk and IT Committee (ARIC)

Governance, Ethics, Transformation, Social and Compensation Committee (GETSC)

Nomination Committee (NomCo)

Renergen Exco

Conduction oil pumps.

Our 2024 Reporting Suite

Our full 2024 reporting suite, which should be read in conjunction with each other, comprises the following reports:

Integrated Annual Report (IAR)
Our Integrated Annual Report is the primary platform to provide our stakeholders with a balanced, holistic and transparent overview of our business model, strategy, performance and value creation.
Annual Financial Statements (AFS)
Our Annual Financial Statements provide a comprehensive report of our annual financial performance.
King IV™ Application Register
Our King IV™ Application Register summarises our application of the principles of King IV™.
Environmental, Social and Governance Report (ESG)
Our Environmental, Social and Governance Report provides insight into our ESG journey and aspirations. It is intended as a helpful guide to support analysis and provides information about our shared value.

These reports and supporting documents are available at **www.renergen.co.za**

Reporting Frameworks, Guidelines and Standards We strive to provide detailed, accurate, and reliable information so stakeholders can make informed decisions. In compiling our reporting suite, we are guided by:	IAR	ESG	AFS
IFRS Accounting Standards	✔		✔
International <IR> Framework of the International Integrated Reporting Council (IIRC)	✔	✔	
Global Reporting Initiative (GRI) standards for sustainability reporting	✔	✔	
International Finance Corporation (IFC) performance standards		✔	
King IV™ Report on Corporate Governance for South Africa, 2016 (King IV™)	✔		✔
Recommendations of the IIRC and the Integrated Reporting Council of South Africa (IRCSA)	✔		
ASX Corporate Governance Principles and recommendations (Fourth Edition)	✔		
JSE Listings Requirements	✔	✔	✔
ASX Listings Rules	✔	✔	✔
South African Companies Act 71 of 2008 (Companies Act)	✔	✔	✔
United Nations Global Compact (UNGC)	✔	✔	

Audience and Key Stakeholders

We provide information on our opportunities, risks and outcomes attributable to our ability to create, preserve or erode value over the short, medium and long term.

Our key stakeholders include:

- Employees and organised labour.
- Shareholders and providers of equity capital.
- Lenders and providers of debt capital.
- Governments and regulators.
- Customers.
- Non-governmental organisations (NGOs).
- Communities and societies.
- Suppliers.
- Media.
- Organised business and industry.


LNG Storage tanks.

Combined Assurances

The Group's external auditor, BDO, has provided assurance on the Consolidated and Separate Financial Statements. The Annual Financial Statements have been prepared under the supervision of Brian Harvey, Group CFO.

Renergen does not have an internal audit function, but the Board monitors and reviews financial compliance, risk management, regulatory compliance, governance of information technology, and operational management through its committees.

Preserving and creating value through the Six Capitals

The natural, manufactured, financial, human, intellectual, social, and relationship capitals are the most important to our business in generating value for stakeholders. They are, therefore, the focus of this report when applying the six capitals as advised by the IIRC.

Currency, Terms and Acronyms

Our reporting currency is the South African Rand. This Integrated Annual Report uses terms and abbreviations relevant to the Group, its accounts and the natural gas and helium industries. Information on acronyms, terms, rounding, reserves, and resources reporting is provided on page 138.

Looking to the Future

As part of this Integrated Annual Report, we have included forecasts relating to the Group's future financial position. We believe this forward-looking information to be realistic at the time of issue. These statements include uncertainties, assumptions and risks about future events and circumstances, resulting in actual results differing from those anticipated.

The external auditors have not independently reviewed our forward-looking information. Renergen undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances that may occur after this report's publication date or to reflect the occurrence of unanticipated events. Such statements are not statements of fact and may be affected by various known and unknown risks, variables and changes in underlying assumptions or strategies that could cause Renergen's actual results or performance to differ materially from those expressed or implied by such statements. There can be no certainty of outcome concerning the matters to which the statements relate, and the outcomes are not all within Renergen's control.

See page 22 for descriptions of each capital and how they relate to Renergen.


Utilities area.

Directors' Statement of Responsibility

As required by King IV™, our Board acknowledges that it is responsible for good governance, ethical leadership and responsible corporate citizenship. The Board applies the King IV™ principles by recognising the triple context (society, economy, environment) in which the Group operates and its responsibility to create value sustainably, over the long term, across the six capitals.

Notwithstanding trade-offs that may be required, we believe that, in support of our commitment to stakeholder capitalism and delivery of shared value, balanced appreciation for all the forms of capital delivers superior overall results.

The Board, supported by the Audit, Risk and IT Committee, is ultimately responsible for this report. Having applied its collective expertise, the Board confirms that this report is a fair and transparent review of the Group, its principal material matters, its current profile and performance, and its ability to create value in the short, medium and long term. The Integrated Annual Report and the Annual Financial Statements for 2024 was approved on 26 April 2024 and signed on its behalf by:

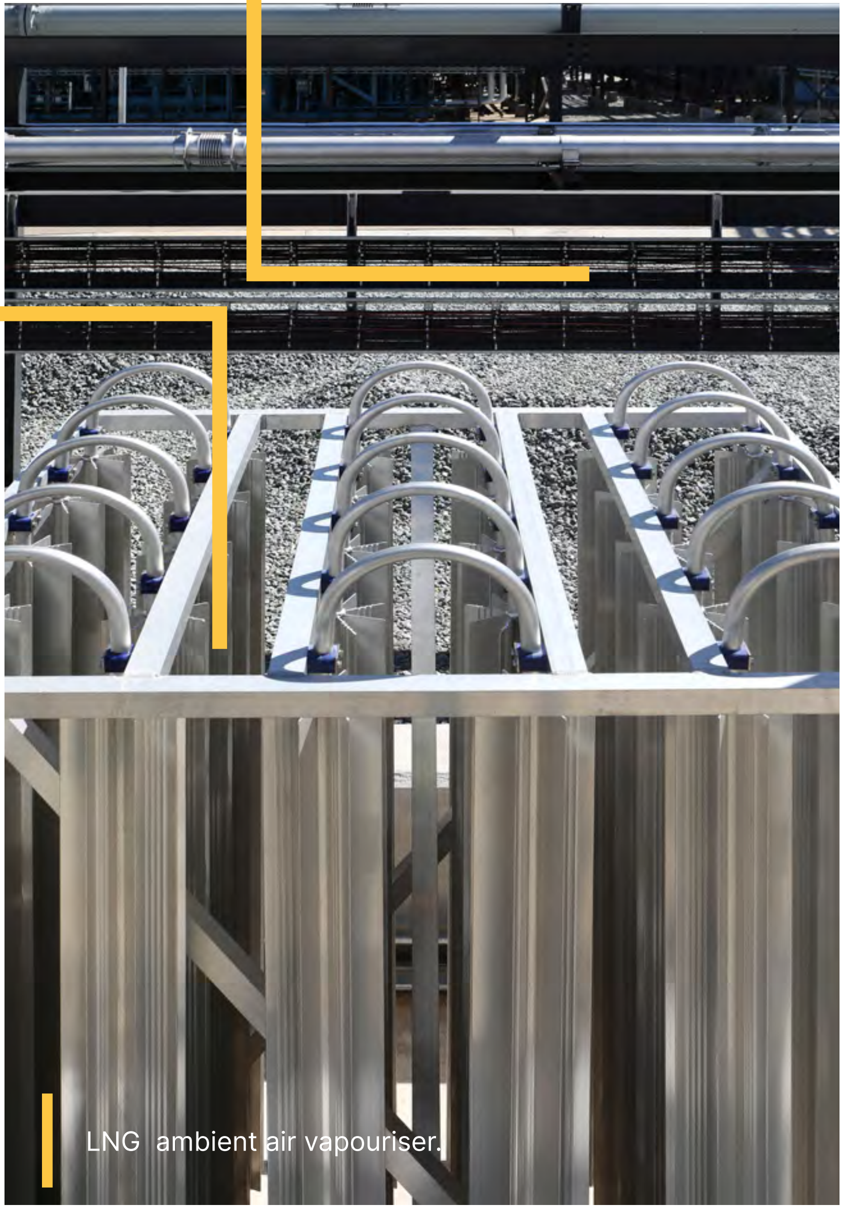
David King
Chairman of the Board

Stefano Marani
Chief Executive Officer

LNG storage tank, inlet and outlet piping

Feedback

We welcome your feedback on our reporting suite. Should you have any comments or suggestions, contact us at investorrelations@renergen.co.za



LNG ambient air vapouriser.

About Renergen

Who We Are

Renergen is a liquefied helium (LHe) and liquefied natural gas (LNG) producer with the country's only onshore Petroleum Production Right (issued by the Department of Mineral Resources and Energy (DMRE).

Our principal asset is our 94,5% equity ownership in Tetra4, the entity developing the Virginia Gas Project*.

Renergen is listed on the exchanges listed below. Our shareholder base is geographically diverse and includes global fund managers. The largest shareholder base is in South Africa (72.52%), followed by Australasia (21.03%).

Johannesburg Stock Exchange's (JSE) AltX	A2X Markets	Australian Securities Exchange (ASX)
Share code: REN	Share code: REN	Share code: RLT

**Mahlako Gas Energy Proprietary Limited invested in our primary asset (the Virginia Gas Project) in a 5.5% equity stake in Tetra4 Proprietary Limited (Tetra4) for R550 million in December 2023.*

What We Do

Our primary focus is commercialising the Virginia Gas Project to unlock value across the entire value chain. Our 'wellhead to tank' strategy, sees us beneficiate gas and supply refined products directly to the customer.

The Virginia Gas Project is also the first integrated producer of LHe and LNG, both of which are produced from the natural gas found in our vast proven reserves. This liquefaction and separation occur at our Virginia Gas Plant in the Free State Province of South Africa, which includes;

- The liquefaction of natural gas into LNG.
- The separation of helium from natural gas.
- The further liquefaction of helium into 99.999% pure liquid helium.

Our operating philosophy strongly emphasises reducing carbon emissions, developing a regenerative resource, extracting and beneficiating natural gas into cleaner and purer liquid natural gas (LNG) and liquefied helium (LHe). We believe our LNG supply can play an important role for South Africa in achieving its path to net zero carbon emissions and our globally significant proven helium reserves.

Our Vision, Mission and Values

We are dedicated to pioneering cleaner energy with a culture that embodies our vision.

> "Do No Harm: To our people, to our world."

The operating philosophy that helps us achieve our goal of pioneering cleaner energy is an emphasis on carbon emission reductions, a focus on developing a regenerative resource, and a dedication to cleaner and purer natural gas and liquid helium production from a source that has zero heavy alkanes and no sulphur.

Drilling contractors.

Our Vision

Do no harm: to our people, to our world.

Our Mission

Enabling a greener future through a just energy transition, and furthering cutting-edge advancements in science, technology, and space exploration by through early stage development of strategic natural resource assets with high purity critical rare elements, while leveraging the asset through value chain integration and investment.

Operator performing checks on gas compressor.

Housekeeping at compressor station.

Our Values

Our values guide all decisions and actions taken in the conduct of our business. These values link our business activities to environmental, social and governance (ESG) responsibilities.

- Always treating our colleagues and stakeholders with **RESPECT**.
- Identifying colleagues who need **SUPPORT** and encouraging colleagues to ask for **SUPPORT**.
- **TRUST** is in our DNA. Our reputation is everything.
- We are **DELIBERATE** in success by following a disciplined process. We ensure success is sustainable and replicable.
- Holding ourselves and each other **ACCOUNTABLE** in everything we do.

Our Journey

Since our initial establishment in 2005, Renergen has grown from a natural gas exploration company to an LNG and liquid Helium producer.

2005
- Formation of Molopo South Africa Exploration and Production (Pty) Ltd.

2007
- Granted exploration rights.

2012
- Granted first full onshore Petroleum Production Right in South Africa.

2013
- Windfall Energy (Pty) Ltd bought out Molopo South Africa Exploration and Production (Pty) Ltd.

2015
- 90% of Molopo South Africa Exploration and Production was sold to Renergen, who later renamed it Tetra4 (Pty) Ltd.
- Listed on the JSE's AltX Exchange as the first SPAC.

2016
- Completed construction of initial compression facilities for Tetra4.
- Started producing and supplying Compressed Natural Gas (CNG).
- Commenced Front End Engineering and Design (FEED) for the helium liquefier.

2017
- Commenced FEED for the gas reticulation pipeline.
- Received a positive environmental authorisation or RoD on Tetra4's Environmental Impact. Assessment (EIA) by the Petroleum Agency of South Africa.
- Completed the amended FEED, which included the LNG and helium liquefier.

2018
- R125 million raised in rights offer.

2019
- US$40 loan facility approved by DFC.
- Listed on the ASX, raising AU$10 million.
- Selection of preferred EPC contractor for gas gathering system.
- Selection of preferred technology supply contractor for the LNG and LHe processing plant.

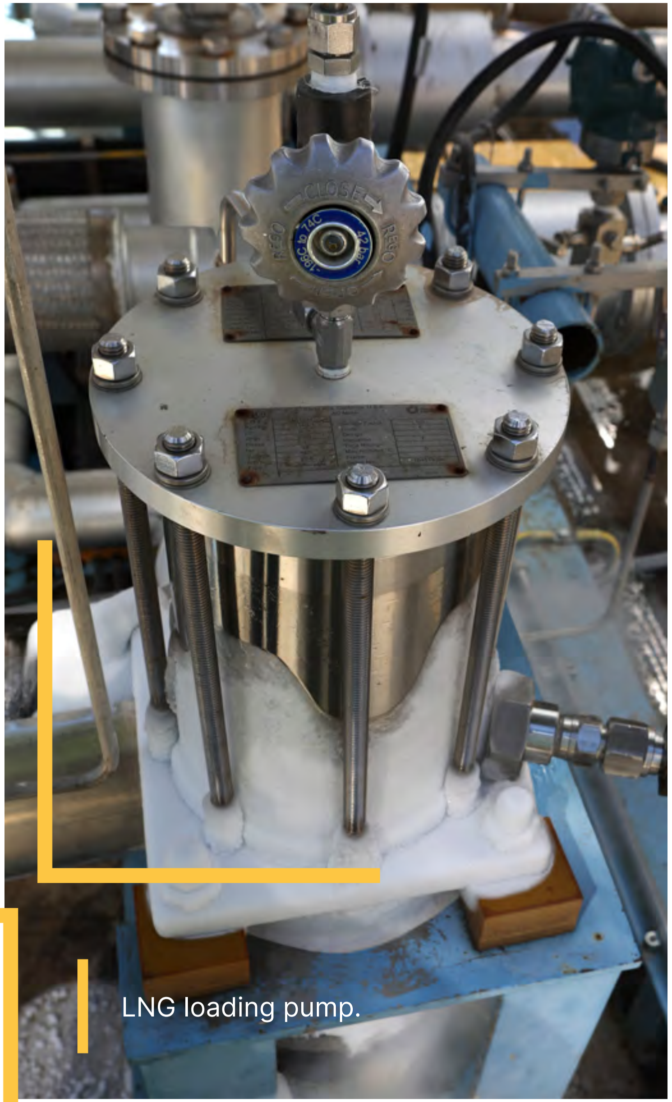
2020
- Completed detailed design for Phase 1 gas gathering pipeline.
- Completed detailed design for the Phase 1 LNG processing plant.

2021
- Concluded R160 million funding with the IDC.
- LNG supply agreement signed with Ceramic Industries and Ardagh Glass Packaging.

2022
- LNG production commenced.
- SIP Status awarded Virginia Gas Project Phase 2.

2023
- DFC approved $500 million senior debt funding and a $250 million debt facility from the Standard Bank of South Africa for Phase 2 of the Virginia Gas Project.
- Mahlako Gas Energy Proprietary Limited invested in the Company's primary asset (the Virginia Gas Project) via investing in a 5.5% equity stake in for R550 million (A$ 43.4 million).

2024
- Liquid helium production commenced.



LNG loading pump.

Our Operation - Virginia Gas Project

The Virginia Gas Project has significant reserve estimates of natural gas and one of the richest helium concentrations recorded globally, rendering it a major global helium resource. Since our natural gas contains almost no higher alkanes and an average of over 90% methane, liquefaction is simpler and less expensive than that of other global producers.

Renergen has become the region's only vertically integrated natural gas producer thanks to its "Wellhead to Tank" strategy, which involves beneficiating gas and directly supplying customers with refined products. The project will be expanded in phases.

The Virginia Gas Project's development includes the additional exploration and development of the Virginia Gas Field as well as the construction of low-pressure well-site gathering pipelines.

Phase 1 began commercial LNG operations in September 2022, transitioning Renergen from explorer to producer status by producing liquid hydrocarbons, with the helium module producing the "first" liquid in April 2024.

Our Production Right is currently valid through 2042 and renewable for an additional 30-year period thereafter. The Production Right spans an area of over 187,000 hectares (over 462,000 acres) in the Free State Province, approximately 250 kilometres southwest of Johannesburg, where natural gas-emitting boreholes were discovered through other mineral exploration activities.

Visit our website www.renergen.co.za for more information about our Virginia Gas Project.

93,3%
Environmental and Health and Safety Compliance Score

96,03%
Health and Safety Compliance Score

70
Total Number of Employees

0
Fatalities

0,00
LTIFR Target Reached

581
Number of Days Since Last LTI

Our Production and Exploration Rights

In addition to our Production Right, we also hold Exploration Rights and Technical Cooperation Permits. Technical Cooperation Permits allow the holder to carry out desktop studies and acquire existing seismic and other data, but the Technical Cooperation Permits do not permit any exploration activities.

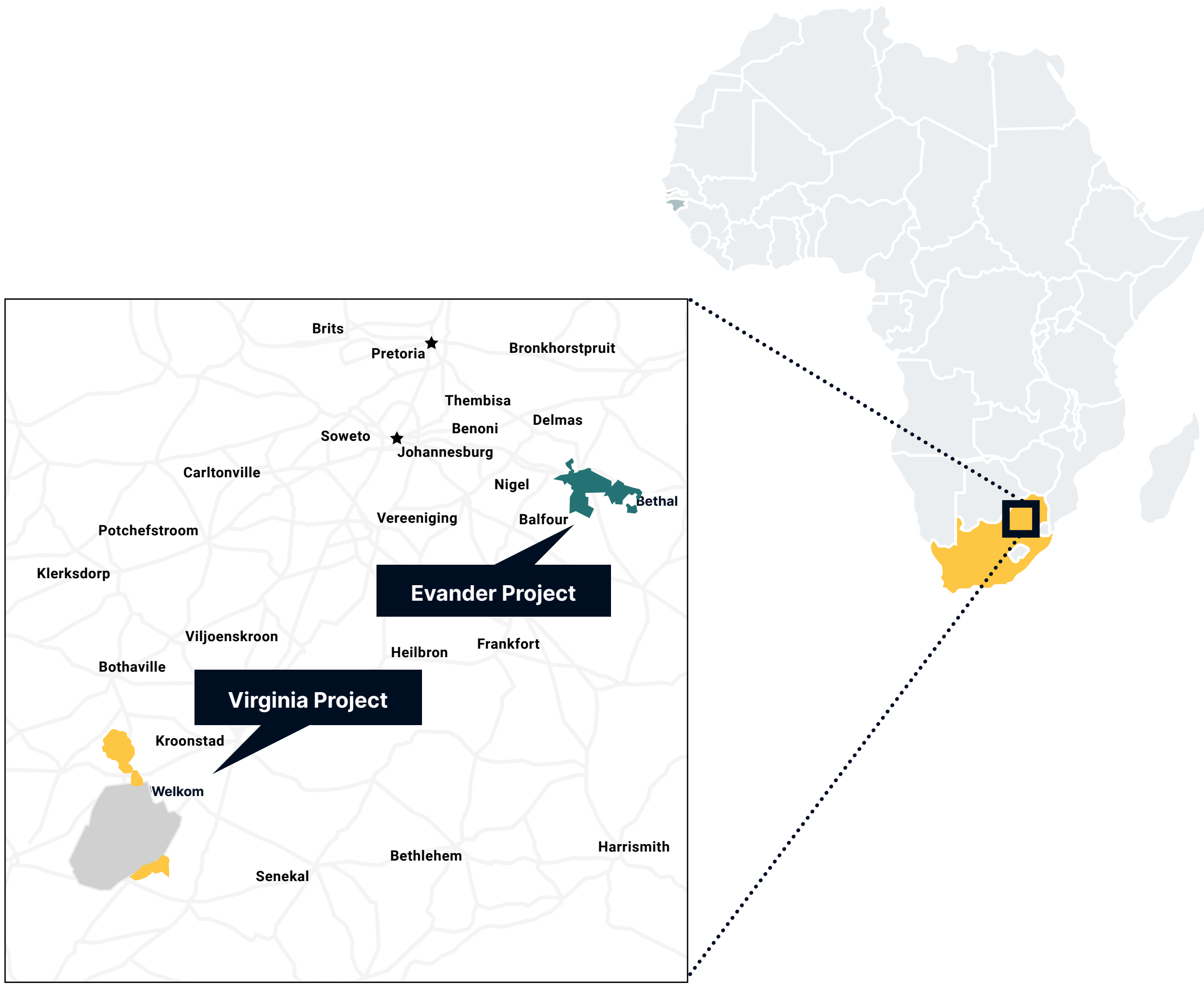
Exploration Rights allow the holder to carry out the entire value chain of petroleum exploration, such as acquisition and processing of new geological/ geophysical data, reprocessing of existing geological/ geophysical data and any other related activity to define a trap to be tested by drilling, logging and testing, include well appraisal activities.

We have an interest in Exploration Rights and Technical Cooperation Permits in the Free State Province, South Africa. The Virginia-area Exploration Right and Technical Cooperation Permit licenses are expected to contain significant helium and natural gas resources beyond the scope of the Virginia Gas Project.

In addition to the Virginia-area Exploration Right, we also hold an Exploration Right at Evander, Mpumalanga, in South Africa (the "Evander Exploration Right"). Although we have not commenced any drilling, there are existing drill holes drilled by others exploring for minerals rather than petroleum, two of which produce natural gas. The Evander Exploration Right also has a significant number of additional sites that show indications of natural gas and helium.

Detailed information about Renergen's helium and methane gas reserves and resources is in the Independent Reserve and Resource Evaluation Report, available on our website.

To demonstrate our commitment to good ESG practices, refer to our ESG report, which is available on our website www.renergen.co.za



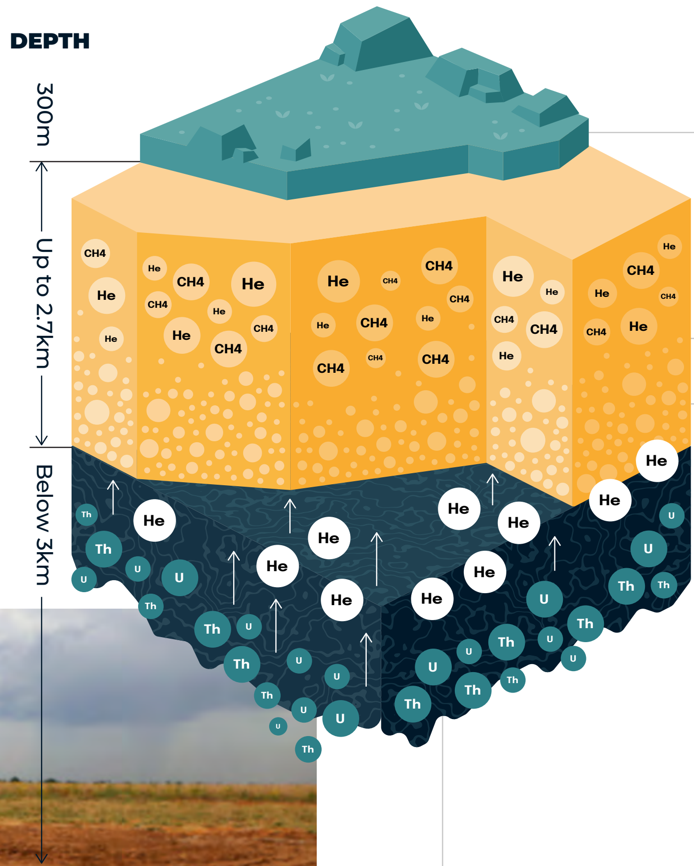
Production and Exploration Rights

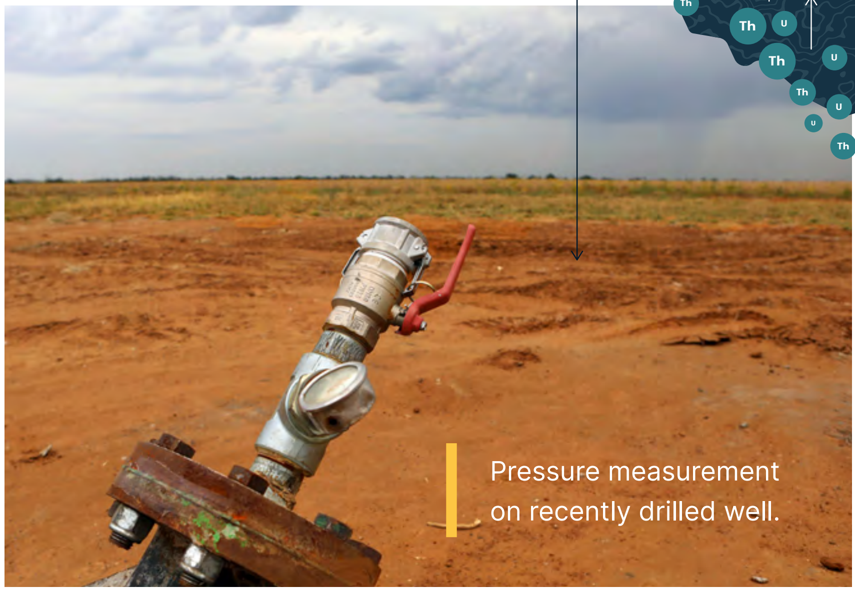
- Evander Exploration Rights
- Virginia Production Right
- Exploration Rights under Renewal

Our Geological Model

The Group has developed a detailed three-dimensional underground geological model of faulting, sills, and dykes to determine drill targets and provide coordinates, direction, and entry azimuth to intersect targeted structures.

The low-pressure nature of the Virginia Gas Project has allowed simple drilling techniques to reach a target depth of 400m to 750m below the surface without further stimulating wells. The process has a minimal environmental impact and is relatively cost-effective compared to conventional and unconventional petroleum exploration.





Pressure measurement on recently drilled well.

THE KAROO

The Karoo is a geologically young layer of sedimentary and igneous rock, running across a large section of South Africa. It covers almost all of the Free state, where Virginia resources is located.

WITS

The Witwatersrand (or "WITS") is a geological formation that stretches from Evander down to Virginia, consisting of sedimentary rock. The WITS contains our deposits of helium and methane that we tap into. Where the WITS is typically up to 3km from the surface, in the Viginia Gas project it is as shallow as 300m significantly reducing drilling costs.

MULTIPLE LAYERS OF CARBONACEOUS ROCK

Carbonaceous rock contains bacteria which create methane (CH4) as a by-product of their metabolism. The methane resource can therefore be said to be "biogenic" as its origin is a biological process; indeed, this implies that new methane will continue to fill the Virginia resource over time.

DOMINION GROUP

Uranium and thorium deposits in the dominion group decay over time, resulting in the production of helium. Helium travels upwards through the dominion group towards the WITS, alongside the methane from carbonaceous rock.

Virginia Gas Project Key Facts

Significant upside, 187,000 hectares (14% of lands with booked reserves today).

First and only fully-licensed onshore South Africa production right provides first mover advantage

Phase 2 is a strategic integrated project (SIP) under the Infrastructure Development Act (IDA).
We have received the following authorisations, permits and or licenses:

- Environmental Authorisation for the Phase 2 expansion.
- Environmental Authorisation for the Eskom overhead power line and substation connection.
- Water Use License with the Eskom overhead powerline and substation connection.

One of the richest helium concentrations globally

UP TO 12% **recorded in well tests**

3% **recorded average**

500,000

tCO_2/annum reduction
Capacity to reduce emissions in the South African trucking industry

Reserves* + Contingent Resources

32.3 Bcf
Helium

968.7 Bcf
Methane

**Sproule – 2021 Update On The Estimation Of Methane And Helium Reserves And Resources*

Highly-attractive gas market

USD **16-22**/mmbtu
South African gas pricing

Since the commencement of the development of Phase 2 in March 2020, we have completed the following for Phase 2:

- Finalised the pre-feasibility and feasibility studies.
- Conducted the Front-End Engineering and Design (FEED) study for the expansion of the Virginia Gas Project.

Awarded scope of Owners Engineer role to execute the expansion of the Virginia Gas Project to Worley, a global leader in project management and engineering consulting services in the energy, chemicals and resources sectors.

Commenced with competitive bidding processes for several key packages of the expansion project.

Gas intersected on over 87% of wells drilled to date, with an average of ~2% helium on connected wells and ~12% helium in the sandstone traps, bringing the overall average up to 3,4% across the field.

From inception to date, we have drilled and completed a total of 25 wells. 15 wells have been fully converted, and feed gas is supplied to the liquefaction plant.

Our Phased Development Approach

From Exploration to Operational Plant Paving the Way for Future Development

Phase 1 began commercial LNG operations in September 2022, transitioning Renergen from explorer to producer status by producing liquid hydrocarbons, with the helium module producing the "first" liquid in April 2024.

The Virginia Gas Project has been declared a Strategic Integrated Project (SIP) under the Infrastructure Development Act (Act No. 23 of 2014) (IDA) and its amendments, gazetted by Public Works and Infrastructure Minister Patricia De Lille on 6 December 2022.

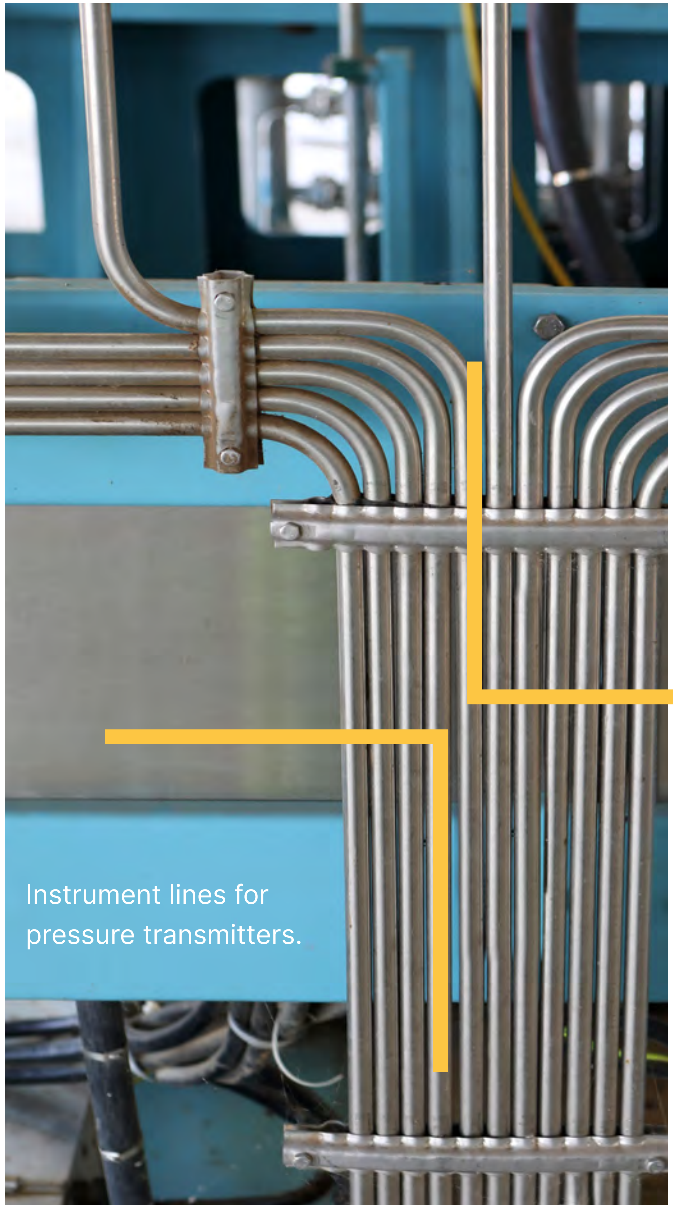
Benefits related to SIP status include processes relating to any application for approval, authorisation, licence, permission or exemption, and processes relating to any consultation and participation required by the relevant laws, which must run concurrently as far as possible. Timeframes for authorisations, licenses, permissions and/or exemptions are reduced significantly towards a targeted 57-day time frame for approval outside of time frames stipulated for public consultation processes. In addition, the Virginia Gas Project now falls under the Oil and Gas National Programme and forms part of the Energy Strategic Integrated Project No 20f.

We categorise Phase 2 as the expansion of our existing, authorised operations through the drilling of approximately 350 additional slant wells over the next three to four years, the construction of an additional 450 kilometres of natural gas gathering pipelines and the construction of a significant more extensive processing and liquefaction facility producing 34 400 GJ/day of LNG and 4 200 kg/day of liquid helium. Phase 2 will also include an associated fleet of road tankers for distribution to downstream customer dispensing facilities, including onsite storage, dispensers or vaporisers and the requisite automation and safety systems needed to dispense or consume the product to vertically integrate into the value chain, which we believe will increase both revenue and profitability.

Our goal is to achieve commercial operation of Phase 2 during 2027. At this point, our goal would be to operate at 75% capacity and ramp-up to full capacity over an estimated nine-month period.

Phase 2 will be a more substantial project and will encompass the design of the facilities that will allow Renergen to produce significantly larger quantities of LNG and liquid helium. The LNG will be used in South Africa, while the liquid helium will be exported internationally. We intend to target any energy-intensive company as a customer through our lower price points and the reduced carbon emissions our product may offer. Phase 2 is anticipated to come online in September 2027.

	Phase 1	Phase 2
Helium production capacity (nameplate)	310 Kg /day	4 200 Kg /day
Liquefied natural gas production capacity (nameplate)	2 500 GJ/day	34 400 GJ/day
Commercial operations date	Q32022	Anticipated COD date September 2027, premised on achieving financial close in September 2024



Instrument lines for pressure transmitters.

LNG coldbox with vent gas vapouriser.

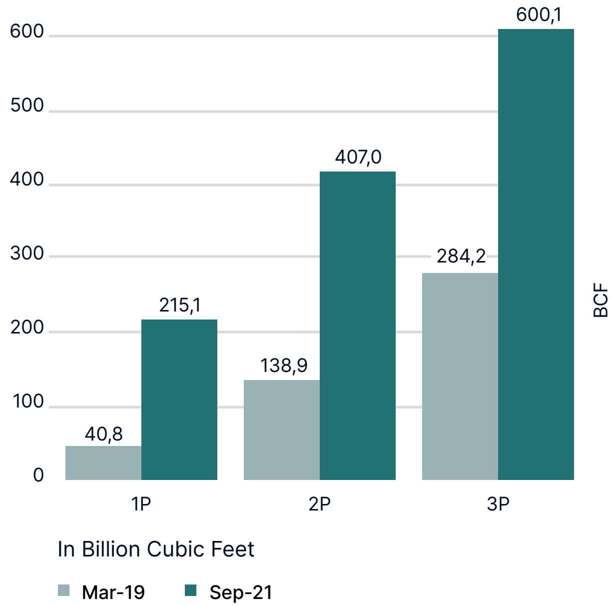
Significant Reserves

Significant Growth in Reserves Since 2019

1P helium reserves increased by 610% to 7.2Bcf and 1P methane reserves by 427% to 215.1Bcf.

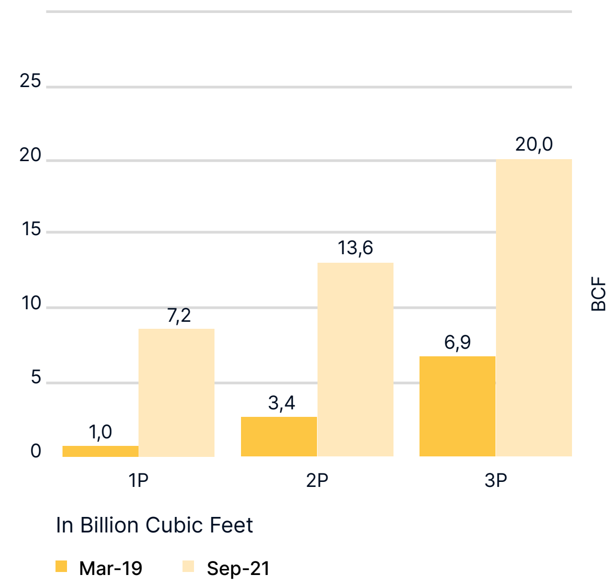
Methane

Methane		Mar-19	Sep-21	% Change
Methane	1P	40.8	215.1	427%
	2P	138.9	407.0	193%
	3P	284.2	600.1	111%



Helium

Helium		Mar-19	Sep-21	% Change
Helium	1P	1.0	7.2	610%
	2P	3.4	13.6	298%
	3P	6.9	20.0	192%



Our Offering

Liquefied Natural Gas (LNG)

A cleaner and less carbon-intensive fuel

Our LNG has the ability to serve two primary demands, the first being the supply of reliable energy as an alternative to the grid as companies diversify their energy supply, and secondly assists in reducing the country's overall carbon footprint from its electric generation portfolio, which is currently predominantly coal.

We believe we are ideally positioned to use what is a material challenge to corporate South Africa to become a critical solution provider and enable growth and stability for businesses critically dependent on energy.

Our LNG is currently dedicated domestically to target large industrial manufacturers and large, heavy logistics operators who service the transport industry. Industrial users currently use liquefied petroleum gas (LPG) and have found that switching to LNG offers a cheaper and cleaner solution.

In the transport industry, the benefits of LNG are reduced CO_2 emissions and running costs.

In Phase 2, we intend to follow a similar approach in terms of the target market and further augment this by considering supply into the gas-to-power sector.

PROPERTIES OF LNG

- LNG is natural gas that has been cooled down to -162°C and is in liquid form.
- Non-toxic, odourless and non-corrosive.
- Lighter than air.
- LNG cannot ignite in its liquid form.
- LNG compresses to 1/600th of its original volume.
- LNG is easier to transport and store than compressed natural gas (CNG).

LNG USES

Gas to Power: In South Africa, many business operations use diesel generators to provide backup power during load shedding. LNG is a cleaner-burning fossil fuel, more cost-effective and environmentally friendly option. Natural gas generators are also quieter and require less maintenance than diesel-operated generators.

Gas to Industrial Thermal: Fuels such as LPG contain varying amounts of higher hydrocarbons, which can lead to combustion issues where product quality in direct-fired furnaces or ovens is paramount. With inconsistent fuel composition, setting the correct air-to-fuel ratio is extremely difficult, and this could lead to sooting or oxidation problems. Renergen's LNG only contains methane; thus, once the burner system has been set up, it requires no further adjustment for perfect combustion.

Gas to Transport: LNG is significantly cheaper than diesel. As well as cutting CO_2 emissions, the combustion of LNG also releases considerably less NOx and SOx and virtually no ash or particulates. LNG is both non-toxic and non-corrosive. Its high combustion temperature of 650°C, more than twice that of diesel, means that it cannot spontaneously combust.

Liquefied Helium (LHe)

A rare, clean, inert gas, and an irreplaceable element without substitute

Our high helium concentration gives us a distinct advantage. We are both a lower quartile cost producer and a lower carbon footprint producer than other sources of helium, providing our shareholders and customers with a strong value proposition.

The concentration of helium in the source gas is directly tied to the carbon intensity of the helium. Many helium fields worldwide comprise mainly nitrogen, with some associated helium. However, most large-scale helium fields are found in natural gas reserves, which contain a high methane concentration and, therefore, have a significant carbon footprint when the natural gas is consumed. The higher the helium concentration to methane, the less associated methane is produced per unit of helium, thereby reducing its carbon footprint.

The helium market demand growth is expected to be driven by the growing demand from the healthcare, semiconductor, and aerospace industries.

The Virginia Gas Project is intended to enhance the energy security of South Africa and, more broadly, provide the world with a desperately needed, less carbon-intensive, and secure source of liquid helium.

PROPERTIES OF HELIUM

- Vital and irreplaceable element.
- Inert and doesn't react chemically with other elements.
- The coldest substance known to man at 3 degrees Kelvin (-270.15 °C).
- Non-toxic, colourless, odourless and tasteless.
- Lighter than air.
- Boiling point -268.9°C Does not solidify at atmospheric pressure.
- The only substance with no viscosity in liquid form, making it critical in use for high-energy physics.

LIQUID HELIUM USES

Electronics

- Semiconductors
- Fiber optics

Healthcare

- MRI
- Nuclear Magnetic Resonance (NMR)

Aerospace

- Rocketry

Research

- Particle Physics
- GPS
- Nuclear Reactors
- Laboratory

Other

- Controlled Atmosphere
- Gas Lasers
- Air Bags
- Hard Disk Drives
- Balloons
- Lifting Gas
- Leak Detection

Visit our website www.renergen.co.za for more information about LNG and LHe.

Stakeholder Engagement

Considering the interests of our stakeholders is fundamental to delivering our strategy. Renergen engages with local, regional, national and international stakeholders. When doing so, we foster collaboration, knowledge sharing, open discussion, and deep dialogue.

We have established stakeholder forums to engage in dialogue with our various stakeholders. We work closely with local and national governments through multiple structures to identify opportunities to support our communities that align with broader socio-economic development goals.

The Strategic Focus Areas

Renergen's short-term business strategy involves ramping up production in Phase 1 and expanding the Virginia Gas Project through Phase 2 development.

The Virginia Gas Project boasts significant reserves of both helium and natural gas. The Virginia Gas Project's gas production to date has yielded high helium concentrations, with individual wells ranging up to 12% and methane ranging between 75% - 92%, based on analysis of the sampled gas flow. Renergen's natural gas purity is high, and almost zero higher alkanes reduce liquefaction complexity and associated costs.

Renergen's achievements have focused on the commencement of LNG and liquid helium production.

The principal elements of our business strategy include:

- We are a growing explorer, operator, and natural gas producer focused on vertical integration.
- We produce liquid natural gas and liquid helium.
- We will utilise our strategic position as the sole LNG producer in South Africa to:
  - increase market acceptance of LNG as a growing, lower-emissions substitute to diesel.
  - alleviate South Africa's energy crisis by partially utilising our natural gas for power generation in South Africa.
- Balance of contracted take-or-pay arrangements and spot sales optimised to provide capital structure stability while maximising shareholder value.

Our medium to long-term objectives remains to:

- Establishing ourselves as a leading LNG and liquid helium supplier to local and international markets.
- Develop the remaining extent of our Virginia Gas Project Production Right.
- Continue to explore and develop our existing Exploration Rights.
- Capitalise on additional helium and natural gas opportunities to drive growth.
- Build a large-scale alternative energy company with diversified revenue streams.

Creating Shared Value through Stakeholder Engagement

Our ability to deliver sustained value creation depends on how well we interact with and forge connections with our stakeholders. It requires responsible corporate citizenship and encompasses careful stewardship and effective governance.

Renergen is committed to engaging with all its stakeholders, including employees, host communities and government authorities, to ensure that all parties work together to achieve a mutually beneficial outcome.

We recognise that these stakeholders are integral to the success of our operations and that our social licence to operate depends on our ability to establish and maintain a positive relationship with them. As such, we are dedicated to developing open, honest and transparent communication channels with all our stakeholders. We strive to understand their unique perspectives, build trust and respect, and ensure their interests are considered when making decisions. We also aim to identify areas where we can collaborate and leverage our collective strengths to create value for all.

Renergen is committed to engaging with our stakeholders on various issues and concerns, including feedback and suggestions, promptly and professionally addressing enquiries, and taking proactive steps to resolve disputes. We strive to work collaboratively to find solutions to any issues that may arise, ensuring that all stakeholders feel that their views and concerns are considered.

We continuously analyse the impact, influence, and value of our relationships with our stakeholders and our ability to deliver on our strategic objectives, which is also an essential component of sound governance.

For further details, please refer to the Commitment to King IV™ Principles on page 39.

The Board has delegated authority to management teams to oversee stakeholder relationships and execute Renergen's official stakeholder engagement structure. We use the various capitals responsibly, creating integrated value for multiple stakeholders. Our approach to engagement includes our website, quarterly, interim and annual reporting, and electronic announcements, including the Stock Exchange News Service (SENS) and Australian Securities Exchange Ltd (ASX) announcements.

Our Key Stakeholders and Engagements

Renergen has many stakeholders. For the purpose of this report, we identify the most material stakeholders – those with whom we engage more frequently, based on their role in delivering our strategic goals, contributing to our social performance and addressing risks, for example, highlighting issues that could lead to a significant project or business risk.

Investors and Financiers

Includes capital providers, current and future shareholders and, indirectly, investment analysts and lenders.

Why We Engage	Related Material Matters	How We Engage	Responsible Board Committee	Capitals Impacted
■ Maintain the confidence of existing investors and financiers and attract further investments in our business. ■ Manage expectations of financial and operational performance. ■ Communicate our progress on delivering on strategic objectives.	■ Clarifying strategy execution to ensure sustained financial growth. ■ Allocating financial capital responsibly. ■ Embedding good corporate governance practices and corporate citizenship. ■ Open and transparent communication and reporting. ■ Meeting contractual terms and financial position.	■ Annual General Meeting (AGM). ■ SENS/ASX announcements. ■ Investor presentations. ■ IAR, ESG and AFS. ■ Interim and quarterly cash flow results. ■ Investor relations page on our website. ■ Investor Roadshows.	*EXCO* *Audit Committee* *GETSC*	*Financial Capital* *Social and Relationship Capital*

Employees

Includes full-time employees, contractors and interns.

Why We Engage	Related Material Matters	How We Engage	Responsible Board Committee	Capitals Impacted
■ To gain an understanding of employees' needs and concerns. ■ Maintain stable, constructive and peaceful labour relations.	■ Provide a safe, positive, and inspiring working environment – zero harm. ■ Equal opportunities. ■ Provide employees with strategic direction and keep them informed about Group activities. ■ Market-related compensation, short-term incentives and long-term bonus share and share option schemes. ■ Fair remuneration.	■ Internal communication campaigns and intranet. ■ Direct communications with line managers. ■ Performance appraisals and performance feedback sessions. ■ Open and transparent leadership communication.	*EXCO* *Audit Committee* *GETSC* *Nomination Committee*	*Human Capital* *Intellectual Capital* *Social and Relationship Capital*

Governments and Regulators

Includes Government (national and local), Department of Mineral Resources and Energy (DMRE), Department of Environmental Affairs (DEA), Petroleum Agency SA (PASA), National Energy Regulator South Africa (NERSA), Department of Water and Sanitation (DWS), South African Revenue Services (SARS), Johannesburg Stock Exchange (JSE), Australian Securities Exchange Ltd (ASX) and the A2X Markets.

Why We Engage	Related Material Matters	How We Engage	Responsible Board Committee	Capitals Impacted
▪ Maintain government stakeholders' confidence and positive relations at all government levels. ▪ Meet or exceed regulatory requirements and ensure compliance reporting. ▪ Understand, develop and implement plans to address issues and manage risks. ▪ Understand and provide feedback on proposed regulatory changes.	▪ Compliance with all legal and regulatory requirements. ▪ Responsible taxpayer. ▪ Contribution to the economy through value creation. ▪ Ethical leadership and good corporate governance. ▪ Legal and environmental compliance. ▪ Social and Labour Plan (SLP). ▪ Compliance with all legal, listings and regulatory requirements.	▪ Building and maintaining transparent relationships. ▪ Periodic reporting and engagements with the regulators. ▪ Regular reporting as per our listing requirements. ▪ Participation and consultation in the drafting process of new regulations and bills. ▪ Discussion with industry consultative bodies. ▪ Compliance returns.	*EXCO* *Audit Committee* *GETSC*	*Human Capital* *Social and Relationship Capital*

Suppliers

Includes local and international suppliers and Original Equipment Manufacturers (OEMs).

Why We Engage	Related Material Matters	How We Engage	Responsible Board Committee	Capitals Impacted
▪ Manage costs and align with our key policies to support delivering our strategic objectives and long-term viability. ▪ Engagement is essential in meeting procurement targets.	▪ Comply with B-BBEE requirements. ▪ Ability to meet contractual terms. ▪ Ability to pay suppliers on time.	▪ Meetings, telecons, tender briefing sessions, emails, and panel discussions. ▪ Honest and timely communication.	*EXCO*	*Manufactured Capital* *Financial Capital* *Natural Capital* *Social and Relationship Capital*

Communities

Includes non-governmental organisations (NGOs), the Matjhabeng local community and landowners.

Why We Engage	Related Material Matters	How We Engage	Responsible Board Committee	Capitals Impacted
▪ Establish and maintain collaborative partnerships with communities for shared value. ▪ Identify, understand and manage our impacts and community expectations. ▪ Proactively identify and address community concerns, complaints and grievances. ▪ Keep communities informed of our activities and performance. ▪ Seek input and support for future expansion of our project. ▪ Co-create solutions to generate lasting socio-economic development and growth in communities.	▪ Local recruitment. ▪ Local Economic Development (LED). ▪ Socio-Economic Development (SED). ▪ Land leases.	▪ Regular open and transparent engagement through community engagement structures. ▪ Informal communication during community development projects. ▪ Educational bursaries for local students. ▪ Community Liaison representative. ▪ Continuous landowner interactions.	*EXCO*	*Human Capital* *Social and Relationship Capital*

Main compressor building. Natural gas, nitrogen and mixed refrigerant compressors.

How We Create Value

Our Approach

Our ability to generate value for our stakeholders across six capitals lies in effectively implementing sustainable practices and harmonising and optimising the utilisation of each capital.

We aim to foster positive economic, social, and environmental impacts through business activities that resonate with our core values. Recognising the interconnectedness of these capitals, creating value in one may influence the others, necessitating thoughtful balance and strategic trade-offs. It is imperative to understand that genuine value emerges from addressing stakeholder needs and aligning them with the six capitals, establishing a synergistic system that sustains value creation in the short, medium, and long term.

	Inputs	How Do We Convert Value	Outputs	How We Sustain Value
Financial Capital	▪ We are disciplined in the way we allocate our financial capital. We use the cash generated by our operations, debt and equity financing to maintain and transform our business.	▪ Value created by maintaining prudent allocation of capital. ▪ Continue executing our strategic business objectives.	▪ The total loan outstanding for the DFC is R624.2 million (US$32.4 million). The total loan facility amounted to US$40.0 million. ▪ Equity raise totaling R32.5 million (2023: R573.9 million). ▪ Group loss after taxation amounting to R109.8 million (2023: R26.7 million). Equity raise totalling R573.9 million. ▪ Revenue amounting to R29 million (2023: R12.7 million).	▪ The Virginia Gas Plant became operational in September 2022.
Manufactured Capital	▪ By investing in physical assets that provide the facilities we require at our Virginia Gas Plant.	▪ Improve stability of plant operations. ▪ Ensure the continuous availability of LNG and liquid helium from operations.	▪ Assets under construction R267.1 million (2023: R598.1 million). ▪ Exploration and development costs R77.5 million (2023:R80.3 million).	▪ A comprehensive the drilling campaign was completed with four out of six successes combined with geological model updates, which led to increased reserves and the ability to consider Phase 2 expansion.
Human Capital	▪ We require innovative and diverse people with the right skills and experience to grow, steer and operate our facilities safely and efficiently.	▪ Developing leaders that foster a high-performance culture in an empowered, entrepreneurial, diverse and inclusive organisation. ▪ Promote “living the values” throughout the organisation.	▪ No fatalities during the year under review. ▪ 70 employees (2023: 69), including three Executive Directors.	▪ Fair and responsible pay policy in place. ▪ Remuneration structures that reflect our values and reward performance. ▪ Remuneration structures are aligned to the market, more especially within specialised subject matter expert roles.
Intellectual Capital	▪ Our proprietary technology, software, licences, procedures and protocols support our competitive advantage.	▪ Our governance and organisational systems foster an ethical culture and transformation of our business.	▪ Adherence to King IV™ principles. ▪ Integration of International Finance Corporation (IFC) Governance standards and guidelines. ▪ The expertise of our highly skilled management team.	▪ Continued embedding our safety culture with all employees.
Social and Relationship Capital	▪ To create an enabling environment, we have a multistakeholder approach to solve the needs of our stakeholders ▪ We actively engage stakeholders to ensure we progress on strategy.	▪ Driving localisation and economic transformation in the communities in which we operate.	▪ We changed the lives of learners by providing financial support in furthering their studies. ▪ Total amount spent on training and development for the year R325 255. ▪ One tertiary student was a beneficiary of a tertiary education bursary programme in 2024.	▪ Support the upliftment of the communities where we operate.
Natural Capital	▪ We depend on specific natural resources both directly and indirectly. ▪ We are mindful of the impact our activities may have on the environment. ▪ Our approach and systems enable us to monitor, manage, and appropriately minimise negative impacts.	▪ Our environmental stewardship includes driving the efficient use of water and energy in our business, minimising waste to landfill, and responsibly disposing of waste.	▪ Our pipeline is placed underground to prevent habitat fragmentation.	▪ Pollution prevention. ▪ Efficient resource consumption.

Our Material Matters

Our material matters have the potential to help or hinder the execution of our strategy, thereby impacting our ability to create and preserve value in the short, medium and long term.

- Safety of our people.
- Ethics, integrity, and transparency.
- Stakeholder engagement.
- Energy management.
- Waste management.
- GHG Emissions.

For more information about our material matters, please refer to our ESG report.

Our Principal Risks, Issues and Associated Opportunities

We proactively manage our risks and opportunities, adhering to an integrated risk-based approach aligned with International Risk Management Standards. This approach is fundamental to Renergen's corporate strategy and good corporate governance.

We understand the risks associated with our business and manage them proactively within our risk appetite to optimise business returns. We continue to operate within the Group's approved risk appetite and tolerance levels.

This report highlights our material risks and opportunities and the mitigation we have undertaken to ensure these risks and opportunities and their implications for the Group's ability to create sustainable shareholder value.

Process in Managing Group Risk Appetite and Tolerance

- Define risk appetite and tolerance.
- Embed principles for managing risk appetite and tolerance.
- Monitor the application of risk appetite and tolerance.
- Review risk appetite and tolerance metrics.

Governance and Oversight of Risk Management

Our governance and oversight of risk management is conducted in alignment with our governance framework and the Audit, Risk and IT Committee's (ARIC) terms of reference. The ARIC oversees and directs management's implementation of an integrated framework and plan for risk management.
Risk management is fully aligned with the Group's strategy. As such, the process involves a consistent, formalised and well-embedded system aligned with international best practices and the application of the legislation and regulations – notably the Companies Act 71 of 2008, the listings requirements of the JSE Limited and the Australian Securities Exchange (ASX), and the King Report on Governance for South Africa (King IV™).

Our detailed King IV™ application register is available on our website. www.renergen.co.za

Our Material Risks

Risks and opportunities are inherent in all extractive industries and more so in earlier-stage development strategies. We have, therefore, established procedures and systems to recognise risks early on and respond appropriately to them. Opportunity management is a crucial aspect of our internal decision-making processes, including short- and medium-term planning and intra-year business plans.

Climate Change

Description	Impact on Value	Response and Mitigation
▪ Climate change and prolonged droughts could have an impact on water resources. ▪ Unseasonal weather exacerbated by climate change impacts could lead to delays in the project.	▪ Climate change threatens ecosystems, biodiversity, water resources, human health, agriculture, and economic and societal well-being. ▪ It could potentially lead to operational delays. ▪ Financial impacts of climate change factors.	▪ The Group actively monitors water consumption and intensity within our operations. ▪ The Group is committed to reducing our impact on the environment and building the resilience of our operations. ▪ Environmental compliance programmes are in place to mitigate climate change.

Capitals Affected

Manufactured Capital | *Natural Capital*

Unplanned Outages and Stoppages

Description	Impact on Value	Response and Mitigation
▪ Unplanned stoppages and unforeseen operational interruptions can impact production.	▪ Unplanned operational issues affecting our product delivery could result in us not achieving our revenue targets. ▪ Construction and operations exposed to natural or extreme weather, could cause delays in completing aspects of the project.	▪ We have implemented a comprehensive maintenance schedule, which includes regular inspections and preventative maintenance. ▪ We have protocols in place for responding to equipment failures. ▪ Conduct training for staff to enhance their skills in troubleshooting and equipment maintenance.

Capitals Affected

Manufactured Capital | *Natural Capital* | *Financial Capital* | *Human Capital* | *Social and Relationship Capital*

Operational Accidents or Injuries

Description	Impact on Value	Response and Mitigation
▪ Ineffective or failed internal processes, people, systems, or external events could lead to injury or harm.	▪ Employee harm, illness, or death.	▪ Continuous focus on Health and Safety compliance and monitoring. ▪ Driving disciplined and consistent execution of the basics and compliance with health and safety standards.

Capitals Affected

Financial Capital | *Human Capital* | *Social and Relationship Capital*

Stakeholder Activism (e.g. Shareholders, Activists and NGOs)

Description	Impact on Value	Response and Mitigation
• Increasing pressure and attention from shareholders, activists and NGOs. • Poor performance in the stock market, weak earnings, governance missteps, and lack of attention to ESG matters can trigger shareholder activism.	• This could lead to the disruption of management plans, reputational damage and financial loss.	• Actively monitor and address the issues and risks raised from various stakeholders. • Update our stakeholder engagement plan regularly. • Ongoing stakeholder engagement through corporate channels of communication.

Capitals Affected

Financial Capital *Human Capital* *Social and Relationship Capital*

Exposure to International Commodity Prices

Description	Impact on Value	Response and Mitigation
• Geopolitical tensions have led to significant increases in commodity and energy prices.	• Increased construction costs and operating costs due to higher energy input costs.	• Our revenue is linked to the energy markets, so higher energy costs are somewhat offset by higher revenues. • LNG is being marketed in South Africa as a substitute for diesel. It is priced at a discount to diesel at the pump, as the diesel price is highly correlated with the Brent crude oil price, and as such, increases or decreases our revenue accordingly. • Historically, the increase in the price of diesel in South Africa has outstripped the domestic inflation rate.

Capitals Affected

Financial Capital

Geopolitical Threats/Tensions (Russia/Ukraine/Gaza)

Description	Impact on Value	Response and Mitigation
• The ongoing conflict leads to broader geopolitical risks, which may disrupt the global supply chain, logistics and trade.	• Delays attributed to global supply chains may impact operations.	• Developing broader, more diverse supply chains globally to allow flexibility to source equipment, spares and services that are not directly impacted by these events to reduce delays and combat single-source reliance.

Capitals Affected

Financial Capital

Energy Availability (Risk of Energy Shortages; Load-shedding in SA)

Description	Impact on Value	Response and Mitigation
• Eskom's inability to prevent load shedding and further risk of blackouts.	• The loss of production and or interruptions to our operations. • The impact on our customers to be able to receive and utilise products within their operations due to load shedding or blackout scenarios.	• A carefully selected Grid tie-in connection point that connects directly to Eskom infrastructure has reduced impact on our operations. • Progressing development of a self-generating power facility that will self-make use of our own gas waste stream to power the generators to deliver base load power for Phase 1 and Phase 2 operations.

Capitals Affected

Financial Capital *Human Capital*

Cyber Risks

Description	Impact on Value	Response and Mitigation
▪ Both targeted and indiscriminate threats continue to evolve and are increasing worldwide. ▪ A malicious or accidental cyber-attack from outside our Group, as well as insider threats or supplier breaches could result in operational interruptions or the infringement of data. ▪ Information and cyber security threats, including business operations outages, as well as a force majeure.	▪ Cyber-attacks can lead to a loss of commercially sensitive information, theft of intellectual property, disruption to operations, financial loss, and negative impacts on reputation. ▪ Safety risk because of loss of control of operating systems due to cyber-attacks.	▪ We have enhanced our attacker detection programs. ▪ Manage security risks through continuous security protection tools and ongoing detection and monitoring tools. ▪ Increase security controls to protect our infrastructure while storing and transmitting confidential information.

Capitals Affected

Natural Capital *Financial Capital* *Human Capital* *Social and Relationship Capital*

LNG truck on weighbridge.


Utilities building.

Strikes and Public Unrest / Structurally High Unemployment in the Local Area of Operation

Description	Impact on Value	Response and Mitigation
▪ Strikes, riots and labour disruptions can damage economic growth and, in turn, negatively impact our business.	▪ The loss of production or interruption to our operations. ▪ The effects of a strike on employment relationships. ▪ Risk exposures during civil unrest events impact our operations, employees, and other stakeholders.	▪ Proactive and constructive engagement with our stakeholders. ▪ Various initiatives to address stakeholders' concerns and monitoring ongoing evelopments. ▪ Adequate Sasria insurance cover. ▪ Implement human resource initiatives to ensure an engaged workforce.

Capitals Affected

Manufactured Capital *Natural Capital* *Financial Capital* *Human Capital* *Intellectual Capital* *Social and Relationship Capital*

Our Material Opportunities

Opportunity management is integrated into internal controlling processes and operates within operating units based on Group strategy, analysing and assessing potential market opportunities for strategic planning.

Helium turbine enclosure.

Developing a multigenerational asset through further exploration of the Reserves

Description

- Unlocking the full potential of the Virginia Gas Project through an extensive drilling campaign.

Impact on Value

- Creating additional value through further development and exploration of our Virginia Gas Field.

Response

- ~ 300 additional wells will be drilled in the next three years.

Capitals Affected

Natural Capital *Financial Capital* *Human Capital*

Mixed refrigerant storage tank and LN2 coldbox.

Significant growth in critical sectors, like space exploration, semiconductors, etc., drives helium demand.

Description

- Helium's finite supply encounters constraints, and market dynamics push helium prices upwards.

Impact on Value

- The escalating demand for advanced electronic devices, ranging from smartphones to artificial intelligence systems, has created a parallel surge in semiconductor demand. Helium is used in the semiconductor production process.
- There is an increased demand for helium as its coolant properties are leveraged to optimise propulsion systems and ensure mission success.

Response

- The Phase 2 project is anticipated to produce approximately 4,200kg/ day with a suitable spread of contracted and un-contracted volumes.
- The Company will benefit from exposure to the increasing market price of helium.

Capitals Affected

Financial Capital

Decarbonisation

Description

- Decarbonisation presents a critical opportunity for addressing climate change and transitioning to a more sustainable energy future.

Impact on Value

- As end-users become aware of cleaner energy sources, the demand for LNG increases significantly in South Africa.
- LNG can be used across various sectors, including transportation, industrial processes, and power generation.
- Our focus on LNG production represents a commitment to innovation in the energy sector.

Response

- LNG provides a stable baseload or peak load energy alternative, with the benefit of CO_2 reductions compared to coal or other hydrocarbons.

Capitals Affected

Financial Capital


Cooling water supply line.

Impending energy crisis on the gas landscape – impending gas cliff, July 2026

Description

- A shortage of piped gas from Mozambique could lead to potential economic and energy-related challenges.

Impact on Value

- Natural gas plays a crucial role in the country's energy mix. South Africa relies heavily on imported natural gas.
- SA industry relies heavily on natural gas energy for industrial and logistics consumption.

Response

- The Company stands to benefit from increased demand for natural gas and potential investments to expand operations further.

Capitals Affected

Financial Capital *Natural Capital*

4IR and AI to drive to unlock efficiencies - productivity improvements – use technology to improve our productivity, increase flexibility and reduce unplanned stoppages.

Description

- Integrating digital technologies into all aspects of our business to unlock efficiencies and drive productivity improvements.

Impact on Value

- Increased efficiency.
- Enhanced productivity.
- Innovation and agility.
- Cost reductions.

Response

- By harnessing the power of AI, 4IR and machine learning technologies, we can, through data analytics, implement initiatives that will drive automation, predictive maintenance and energy efficiency initiatives.

Capitals Affected

Financial Capital *Human Capital*

Leadership Review

Renergen is committed to driving high corporate governance standards and ensuring full application of the King IV™ principles. This ensures that the Board continues to provide a practical oversight function that empowers management to manage the business effectively and efficiently in delivering its strategy.

Chairman's Report

Overview

It is my pleasure to present the Chairman's Report for 2024 - a challenging year for the Company despite significant achievements on a number of important fronts. During the year, we enjoyed continuing drilling successes, very strong growth in LNG production from the plant in operating mode, substantial progress with the approvals and funding for our proposed Phase 2 plant, and most recently, secured the sale of a 5.5% interest in our flagship Virginia gas project for R550 million (A$43.4 M). Most notably, of course, the helium plant rectification and successful production of liquid helium alongside our strong LNG production.

Our challenges arose principally from equipment failures, which became evident in the original commissioning of the Phase 1 helium circuit early in the year and which prevented the anticipated ramp-up of helium production. Moreover, the plant rectification measures were impacted by matters outside the Company's control and so took longer than we anticipated – so much so that we made the difficult decision to bring forward the scheduled maintenance of the LNG circuit to coincide with the helium circuit reinstatement, so avoiding a double shut down. That we successfully navigated these operational issues bears testimony to the application and determination of our executive team and talented workforce; and especially so in view of the malicious attack on the Company and its executives instigated on unregulated media outlets by an activist but misinformed market commentator during this challenging time.

With the recent commencement of helium production and resumption of strong LNG production, we can now focus our full attention on growing our subsurface development and bringing the exciting plans for the Phase 2 plant development to fruition. We approach these tasks with great confidence in the knowledge that our plans, as well as our world-class helium reserves, have satisfied the extensive due diligence necessary in securing both the United States Development Finance Corporation and Standard Bank SA debt facilities and the sale of a 5.5% interest in the project for R550 million.

Further details on all the matters referred to above can be found in the CEO's report.

Board Operation

It has been my privilege to serve as Chairman of a board which has again operated cohesively and efficiently throughout the year, with exceptional support and guidance from the Audit, Risk and IT (ARIC) Committee and the Governance, Ethics, Transformation, Social & Compensation (GETSC) Committee. It is my pleasure to acknowledge the excellent work of both Committees and their hard-working Chairmen, Luigi Matteucci (ARIC) and Mbali Swana (GETSC). The important work of these Committees underpins the Board's support and guidance for the Company's talented Executive team.

As we now progress on our journey to the next exciting stage of our development it is my job as Chairman of the Company and its Nomination Committee to ensure that the Board remains dynamic and includes skillsets and experience necessary to add value for the journey ahead. As in the past two years, we will continue to take opportunities to refresh the board composition as and when exceptional candidates present themselves.

Acknowledgements

As mentioned earlier in my report, the year in review has not been without its challenges, but through the outstanding efforts of our small Executive team – CEO Stefano Marani, COO Nick Mitchell, and CFO Brian Harvey – the Company has emerged stronger. On behalf of the non-executive Board, I am pleased to extend our thanks and congratulations for jobs well done. I also have no hesitation in reporting that all the Company's employees have performed with distinction throughout the year and can rightly be proud of what has been achieved under trying circumstances. I also extend my personal sincere thanks to my fellow Board members, past and present, for their support and wise counsel throughout the year.

Renergen has not only a world-class endowment of resources but, importantly, has in place a team to extract value from those resources for both its shareholders and the Country in which it operates. On behalf of the Board, I extend our sincere thanks to all our shareholders for their support throughout the year. We can together look forward to a bright future for Renergen.

Dr David King
Chairman

CEO's Overview

The year in review year has been one in which we have met arguably the most important milestones and significant achievements in the short lifespan of our Company, most recently with the commencement of commercial helium production. This shows beyond any shadow of a doubt our unwavering commitment to deliver on our long-term goals of developing the Virginia Gas Project into a world class helium supplier and adding significant volumes of a cleaner energy source into the South African energy pool with our liquified natural gas.

Our achievements speak for themselves and while it wasn't a smooth year, mired in volatility and setbacks, we are in a very strong position with domestic energy markets in drastic need of new sources of energy, global helium markets in need of supply chain diversification to stabilise the recurring helium crises, and formidable supporters backing our world class project.

Commencement of commercial helium production

Bringing the helium facility into commercial operation was the Company's Achilles heel this year. Despite the helium train liquefying first helium in the previous year, when the plant was moved into commercial operation it suffered a leak in the vacuum insulation of the cold box which meant repairs were needed before commercial operations could commence. The process involved removing the cold box and welding the pinhole leak offsite. Once repaired, we re-commenced commissioning and the ball would once again bounce away from us when we took the decision to bring forward scheduled maintenance in a bid to limit overall down time. The first maintenance of the mixed refrigerant compressors revealed flaws in the manufacturer's recommended start-up procedures which led to component failures and additional delays. As at the time of writing, the above-mentioned issues have been resolved and the helium plant is producing liquid helium from the wells, culminating in the achievement of a dream dating back over a decade. While the process has not been smooth, I could not have imagined this feat being achieved by any other team, which showed commitment beyond the bounds of what is expected of employees.

Securing US$ 750 million debt funding for Phase 2

Following an intensive due diligence process and studies by external parties and international experts, the United States government reconfirmed its commitment to the Virginia Gas Project by approving an additional US$ 500 million loan towards the development of Phase 2, Standard Bank of South Africa has also committed to a further US$ 250 million as they saw the strategic benefit of having an onshore domestic natural gas producer in possession of the country's only onshore petroleum production right. These funding lines are key to unlocking the expansion of the Virginia Gas Project. We look forward to growing our already great relationship with these two institutions.

Selling a stake in Tetra4 to our energy investment partners Mahlako

Private equity firm, Mahlako Energy Fund 1 Partnership established Mahlako Gas Energy along with Third Way Investment Partners who collectively acquired a 5.5% stake in Tetra4 for a sum of ZAR 550 million. This investment was a landmark investment in the country, showcasing to the international community that investment in the natural gas industry is now open to investment and will become an important facet of South Africa's energy mix moving forward as the country seeks to diversify its reliance on coal and imported fuels, and gives the Company access to an increased pool of capital allowing us to optimise the sources and minimise dilution to shareholders.

Investment in convertible debentures by Airsol

Airsol S.r.L, a wholly owned subsidiary of SOL S.p.A, completed its investment into debentures issued by Renergen, which are convertible into equity upon the conclusion of the Initial Public Offering on the Nasdaq. The SOL group was founded in Italy in 1927 and operates in 32 countries with more than 6,000 employees. The SOL group has a significant presence in the industrial gases market including helium across the world. SOL brings significant liquefied natural gas experience to the table, complementing Renergen's overall offering and reiterates the global view on the importance of the Virginia Gas Project.

Our markets and the future

The Company finds itself with strong tailwinds within the sectors we operate. Looking at the domestic energy market, the country continues to grapple with unreliable power from the main utility, forcing many businesses to use expensive diesel back-up generation. The majority of the country's petroleum refineries are no longer in operation, adding strain to the financial system due to the increased imports of refined fuel. More recently it was made public that the so called "gas cliff" is looming, which based on statements made in the media the primary natural gas source to Johannesburg from Mozambique via the Republic of Mozambique Pipeline Investments Company (ROMPCO) pipeline is scheduled to shut down supply around the same time as our Phase 2 operation is anticipated to commence production. The Virginia Gas Project is a timely addition to the local energy mix and will have benefits to the country well beyond simply the investment.

Helium markets have been in very tight supply since 2017, suffering its fourth round of supply constraints, which has led to significant increases in helium pricing. Recently the United States' strategic reserve sold a tranche of 2 billion cubic feet helium still underground at a concentration of 1.8%, through an auction for US$ 353 million. This is a very strong signal of the overall state of the helium markets and value of our Reserves, which at a 2P level is around 13 billion cubic feet, or 6.5 times the amount auctioned. To complete the picture of the helium landscape, one needs to look to demand, which as a result of the US CHIPS Act incentivising the construction of semiconductor fabrication facilities in the US, along with the explosive growth in demand for artificial intelligence chips and coupled with a rapid increase in space exploration, helium demand is anticipated to outstrip supply for quite some time.

US presence

On a more personal note, I moved to the US in early August 2023 to begin laying the foundations for the Nasdaq IPO, along with establishing a helium distribution base. This has proved to be a highly successful move, with the Company having already established many relationships within the US oil and gas industry, increasing awareness of Renergen and our helium Reserve. As we draw closer to the finalization of the listing, we will continue to develop these relationships and solidify our presence as a South African company with a presence and supply chain in the largest economy in the world.

Conclusion

Resilience is the fabric that makes up the Renergen team. We aren't perfect, and being the trailblazer, we will make mistakes, but we learn and correct. This is what ensures we remain at the forefront of our sector and keep true to our disruptive nature. As we begin the new financial year on a high from the momentous achievement of producing liquid helium commercially, the road ahead looks promising as we seek to bring in equity capital from the United States.

Thank you for participating in this journey with us.

Stefano Marani
Chief Executive Officer

Corporate Governance

Sound corporate governance is the cornerstone of our business and the foundation of our strategy. Our governance structure forms provide role clarity by clearly delineating roles and areas of accountability and recognising the independent roles and duties required to govern the Group effectively.

The focus of the Board is to ensure that strategy, sustainability, risk and performance considerations are appropriately balanced and effectively integrated into all we do. The Board approved a delegation of authority framework (DAF) to provide for the various authority levels across the Company and its subsidiaries.

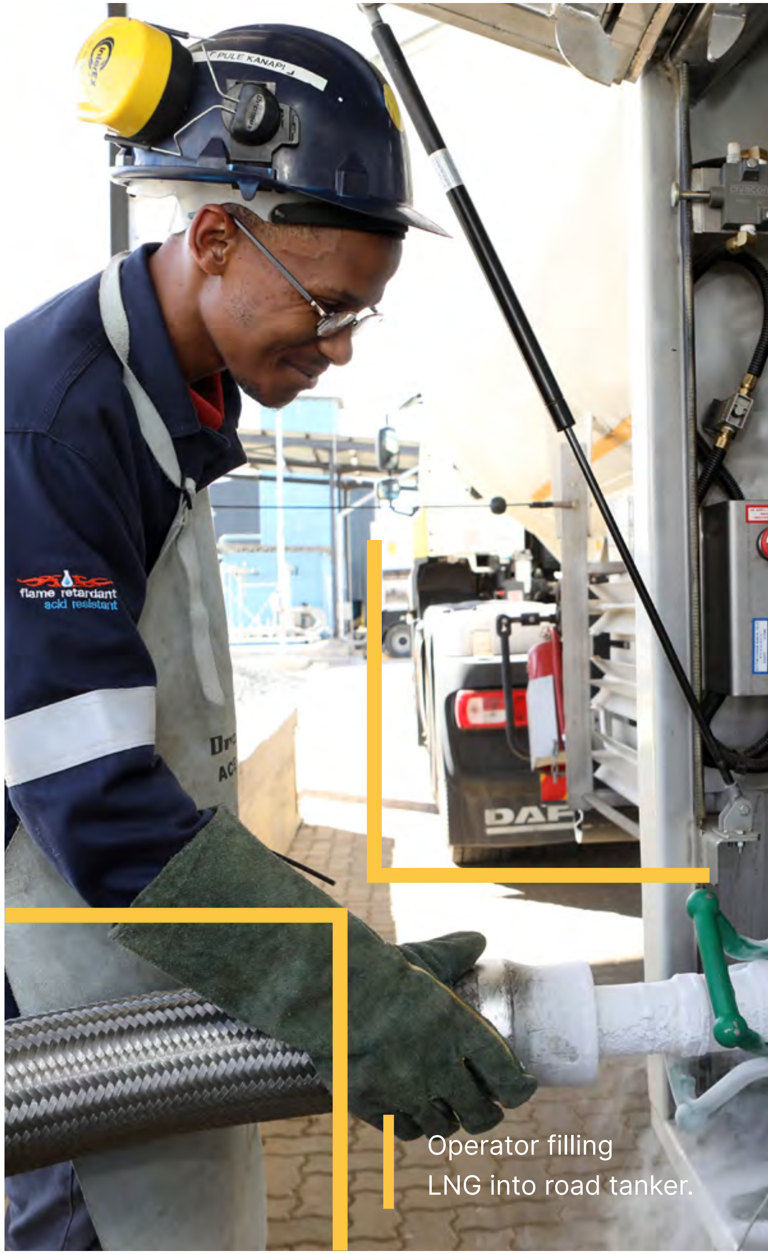
Our Governance Structure

The Group's governance structures are regularly reviewed and provide for the assignment of authority while enabling the Board to retain effective control. The structures support effective and ethical leadership, good corporate citizenship and sustainability and are applied in the best interests of Renergen and our stakeholders. The necessary policies and processes are in place to ensure all entities in the Group adhere to essential Group requirements and minimum governance standards.

Renergen Limited Shareholders

Renergen Board

- Audit, Risk and IT Committee (ARIC)
- Governance, Ethics, Transformation, Social and Compensation Committee (GETSC)
  - ESG Committee
- Nomination Committee (NomCo)
- Renergen Exco



Operator filling LNG into road tanker.

Our Board

The Renergen Board of Directors subscribes to the principles of good corporate governance. Our duty to be a responsible corporate citizen is fully supported by our Directors and their commitment to ethical leadership.

Adhering to corporate governance principles is fundamental to the sustainability of Renergen's business. As such, business practices are conducted in good faith, in the interests of all stakeholders and with due deference to the tenets of good corporate governance. The Executive team, headed by the Chief Executive Officer, executes our board-approved strategy, policy and operational planning.

The Board retains effective business control through a clear governance structure, and Board Committees assist the Board within the provisions of the Board Charter. However, at all times, the Board recognises that delegating authority does not reduce the responsibility of its Directors to discharge their statutory and common law fiduciary duties. The Group's governance structures are regularly reviewed to support effective decision-making, provide robust controls, and align with evolving local and global best practices.

The Board Charter further sets out the roles and responsibilities of the Board and its Directors, being ever mindful that the considerations of strategy, risk, performance, and sustainability are inseparable and must be treated as such.

The Board is responsible for identifying key performance areas. It ensures that the Group complies with applicable laws, considers adherence to nonbinding rules and standards, and is responsible for Information Technology (IT) Governance.

Board Composition and Independence

The Board consists of eight members: three Executive Directors and five Non-executive Directors, the majority independent.

A clear separation of responsibilities is always maintained within the Group's leadership structures, specifically between the Board's role and function (under the Chairman's watchful eye) and the business's day-to-day running (the CEO's purview).

Diversity and Inclusion

The King IV™ Report on Corporate Governance for South Africa 2016 highlights the importance of a Board that appropriately balances knowledge, skill, experience, diversity, and independence to discharge its governance role objectively and effectively.

Renergen recognises both the benefits of a diverse Board and the recommendations contained in the King IV™ report. To confirm its commitment, the Board has adopted a policy for promoting diversity at a Board level. The policy promotes diversity in gender, race, culture, age, the field of knowledge, skills and experience.

Independence

All the Directors have a duty to act, always, with the independence of mind in the best interests of the Group. The Board believes that the Independent Nonexecutive Directors of the Group are of appropriate calibre, diversity, and number for their views to carry significant weight in the Board's deliberations and decisions.

The Independent Non-executive Directors are highly experienced and have the skills, background, and knowledge to fulfil their responsibilities. The Board determines the classification of Independent Non-executive Directors on the recommendation of the Nomination Committee. In assessing the independence of the Independent Non-executive Directors, character and judgement are considered together with any aspect of their existing relationships or circumstances which are likely to affect or could appear to influence their judgement and due regard for the criteria of independence as set out in King IV™, the JSE Listings Requirements and the ASX Corporate Governance Principles and Recommendations.

At any time, all Independent Non-executive Directors have unrestricted access to management and the Group's external auditors. In addition, all Directors are entitled to seek independent professional advice – at the Group's expense - on any matters about Renergen and when necessary.

The Board also considers the impact of each Director's interests, including those in the business regarding direct or indirect shareholding and an interest in a contract with the Group. Conflicts of interest, actual or perceived, are monitored.

All Directors of the Group and its subsidiaries must adhere to the Group's policy on dealing in the Group's securities, designed to prevent insider trading in terms of the Financial Markets Act, 2012. In this respect, the Board operates according to the regulations and requirements laid out by the JSE and ASX.

Board Charter

The Board Charter provides guidelines to Directors regarding, among other things, the Board's responsibilities, authority, composition, meetings, and the need for performance evaluations. The Board Charter also provides clear division obligations to balance power and authority and ensure that no single Director has unfettered decision-making powers.

Succession Planning

The Nomination Committee oversees succession planning for Non-executive Directors. It monitors the succession planning for Executive Directors and understands that it is of crucial importance in the sustainability of the business. Renergen has a succession plan in place for Executive Directors and Senior Management, which provides for the key management of the Group.

The Group is committed to improving its talent pool through ongoing efforts to manage human capital, including career development and recruitment. These efforts are designed to provide both short-term and long-term management depth, and the Board is satisfied with this progress and efforts.

Our Board Committees

Without abdicating its responsibilities and accountability, the Board delegates certain functions to well-structured committees which assist the Board in discharging its duties. Board Committee Charters define the purposes, authority, and responsibility of the various Board Committees.

Renergen Board

Members

Executive Directors
Stefano Marani (CEO)
Brian Harvey (CFO)
Nick Mitchell (COO)

Independent Non-executive Directors
David King (Chairman)
Mbali Swana
Luigi Matteucci***
Thembisa Skweyiya**
Dumisa Hlatshwayo

Mandate

- It determines the Group's purpose and values while providing leadership aligned with supporting the long-term sustainability of the business.
- The Board is diverse in demographics, skills and experience and consists of five Non-executive Directors, the majority of whom are independent, and three Executive Directors.
- To improve the Board's effectiveness, evaluations of the Board, individual Directors, Board Committees and the Chairman are carried out annually.

Four meetings per annum

Audit, Risk and IT Committee (ARIC)

Members

Luigi Matteucci (Chairman)***
Mbali Swana
Dumisa Hlatshwayo

Mandate

The Committee oversees the governance of the risks associated with the implementation of Renergen's strategy. It is the duty of the Committee, among other things, to:

- Consider the expertise and experience of the Financial Director.
- Review and recommend the approval of annual integrated financial reports, statements and all other widely distributed financial documents.
- Monitor and review the accounting policies of the Group and any proposed revisions.
- Monitor compliance with applicable legislation, King IV™, JSE and ASX listings requirements.
- Evaluate external auditors and lenders, as well as provide recommendations for external auditor appointments.
- Monitor compliance with IFRS Accounting Standards.
- Ensure that appropriate financial reporting procedures exist and are working, which includes consideration of all entities included in the Consolidated Group IFRS financial statements to ensure that it has access to all the financial information of Renergen to allow Renergen to effectively prepare and report on the Renergen financial statements.
- Report back on its responsibilities pursuant to paragraph 3.84(g)(ii) of the JSE Listings Requirements.

Four meetings per annum

Governance, Ethics, Transformation, Social and Compensation Committee (GETSC)

Members

Mbali Swana (Chairman)
Nick Mitchell*
Luigi Matteucci***
Thembisa Skleyiya**

Mandate

Responsible for reviewing and recommending the Remuneration Policy and philosophy. The Committee (formed in terms of the Companies Act) acts with the full delegated authority of the Board and assists Directors in monitoring social, transformation and ethical matters and legal, regulatory and best practice disclosures relating to:

- Strategic input on transformation.
- Overseeing remuneration relating to Directors and Executives.
- Stakeholder engagement (including employees, customers, suppliers, communities and lenders).
- Environmental responsibility and adherence to applicable legislation.
- Review of Corporate Social Investment (CSI) initiatives.
- Review of the Group's Remuneration Policy.
- To monitor the company's activities with regards to the matters set out in Regulation 43 (5) (a) of the Companies Regulations.
- To draw matters within its mandate to the attention of the Board.
- To report to Shareholders at the company's AGM.

Three meetings per annum*

Nomination Committee (NomCo)

Members

David King Nick Mitchell	Mbali Swana Luigi Matteucci***

Mandate

The Committee oversees the Board composition as well as assess which retiring Independent Non-executive Directors are up for re-election. Responsibilities extend to:

- Reviewing the composition of the Board.
- Board evaluation and assessment of Committee members and their effectiveness.
- Succession planning.
- Recommending nominations to the Board.

Three meetings per annum

Exco

Members

Stefano Marani (CEO) Brian Harvey (CFO)	Nick Mitchell (COO) Leonard Eiser

Mandate

The Renergen Executive Committee (EXCO) is responsible for delivering the strategic objectives as set out by the Board. The EXCO consists of an experienced Management team and the CEO, COO and CFO.

- Setting the direction and implementing Group strategy.
- Managing all stakeholder relationships.
- Corporate and strategic leadership.
- Promoting investor confidence.
- Cultivating and promoting an ethical corporate culture within the Group.
- Compliance with applicable legislation and the Group's Code of Conduct and Ethics.

Meets monthly and ad hoc

**Recused from all decisions pertaining to remuneration. **Resigned 10 April 2024. ***Retired as from the date of the Company's 2024 AGM.*

Board Meetings Attendance Register

The Board meets quarterly. Ad-hoc special meetings are convened as necessary. Attendance details for Board and Board Committee meetings are set out below.

Board Meetings										
Meeting number			**Meeting 1**	**Meeting 2**	**Meeting 3**	**Meeting 4**	**Meeting 3**	**Meeting 4**	**Meeting 5**
Date of meeting			**17-May-23**	**24-Jul-23**	**31-Jul-23**	**28-Aug-23**	**25-Oct-23**	**22-Nov-23**	**07-Feb-24**
Type of meeting			**Scheduled**	**Special**	**Special**	**Scheduled**	**Scheduled**	**Special**	**Scheduled**
David	King	Chair	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Dumisa	Hlatshwayo	Member	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Luigi	Matteucci***	Member	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Thembisa	Skweyiya**	Member	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mbali	Swana	Member	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Brian	Harvey	Member - CFO	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Stef	Marani	Member - CEO	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Nick	Mitchell	Member - COO	Attended	Attended	Attended	Attended	Attended	Attended	Attended

Audit, Risk and IT Committee Meetings							**Governance, Ethics, Social, Transformation and Compensation Committee + Nominations Committee**			
Meeting number			**Meeting 1**	**Meeting 2**	**Meeting 3**	**Meeting 4**	**Meeting 1**	**Meeting 2**	**Meeting 3**	**Meeting 3**
Date of meeting			**03-May-23**	**15-Aug-23**	**11-Oct-23**	**24-Jan-24**	**03-May-23**	**14-Jul-23**	**11-Oct-23**	**24-Jan-24**
Type of meeting			**Scheduled**	**Scheduled**	**Scheduled**	**Scheduled**	**Scheduled**	**Special**	**Scheduled**	**Scheduled**
David	King	Invitee	Attended	Not required	Attended	Attended	Attended	Attended	Apologies	Attended
Dumisa	Hlatshwayo	Member	Attended	Attended	Attended	Attended	Not required	Attended	Not required	Attended
Luigi	Matteucci***	Chair	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Thembisa	Skweyiya**	Invitee	Not required	Attended	Not required	Attended	Attended	Attended	Attended	Attended
Mbali	Swana	Member	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Brian	Harvey	Invitee - CFO	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Stef	Marani	Invitee - CEO	Attended	Attended	Not required	Attended	Attended	Attended	Attended	Attended
Nick	Mitchell	Invitee - COO	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended

****Retired as from the date of the Company's 2024 AGM.*

Cooling tower and LNG road tanker leaving the Virginia Gas Plant.

Company Secretary

All Directors have access to the services and advice of the Company Secretary, Acorim Proprietary Limited. The Company Secretary supports the Board as a whole and the Directors individually by providing guidance on fulfilling responsibilities in the best interests of the Group.

The performance of the Company Secretary is evaluated on an annual basis. In terms of paragraph 3.84 (h) of the JSE Listings Requirements, the Board of Directors considered and satisfied itself on the competence, qualifications and experience of the Company Secretary and is satisfied that an arm's length relationship exists.

Information Technology Governance

The Board is committed to effective governance of Information Technology (IT) and upholds standards of excellence in this area. The governing model incorporates business and IT needs, emphasising strategic alignment, value creation, risk management (including cybersecurity, operational resilience, legal compliance, health and safety compliance), resource utilisation, and performance management. The Audit, Risk and IT Committee aid the Board in achieving its Information Technology governance objectives.

Compliance Declaration

To the best of their knowledge, the Renergen Directors have confirmed that Renergen complied with the provisions of the Companies Act and operated in accordance with the Company's memorandum of incorporation during the year under review.

Our Board of Directors

The Directors bring relevant experience and skills to the Board, including industry knowledge, business insights, financial management, and corporate governance experience.

Our Board of Directors is responsible for the strategic direction and control of the Company. It brings independent, informed and effective judgement to bear on material decisions reserved for the Board.

The Renergen Directors, during or since the end of the financial year, are set out in this section. Unless otherwise stated, the Directors held office for the financial year.

Executive Directors

MR STEFANO MARANI

Managing Director, Chief Executive Officer
BSc Actuarial Science, BSc Hons in Advanced Mathematics of Finance.

Stefano is the Chief Executive Officer of Renergen. He was part of the team which acquired the Gas Fields from Molopo Energy Limited in April 2013 and was instrumental in taking the Gas Fields from a stranded gas asset into production with funding from the US government and an Initial Public Offering on the Australian Securities Exchange. Along with Nick Mitchell, they pioneered the use of natural gas in heavy-duty vehicles in South Africa to help decarbonise the South African economy, and he pioneered Cryo-Vacc™ to assist in the global rollout of vaccines in the fight against COVID-19.

Stefano has significant experience in the areas of structured finance and advisory. After completing his formative training with Deutsche Bank, Stefano was recruited by Morgan Stanley in London. He was ultimately charged with building their sub-Saharan African fixed income capital markets business before leaving banking to start his financial services firm.

Date appointed to Board: 20 November 2014

MR NICK MITCHELL

Executive Director and Chief Operating Officer
Microsoft Certified Systems Engineer (MCSE) A+ Certified.

Nick is an experienced Director with a demonstrated history of working in the energy industry, specialising in the South African oil and gas sector and focused on early-stage company development. He is the current Chief Operating Officer for Renergen. Together with his partners, Nick acquired Tetra4 in 2013 and since then has developed the asset from what was once considered a stranded gas asset into a potential world-class helium and natural gas reserve.

He is strong in operations, strategy and risk management. Nick currently serves as the Chairman of the Onshore Petroleum Association of South Africa (ONPASA) and has done so since March 2017. In December 2020, he was appointed as a Trustee to the Upstream Training Trust (UTT), established by the Petroleum Agency SA (PASA) and the companies participating in the South African off and onshore search for oil and gas. The Trust seeks to provide bursaries to eligible students interested in Petroleum (oil and gas) Exploration.

Date appointed to Board: 25 November 2015

MR BRIAN HARVEY

Executive Director and Chief Financial Officer
BTech. Mech Eng. BCom Hons in Accounting. CA(SA).

Brian is the Chief Financial Officer of Renergen Limited with over 15 years of experience in senior finance roles after having initially qualified and worked as a mechanical engineer for De Beers. He has worked for multinational, foreign listed, and JSE listed companies, principally in the resources sector, including Weir Minerals Africa Middle East, Royal Bafokeng Holdings Pty Ltd and Anglo American plc.

He has both strategic and operational level experience in the finance area and has been involved with project finance and oversight of the delivery of several capital projects.

Date appointed to Board: 1 May 2021

Independent Non-Executive Directors

MR LUIGI MATTEUCCI

Non-executive Director, Independent
CA (SA).

Luigi actively consults on strategic and business development initiatives in the mining and engineering field. He served in senior management positions and as Financial Director of Highveld Steel and Vanadium Corporation Limited for 18 years up to 2007, where he implemented successful cost reduction and efficiency strategies

Date appointed to Board:
3 May 2016

Luigi has advised the Board of his pending retirement as a Director of the Company with effect from the date of the Company's 2024 AGM.

DR DAVID KING

Non-executive Director,
Independent (Chairman)
PhD. MSc. FAusIMM. FAICD.

David is a professional geoscientist and has over 40 years of experience in oil and gas and other natural resources industries. He holds an MSc in Geophysics from Imperial College, London, and a PhD in Seismology from the Australian National University, Canberra. David has held various Board positions with ASX natural resources companies and was a founder of oil and gas companies Eastern Star Gas Ltd and Sapex Ltd. He has also served as Managing Director of ASX listed gold producer North Flinders Mines, CEO and Managing Director of Oil and gas producers Beach Petroleum and Claremont Petroleum, and Chairman of Robust Resources Ltd and Galilee Energy Ltd. David is currently Non-executive Director of AIM-listed Litigation Capital Management Limited. David is a Fellow of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy.

Date appointed to Board:
4 June 2019. Chairman.
Effective from 1 December 2021.

MR MBALI SWANA

Non-executive Director, Independent
B.Arch Studies, B.BArch.

Mbali is the Chief Executive Officer of Prop5 Corporation Proprietary Limited, a turnkey-built environment infrastructure and engineered products developer that he founded in 1986. Mbali has significant experience in implementing large scale projects across Africa and is currently developing Prop5's Africa-wide strategy for infrastructure development.

Date appointed to Board:
16 February 2015

MR DUMISA HLATSHWAYO

Non-executive Director, Independent
CA(SA), MBA, CD(SA)

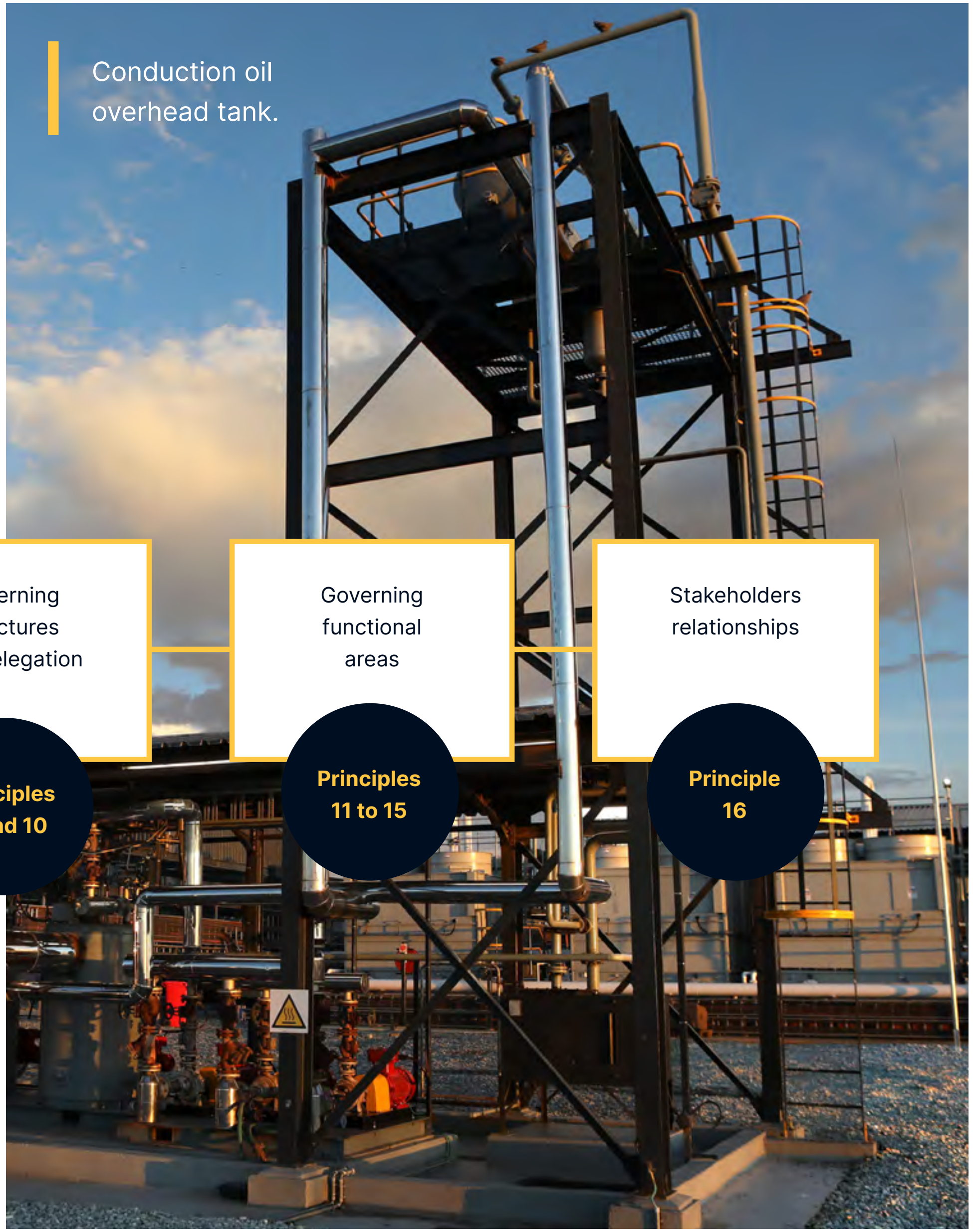
Dumisa Hlatshwayo has worked in the Financial Services Industry for over thirty years, and during that time, he held the position of Financial Director for a listed entity. He also served as the CEO of a multi-billion-rand Employee Benefits company recently.

Dumisa served as a Non-Executive Director on several Boards of both Public and Private Sector organisations. He chaired Audit and Risk Committees and was a member of Social & Ethics Committees, Actuarial Committees, Nomination Committees, among others. He also had the privilege of being appointed as Chairman of various Boards, where he successfully managed multiple stakeholders.

Date appointed to Board:
6 February 2023.

Commitment to King IV™ Principles

Renergen applies all the principles of the King IV™ Report on Corporate Governance for South Africa 2016 (King IV™). We believe that corporate governance is defined as exercising ethical and effective leadership towards achieving governance outcomes. In some areas, the Board acknowledges that, while recommended practice is being applied, further enhancements will be made over time in line with its objective to improve corporate governance practices continuously.



Conduction oil overhead tank.

- Leadership, ethics and corporate citizenship — **Principles 1,2 and 3**
- Strategy, performance and reporting — **Principles 4 and 3**
- Governing structures and delegation — **Principles 6 and 10**
- Governing functional areas — **Principles 11 to 15**
- Stakeholders relationships — **Principle 16**

Our detailed King IV™ application register is available on our website. www.renergen.co.za

Remuneration Report

SECTION 1

BACKGROUND STATEMENT

Renergen's remuneration philosophy is guided by its business strategy, namely a long-term approach to sustainably delivering value to shareholders. This report comprises three sections and details the material remuneration and policy aspects approved by the Governance, Ethics, Transformation and Social Compensation Committee (GETSC) Chairman. The Committee has a clearly defined framework, aligned to the Companies Act, King IV™ and other relevant legislation and standards, to determine the most effective processes and reporting formats to deal with matters under the Committee's mandate.

SECTION 2

OVERVIEW OF THE REMUNERATION POLICY APPLICABLE FOR FY2024

This part details the remuneration philosophy, policy, and framework to motivate and reward performance in the short, medium, and long term. The policy is tabled at the Annual General Meeting (AGM) for a non-binding advisory vote by the Group's shareholders.

SECTION 3

IMPLEMENTATION REPORT

The implementation of the Remuneration Policy in the 2024 financial year was tabled at the AGM for a nonbinding advisory vote (Non-binding Ordinary Resolution Number 10) by the Group's shareholders.

Shareholder Voting On Remuneration Resolutions

At the last AGM held on 31 July 2023, we received the following votes regarding remuneration-related resolutions, as shown in the table below.

	Votes for Resolution	Votes Against Resolution
Remuneration Policy	90.66%	9.34%
Implementation Report	92.93%	7.07%
Non-executive Directors' Remuneration	99.66%	0.34%

As the above non-binding advisory votes on the Remuneration Policy and Implementation Report were passed by the requisite majorities, no further engagement with shareholders was necessitated.

Shareholders will be allowed to vote on two separate non-binding advisory resolutions at the forthcoming AGM to be held on Thursday, 30 May 2024.

1. The Remuneration Policy (Section 2 of this report).
2. The Implementation Report (Section 3 of this report).

Should either or both be voted against by more than 25% of entitled voting rights exercised by shareholders, Renergen commits to implement measures, including engagement with dissenting shareholders, to address all legitimate and reasonable objections and concerns and disclose how these objections and concerns will be addressed in next year's Remuneration Report.

Section 1 - Background Statement

Background and Context

This report highlights the material Remuneration Policy matters handled by the GETSC Committee. It summarises the Group's approach to fair, responsible, and transparent remuneration and how this promotes the Group's overall strategic outcomes.

Our strategic objectives can only be achieved with all our employees' foresight, dedication, and hard work. The GETSC Committee supports the Board by applying a remuneration strategy focused on attracting, motivating, rewarding and retaining talent through competitive remuneration practices while creating shareholder value.

The Group did not award bonuses for the year. However, we provided all permanent employees with an 8% increase and a 5% salary increase (cash component)

To ensure the Group continues leveraging its existing workforce and attracting essential resources, the GETSC Committee has been formulating ideas that could help drive the team's performance and ensure alignment with shareholders.

Employee Wellness Programme Through ICAS.

Employee wellness is critical to our success. The Group implemented the ICAS Employee Wellness Program in September 2022. ICAS is a leading global wellness service provider that promotes employees' physical and mental health.

Employees can access telephone counselling, face-to-face counselling, life management services (including legal, financial, and family care advice), managerial support, and more. The ICAS support services are available to all employees 24/7.

Exec and Senior Management Coaching Program

Executives and senior managers have actively engaged in an Executive Leadership Coherence Program, demonstrating a commitment to personal and professional development. Through tailored coaching sessions, they have honed their leadership skills, fostered collaboration, and enhanced their ability to navigate complex challenges with clarity and resilience. This investment in their growth strengthens individual capacities and fortifies our organisational culture, driving sustained success and innovation.

Destiny Umbrella Retirement Fund Implemented

The Group implemented the Destiny Umbrella Retirement Fund for all permanent employees in July 2023. GIB Financial Services manages the fund. Destiny provides employees with a choice of an investment portfolio or life stage while maintaining flexibility in the placement of risk benefits.

The fund's administration and consulting costs are deducted from the employer's contribution. Employees were given the choice to set their contributions over and above the Group's contribution of 3% of pensionable salary.

Employer Contribution	Employee Contribution (Options)
3% of Pensionable Salary	3%, 6%, 9%, 12% or 15% of Pensionable Salary

The employees were also given various investment options, where their contributions are invested according to the Destiny LifeStage Model, which is designed to cater to risk profiles relative to age.

Retirement / Withdrawal Benefit

On withdrawal before retirement, a Lump Sum of employee and employer contributions with fund growth is payable. The retirement age for the Group is 65 years.

Summary of Activities of the GETSC Committee

During the year under review, in addition to the standard governance and approval items on the GETSC Committee's (comprising the majority of INED's) annual work plan, the following matters were addressed:

The focal areas included:

- Continuously review the Key Performance Indicator (KPI) methodology.
- The remuneration benchmark report prepared by PwC Inc.
- Implementation of Employee Wellness Programme (ICAS).
- Extension of the Share Appreciate Rights (SAR).
- Implementation of Destiny Retirement plan.
- Review of the Remuneration policy.
- The Terms of Reference did not change substantially during the year under review.

Focus Areas for 2025

- Further, advance the maturity of the remuneration policy.
- Advance the maturity of the ESG strategy, reporting and goal setting.
- Review of the monitoring and evaluation arrangements relating to remuneration fairness and parity in the context of market trends and standardisation of indicators.
- Management of critical and technical skills retention programmes.
- Focus on the appropriateness and extent of ESG factors in determining remuneration and variable incentives.

Principles that Drive the Group's Policy on Fair and Responsible Remuneration

- Renergen has set its internal minimum wage threshold well above the currently proposed minimum wage threshold as legislated.
- Equal pay for work of equal value, explicitly addressing any income disparities based on gender and race discriminatory grounds as contemplated in section 6 of the Employment Equity Act, 55 of 1998.
- All permanent employees of the Group participate in some form of short-term incentive scheme in line with the achievement of their Key Performance Indicators (KPIs) and Company KPIs set at the commencement of the financial year.
- The Total Cost to Company (CTC) package is informed by market rates at the time of employment and reviewed annually, considering inflation, market data, cost of living, and retention.
- All bonuses are performance-based on KPI performance and reviewed annually. Bonuses are not guaranteed and are awarded at the complete discretion of the GETSC Committee.

Section 2 - Overview of the Remuneration Policy Applicable for FY23

Structure of Total Remuneration

- Executives and senior management employees participate in the long-term incentive – Bonus Share Plan (BSP), and the scheme is explicitly designed to reward performance.
- In addition, the BSP is awarded to a tier below senior management as a talent retention mechanism within the Group. The incentive is awarded based on KPI performance and is reviewed annually. The shares vest after three years.
- All permanent employees were awarded Share Appreciation Rights (SAR) under the rules of the Share Appreciation Rights Plan. The allocation of share options done in December 2021 is discretionary and awarded as a once-off share incentive. The SAR vests after five years following the achievement of each approved share price milestone. The SAR allocation from 2022 onward was allocated in alignment with the rules to permanent employees who impact the overall strategy of the Group only.

Remuneration Philosophy, Policy and Reward Framework

The Group's remuneration philosophy ensures that employees are rewarded appropriately for their contribution to executing the Group's strategy. The Remuneration Policy has been designed to attract, retain, and motivate diverse talent required for sustainable profit growth.

The Remuneration Policy is designed to align the Group's business strategy and all employees' contributions towards, among other things, achieving company objectives, business improvement measures, and entrenching the Group's values. This policy applies to all Group employees, and the extent of participation in short and long-term incentive schemes depends on an individual's role and level within the Group.

The Remuneration Policy and the implementation thereof are focused on achieving a fair and sustainable balance between short-, medium-- and long-term incentive schemes, benefits and salaries for all employees. The fair and responsible application of the remuneration policy is guided by the King IV™ principles relating to accountable and fair remuneration, which the Group has adopted.

Benchmarking

The GETSC Committee uses PwC to perform Executive and Non-executive Director remuneration and benchmark analysis and provide an independent report to determine appropriate and comparative remuneration levels for the Executive and Non-executive Directors.

The process involves PwC identifying an appropriate Peer Group of companies to which Renergen would be evaluated and compared. The Peer Group comprises twelve companies independently determined and selected by PwC as the best representative sample for this exercise based on their global remuneration expertise. The selection of Peer Group companies is confined to natural resources and raw manufacturing companies to ensure alignment of the nature of business activities between Renergen and the Peer Group.

The report presents a Lower, Median and Upper Quartile result for the total guaranteed package, short-term and long-term incentives comprising total remuneration. The GETSC Committee adopts the approach to align the remuneration strategy to be range-bound between the Lower Quartile and the 35th percentile, in which the Committee can make remuneration decisions.

Once Phase 1 of the Virginia Gas Project is fully operational, the GETSC Committee will consider aligning its remuneration targets with the median to ensure the Group remains competitive in its ability to attract and retain key talent to drive the Group's strategic objectives.

The Group has embarked on a Group-wide assessment of roles and responsibilities to implement an objective remuneration grading system aligned with international best practices. The evaluation has assessed each role (job description) against standard grading norms. The results will guide the Group to objectively compare the market position of salaries, benefits, and variable pay across the Group. This will assist the Group in drafting a robust plan that addresses compensation practice, the attraction of talent, and retaining critical skills within the Group.

Fair and Responsible Remuneration

Considering King IV™, the Group's Remuneration Policy addresses fair and responsible remuneration for executive management and all employees.

Our Remuneration Framework

The Group's Remuneration framework balances remuneration (financial rewards) with other nonfinancial rewards to drive and deliver a high-performance culture. The financial compensation component of the Remuneration framework comprises two elements: – Guaranteed Pay (GP) and Variable Pay (VP).

The Remuneration framework has been designed to achieve a fair and sustainable balance between annual and short- and long-term variable remuneration to promote the Group's strategic objectives and align employee expectations with the interests of our shareholders.

Employment Contracts and Notice Periods

Executive Directors have employment agreements with the Group, which may be terminated with a notice period of three months.

	Cost to Company package	Short-term incentive (Cash bonus)	Long-term incentive (BSP)	Share Appreciation Rights (SAR) Plan
Participation	All permanent employees	All permanent employees	Executives, senior management and employees identified for retention	All permanent employees (2021) Key appointees who are strategic business drivers (2022 onward)
Performance Period	Ongoing	One year	Awarded annually with a three year vesting period	5-year vesting period following the achievement of each knock-in share price milestone per tier of SAR
Mechanics	Market-related and individual performance	Formula directed	Formula-directed (shares are allocated equal to the value of the short-term incentive)	Discretionary award based on strategic input to the overall Group objectives. SAR requires a performance strike price for each performance condition and achievement of tiers 1-4 stand-alone performance conditions; where each performance condition is achieved, the award can be exercised. Subject to vesting and the rules of the plan
Method of delivery	Cash	Cash	Renergen shares	Renergen shares
Timing of delivery	Monthly. Increases effective from 1 March annually	Annually	Annually	Once-off allocation
Performance measures	Individual Key Performance Indicators (KPIs)	60% Group KPI and 40% Individual KPI achievement	60% Group and 40% Individual KPI achievement	Share price growth

Details of Remuneration Paid to INED

The fee structure is aligned with the King IV™ remuneration guidelines. Non-executive Directors receive an annual base retainer for appointment to the Board or any committee and an attendance fee (meeting fee) per meeting. The Chairman of the Board or any Committee receives a higher fee.

The appointment of Independent Non-executive Directors is initially considered and resolved by the Board, ratified by shareholders and duly approved at the AGM. Independent Non-executive Directors do not participate in STIs and LTIs in line with best governance practices. Their term of office is governed by the Group's Memorandum of Incorporation, which provides that at least one-third of the Non-executive Directors will retire by rotation but may, if eligible, offer themselves for re-election. The remuneration of the Executive Directors is reviewed by the GETSC Committee annually and approved by the Board. The shareholders further presented and voted on it at the next AGM.

The remuneration of Independent Non-executive Directors of Renergen for the past two financial years is shown on page 44. The monthly retainer and meeting attendance fees have remained unchanged.

The Board recommends that shareholders approve the implementation of the proposed fees on page 130 to align the remuneration strategy with the Executive and Non-executive remuneration benchmark report prepared by PwC Inc.

Section 3

Implementation of Remuneration Policy for the Year Ended 29 February 2024

This section of the report deals explicitly with the remuneration for the Group CEO, Executive Directors, Independent Non-executive Directors and prescribed officers.

Compliance With the Remuneration Philosophy

The GETSC Committee monitored the implementation of the remuneration policy throughout the year and believes that the Group was in material compliance with the 2024 Remuneration Policy (as set out in the 2024 IAR).

Fair and Responsible Remuneration Mix

Through the GETSC Committee, the Group is committed to fair and responsible remuneration policies. During the 2024 financial year, the CTC increase (linked to inflation, excluding promotions) for the Renergen Group was approved at 8%.

Short-Term Incentive Outcomes

Creating an STI pool for the performance measurement period is driven primarily by predetermined annual KPIs, with the business scorecard performance tilting the overall outcome.

Long-Term Incentive Outcomes

The third allocation of our LTIP, which was awarded in 2020, vested in June 2023. Employees who were awarded the shares were allowed to exercise shares accordingly.

Details of Remuneration Paid

The remuneration of the Executive Directors of Renergen for the past two financial years is shown in the following tables.

	Non-Executives					
	2024			2023		
Fees paid to Non-executive Directors:	**Directors' Board Fees**	**Committee Fees**	**Total**	**Directors' Board Fees**	**Committee Fees**	**Total**
David King	859	–	859	739	77	816
Mbali Swana	319	211	530	274	190	464
Luigi Matteucci***	319	212	531	274	200	474
Bane Maleke[1]	–	–	–	274	133	407
Thembisa Skweyiya[2]	319	89	408	–	–	–
Dumisa Hlatshwayo[2]	319	68	387	–	–	–
TOTAL	**2 135**	**580**	**2 715**	**1 561**	**600**	**2 161**

1 – Retired on 6 February 2023 *2 – Appointed on 6 February 2023 and resigned on 10 April 2024* ****Retired as from the date of the Company's 2024 AGM.*

Thembisa Skweyiya and Dumisa Hlatshwayo who were appointed as Independent Non-Executive Directors on 6 February 2023 did not earn any remuneration during the prior year.

	Executives					
	2024		2023			
Remuneration paid to Executive Directors:	**Total annual guaranteed package**	**Total**	**Total annual guaranteed package**	**Short-term cash incentive paid**	**Share incentive**	**Total**
Stefano Marani	7 366	7 366	4 666	1 213	1 213	7 092
Brian Harvey	4 155	4 155	3 779	723	723	5 225
Nick Mitchell	5 785	5 785	4 666	1 201	1 201	7 068
TOTAL	**17 306**	**17 306**	**13 111**	**3 137**	**3 137**	**19 385**

	Prescribed Officer			
	2024		2023	
Remuneration paid to Prescribed Officer:	**Total annual guaranteed package**	**Total**	**Total annual guaranteed package**	**Total**
Leonard Eiser[1]	2 646	2 646	2 238	2 238
TOTAL	**2 646**	**2 646**	**2 238**	**2 238**

1 – Appointed on 1 April 2022

The prescribed officer is a member of the Executive Committee and is part of the Group's key management.

Post-employment and termination benefits

The Group introduced a defined contribution retirement scheme in July 2023 to improve the employee value proposition. Payments made with respect to the pension scheme are provided in note 22.

Dr David King's Remuneration

Independent Non-executive Director Dr David King was issued options on 1,000,000 shares of the Company (or CDI equivalent) at the date of completion of the initial public offering (IPO) with a strike price equal to the IPO price plus a 20% premium. The options will accrue to King annually on completion of an entire year's service on each anniversary of his appointment at a rate of 250 000 shares per annum, including the fourth anniversary. The options will mature at 250 000 shares per annum on each anniversary of his appointment to the Board. Thus, the shortest option will be one year on 250 000 shares, and the most extended option will be four years on 250 000 shares. Shareholders approved this at the Annual General Meeting held on Tuesday, 19 March 2019.

External Appointments and Board Meeting Attendance of Executive Directors

Executive Directors do not draw any additional remuneration for attending Board meetings. Renergen. Executive Directors who sit on subsidiary Boards do not receive fees for serving on those committees' Boards.

Governance, Ethics, Transformation, Social and Compensation Report

The Group Governance, Ethics, Transformation, Social and Compensation Committee (GETSC) is a statutory role that assists the Board in monitoring the Group's corporate citizenship, sustainability, and ethics.

Insurance

The Audit, Risk and IT Committee (ARIC) monitor insurance coverage at Renergen and regularly reviews a summary of the range. Directors and officers benefit from liability insurance funded by the Group to cover instances where they could be held personally liable to the Group in cases of negligence, default or a breach of duty or trust.

The cover excludes liability resulting from criminal, reckless or fraudulent behaviour. The level of cover is reviewed annually to ensure that it is appropriate.

HDPE pipes for gas gathering network.

Governance, Ethics, Transformation, Social and Compensation Committee (GETSC) Report

The GETSC Committee (the Committee) is a statutory Committee that assists the board in monitoring the Group's corporate governance, ethics, transformation, and compensation. The Committee's terms of reference detail its composition, functioning, and duties under the Companies Act, the JSE Listings Requirements, and King IV™, as well as the responsibilities allocated to it by the Board. This report should be read with the corporate governance information on pages 32 and 33 of the Integrated Annual Report.

Composition

The Committee is chaired by an Independent Non-executive Director of the Board and comprised a majority of Independent Non-executive Directors throughout the period, per King IV™ recommendations, which facilitated the application of independent judgement on Committee deliberations and decisions.

The COO is a standing invitee to all Committee meetings, as are the CFO and heads of human resources, ESG, and stakeholder affairs. Other individuals with specific skills and expertise are also invited to report and assist members in their deliberations, including the information officer, head of legal, chief audit executive, and chief risk officer.

The Chairperson of the Committee shall attend the Annual General Meeting and be available to answer shareholders' questions on matters within the Committee's remit.

Meetings

The Committee shall meet as and when required, but such meetings will normally be held at least twice a year. The chairperson or any other member of the Committee may call further meetings as deemed necessary. The GETSC Committee held four meetings this year. For attendance details, please refer to our Board Meetings attendance register on page 35 of our report.

Mandate

The Committee (formed in terms of the Companies Act) is responsible for reviewing and recommending the Remuneration Policy and philosophy. It acts with the full delegated authority of the Board. It assists Directors in monitoring social, transformational, and ethical matters and legal, regulatory, and best practice disclosures. For further information about the Committee's role and responsibilities, please review our Board Committees on page 34 of the Integrated Annual Report.

Social and Ethics Function

OVERVIEW

Renergen believes in conducting its business in a responsible manner, with due regard for the potential impact thereof on the environment in which it operates at large.

The Social and Ethics functions of the Committee includes monitoring the Company's activities, having regard to any

Mixed refrigerant loading manifold.

relevant legislation, other legal requirements or prevailing codes of best practice, about matters relating to:

- Social and economic development, including the Company's standing in terms of the goals and purposes of:
  - The ten principles set out in the United Nations Global Compact Principles (UNGCP).
  - The Organisation for Economic Co-operation and Development (OECD) recommendations regarding corruption.
  - The Employment Equity Act.
  - The Broad-Based Black Economic Empowerment Act.
  - The Consumer Protection Act.
- Good corporate citizenship, including the Company's:
  - Promotion of equality, prevention of unfair discrimination, and prevention of corruption.
  - Contribution to the development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed.
  - The effectiveness of suitable management committees and/or senior executives in framing and developing appropriate, relevant, and measurable corporate social responsibility (CSR) programmes aligned with the needs of the communities in which the business operates.
  - The appropriateness of the budget allocated for community development and CSR programmes.
  - The effectiveness of policies in place to ensure that all donations and sponsorships are aligned with the Company's community development and CSR programmes.
- The environment, health and public safety, including the impact of the Company's activities and its products or services.
- Consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws.
- Labour and employment, including:
  - The Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions.
  - The Company's employment relationships and contribution toward its employees' educational development.
  - Adherence to the South African constitution and the Bill of Rights.
  - The selection of suitable (and, where possible, measurable) criteria to monitor and report the progress regarding the implementation of the above policies and programmes and facilitate the integration of the same in the Company's sustainability (ESG) report.

Reporting highlights

Shareholders are referred to the "About Renergen" section in this Integrated Annual Report, which, inter alia, addresses several social and ethical aspects of the Company as well as Renergen's Environmental, Social and Governance (ESG) Report, which provides insight into the Company's ESG journey and aspirations.

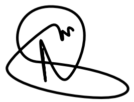
Notable social and ethical initiatives undertaken and/or results achieved by the Company include, amongst others:

- Achieving a level 4 B-BBEE level status.
- Achieving a 93,3% Environmental and Health and Safety compliance score and a 96,03% Health and Safety compliance score, with zero fatalities in the reporting period.
- The support the upliftment of the communities Renergen operates in by providing financial support for learnerships, bursaries, internships and human resource development programmes.

The GETSC Committee has fulfilled its mandate as prescribed by the Companies Regulation 43(5) to the Companies Act, and there were no instances of material non-compliance to disclose.

Terms of reference

The Committee's terms of reference were reviewed and approved by the Board. The terms of reference continue to be aligned with legislation, regulations and King IV™.



Mbali Swana
Chairman – GETSC Committee

RENERGEN

FUTURE ENERGY, TODAY

Consolidated and Separate Financial Statements for the Year Ended

2024

Contents

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Renergen Limited ("Renergen") 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 (Chief Executive Officer) Nick Mitchell (Chief Operations Officer) Brian Harvey (Chief Financial Officer) Dr David King (Non-executive Chairman) Mbali Swana Luigi Matteucci Dumisa Hlatshwayo
REGISTERED OFFICE	Sandton Gate, 25 Minerva Avenue, Glenadrienne, Sandton, 2196
AUDITOR	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 ("Companies Act").
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)

Directors' Responsibilities and Approval

The Directors of Renergen are required in terms of the Companies Act 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 (the "Company", together with its subsidiaries, the "Group"), as at 29 February 2024, including the results of the Group and Company's operations and cash flows for the year then ended. This is done in conformity with IFRS Accounting Standards ("Accounting Standards") as issued by the International Accounting Standards Board ("IASB") and interpretations as issued by the IFRS Interpretations Committee, the South African Reporting Requirements, the Listings Requirements of the JSE Limited ("JSE Listings Requirements"), the Listing Rules of the ASX ("ASX Listing Rules") and in a manner required by the Companies Act. 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 ("Board") has set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards.

The Directors are committed to ensuring that 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 and Company will continue as going concerns for the next twelve months, 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 ("LNG") and liquefied helium ("LHe") that will be produced and sold from future operations. The Directors have reviewed the Group and Company's forecasts for the next twelve months and are satisfied that the Group and Company have adequate financial resources to continue as going concerns.

The external auditor is responsible for independently auditing and reporting on the consolidated and separate financial statements. The consolidated and separate financial statements for the year ended 29 February 2024 have been audited by the Group's external auditor and the respective audit report is presented on page 54.

The consolidated and separate financial statements presented, which have been prepared on the going concern basis, and the Directors' Report on page 57 were approved by the Board on 26 April 2024 and are signed on its behalf by:

Stefano Marani
Chief Executive Officer

Luigi Matteucci
Chairman: Audit, Risk and IT Committee

Chief Executive Officer and Chief Financial Officer Responsibility Statement

In terms of paragraph 3.84(k) of the JSE Listings Requirements, each of the Directors, whose names are stated below, hereby confirm that:

a. The financial statements set out on pages 62 to 123, fairly present in all material respects the financial position, financial performance and cash flows of Renergen in terms of IFRS Accounting Standards;

b. To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the financial statements false or misleading;

c. Internal financial controls have been put in place to ensure that material information relating to Renergen and its consolidated subsidiaries has been provided to effectively prepare the financial statements of Renergen;

d. The internal financial controls are adequate and effective and can be relied upon in compiling the 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 auditor 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, 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 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.
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 auditor has direct access to the Audit Committee, including closed sessions without Management on matters that they regard as relevant to the fulfilment of the Audit Committee's responsibilities.

Four Audit Committee meetings were held during the year under review, aligned with the key reporting and regulatory timelines. 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 and recommended the approval of the Group's annual, interim and quarterly reporting.
- Monitored the Group's key accounting matters.
- Monitored the external audit process – independence of the external auditor, audit quality and the provision of non-audit services, and recommended the re-appointment of BDO South Africa Incorporated ("BDO").
- Assessed the liquidity position of the Group as well as the underlying going concern and capital adequacy assumptions.

Audit, Risk and IT Committee Report

- Monitored investment and funding activities in the Group relating to the Virginia Gas Project ("VGP") (including funding raising initiatives, loan covenants and capital commitments).
- Reviewed the adequacy of insurance cover applicable to the Group.
- Reviewed the financial performance and financial position of the Group.
- Reviewed and assessed financial plans of the Group.
- Reviewed the delegation of authority and governance structure of the Group.
- Monitored the Group's risk management processes, risks and risk mitigation plans.
- Assessed the adequacy of the Group's systems of internal controls.
- Monitored and assessed the adequacy of IT governance and applicable IT risk management practices within the Group (including practices relating to cyber security risks).
- Assessed the performance of the Chief Financial Officer and finance function.
- Monitored compliance with laws and regulations and reporting from the Group's whistleblowing hotline (no incidents reported).
- Reviewed correspondence and reports from the JSE and ASX, including proactive monitoring reports.
- Monitored Directors' interests in contracts.
- 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 conducted in March 2024 concluded that the Audit Committee operates effectively and successfully discharged its responsibilities and duties in line with its approved terms of reference and the requirements of the Companies Act.

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.

Back to Table of Contents

Audit, Risk and IT Committee Report

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 auditor, and to provide reasonable assurance against the possibility of material financial loss or internal control failures.

The Audit Committee is satisfied that Renergen 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 exist and are effective in enabling an effective internal control environment and supporting the integrity of internal and external reports as contemplated in paragraph 3.84(g)(ii) of the JSE Listings Requirements.

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 auditor 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 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 financial position of the Group, including budgets, cash forecasts, management accounts, project expenditure reports, and 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 SENS 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 2023 which were issued on the JSE SENS and ASX on 31 October 2023 following approval by the Board, in line with Renergen'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 29 February 2024 and further discussed these with the external auditor and Management. The Committee also reviewed the following key and significant accounting matters:

MATTER	RESPONSE OF THE COMMITTEE
Going concern	Management performs annual assessments 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 and Company. Management presented its most recent assessments 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 (see notes 36 and 27 in the consolidated and separate financial statements, respectively).
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.
Environmental rehabilitation provision	The Committee satisfactorily reviewed the determination of the Group's liability with respect to its obligation to rehabilitate land impacted by its operations.

The Audit Committee is satisfied that the consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards, the South African Financial Reporting Requirements, the JSE Listings Requirements 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 29 February 2024. 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 on the respective financial statements, which is included on page 54. The Board approved the consolidated and separate financial statements on 26 April 2024.

Audit, Risk and IT Committee Report

EXTERNAL AUDIT

The Audit Committee is responsible for oversight of the external auditor of the Group and for recommending the appointment and compensation of the auditor. BDO is the external auditor of the Group, with the designated audit partner being Jacques Barradas. The committee is satisfied with the independence of BDO as required by the Companies Act, and that it has complied with the Companies Act, the JSE Listings Requirements and all other applicable legal and regulatory requirements. The independence of BDO was assessed on an ongoing basis and the external auditor provided assurance to support its claim to independence. In line with paragraph 3.84(g)(ii) of the JSE Listings Requirements, the Audit Committee is also satisfied that the quality of the external audit carried out by BDO was satisfactory and the external auditor has confirmed their responsibilities pursuant to paragraph 22.15(h) of the JSE Listings Requirements. The Audit Committee considered the information set out in paragraph 3.84(g)(ii) of the JSE Listings Requirements in its assessment of the suitability of the re-appointment of BDO.

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

BDO became auditors of the Group for the first time for the year ended 28 February 2023. As such 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 (Mazars).

Prior to the commencement of the statutory audit for the financial year ended 29 February 2024, 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 re-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 2025, for consideration by shareholders at the next AGM.

The approved Group audit fee for the year under review is R1.61 million (2023: R1.52 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 did not provide non-audit services during the year under review (2023: R0.01 million relating to the verification of DFC debt covenants).

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 29 February 2024 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.

The Audit Committee is assisted by the Risk Steering Committee in overseeing risks facing the Group and receives regular reports from this committee regarding strategic, operational, health and safety, financial and other risks.

INFORMATION AND TECHNOLOGY GOVERNANCE

The Audit Committee is responsible for IT governance on behalf of the Board and receives regular reports from the IT 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 IT security risks, including cyber and physical safeguarding risks, and received regular updates in this regard.
- Reviewed and recommended the approval of the Group's IT policy.
- Oversaw the resourcing of the IT function across the Group.

Audit, Risk and IT Committee Report

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.

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 29 February 2024. The Committee is satisfied that the necessary adjustments and improvements to the consolidated financial statements have been made.

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 that the hotline is continuously enabled and monitored to facilitate the reporting of incidents by employees and external parties.

GOING CONCERN

Refer to notes 36 and 27 of the consolidated and separate financial statements, respectively.

KEY FOCUS AREAS FOR THE YEAR AHEAD

- Overseeing the completion of Phase 1 of the VGP.
- Overseeing planning and funding initiatives for Phase 2 of the Virginia Gas Project.
- Overseeing Renergen's proposed initial listing on Nasdaq in the United States of America.
- Overseeing risks faced by the Group and assessing the adequacy of risk mitigation measures in place.

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 29 February 2024.

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, that for the 12-month period ended 29 February 2024, 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 Companies Act and that all such returns are true, correct and up to date.

Acorim

Acorim Proprietary Limited
Company Secretary

Independent Auditor's Report

To the Shareholders of

Renergen Limited

OPINION

We have audited the consolidated and separate financial statements of Renergen Limited (the group and company) set out on pages 62 to 123, which comprise the consolidated and separate statements of financial position as at 29 February 2024, 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 material accounting policy information.

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 29 February 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 notes 36 and 27 to the consolidated and separate financial statements respectively, which indicate that the regulatory and other approvals highlighted, and the completion of the funding Initiatives highlighted during the period ending 30 April 2025, represent material uncertainties that may cast significant doubt on the group's and company's ability to continue as going concerns 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.

BDO South Africa Incorporated
Registration number: 1995/002310/21
Practice number: 905526
VAT number: 4910148685

Chief Executive Officer: LD Mokoena

A full list of all company directors is available on www.bdo.co.za

The company's principal place of business is at The Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO

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.

We have determined that there are no key audit matters in respect of the separate financial statements to communicate in our report.

Key audit matter	How our audit addressed the key audit matter
Consolidated financial statements: **Capitalisation of cost to Assets under Construction.** At 29 February 2024, the Group has assets under construction ("AUC"). This relates to the Virginia Gas Plant ("VGP") which was recognised at a carrying value of R1 284 million as at 29 February 2024 (2023: R 1 342 million). 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. 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.	In considering the appropriateness of management's judgement applied in the capitalisation of costs to the VGP, we performed the following audit procedures: • Evaluated the design and implementation of relevant controls such as authorisation matrix for assets acquired and monitoring reviews around the cost capitalisation determination as well as monthly sign off on additional assets by the 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 *Borrowing Costs*; 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 validity of the cost capitalised against the requirements of IAS 16 *Property, Plant and Equipment*; As part of our audit, we also considered the adequacy of the group's disclosures in notes 1.3, 1.15 and note 3 to the consolidated financial statements against the requirements of IFRS Accounting Standards.

BDO

Key audit matter	How our audit addressed the key audit matter
Consolidated financial statements: Environmental rehabilitation provision. The group's environmental rehabilitation provision is recognised at a carrying value of R40 452 million as at 29 February 2024 and relevant disclosure is contained in accounting policy note 1.10 and note 17 (Provisions) to the consolidated financial statements. Significant judgement and estimation are required by management in determining the rehabilitation timing and underlying cost estimates for rehabilitation. Management's annual assessment includes assumptions regarding inflation and discount rates, as well as the scope of work required to rehabilitate the mine and surrounding areas in line with current legislation. Management makes use of several inputs to assess the appropriateness of their estimates, including inflation rates, discount rates, timing and value of cash flows used as the basis for their calculation. 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.	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: • 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; • We tested the mathematical accuracy of the model; • Making use of our own environmental expertise, we evaluated the results of the group's undiscounted estimated environmental costs, detailed in the independent environmental expert's report. This was performed by: ○ evaluating the objectivity, knowledge, skills and ability of management's environmental expert by obtaining an understanding of their professional qualifications, experience and affiliations and scope of work; ○ evaluating the sites and performing inspections and assessing the planned method of rehabilitation estimation that was determined. This was performed by: - assessing compliance with the environmental management plans as approved by the Department of Mineral Resources and Energy, where applicable; - assessing whether it is aligned with current industry practices; • We assessed 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 assessed key assumptions in the environmental provision models by evaluating 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. • We performed sensitivity analyses on the key assumptions of inflation rates and discount rate and their impact on the provision calculation. We also assessed the adequacy of the group's disclosures in this regard against the requirements of IFRS Accounting Standards.

BDO

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Renergen Limited Annual Financial Statements for the year ended 29 February 2024, which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report and the 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 IFRS Accounting Standards as issued by the International Accounting Standards Board 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.

BDO

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

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

BDO SOUTH AFRICA INCORPORATED
Registered Auditors

BDO South Africa Inc.

Jacques Barradas

Director
Registered Auditor

7 May 2024

Wanderers Office Park,
52 Corlett Drive, Illovo, 2196

Directors' Report

Directors' Report

The Directors hereby submit their report on the consolidated and separate financial statements of Renergen for the year ended 29 February 2024.

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 basis of preparation of the consolidated and separate financial statements is provided on pages 65 and 102 of the financial statements presented.

Overview

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

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

Key developments during FY2024 are summarised below:

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

Operations review

VGP

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

Phase 1

LNG

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

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

Helium

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

Directors' Report

Phase 2

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

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

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

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

Finance review

Fund raising

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

The Company's other equity transactions raised a further R32.6 million as outlined in note 11 of the financial statements.

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

The construction of Phase 2 is expected to cost US$1.2 billion. In addition to the equity proceeds available from the MGE Transaction, US$795.0 million of debt financing has been secured from the DFC and SBSA which have approved debt amounting US$535.0 million and US$260.0 million respectively, which includes US$45.0 million for the refinancing of the existing Phase 1 debt package subject to the fulfilment of standard conditions precedent – mainly the completion of an equity capital raise, which may include the Nasdaq IPO, and other conditions that are standard for loans of this nature and similar to those that were in place for Phase 1 funding. The Nasdaq IPO is expected to occur in two tranches which should lead to significantly reduced dilution over time. In order to mitigate risk from an execution perspective, the first placement will be sufficient to see the Group bring a 30 million standard cubic feet plant into operation. A plant of this size is sufficient to cover all debt payments while still producing healthy profits. The second placement which is not expected to occur within the first 12 months of the first placement, will see the plant expanded to a 45 million standard cubic feet capacity.

Financial performance

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

Gross profit contribution

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

Other operating and interest expenses

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

- Accounting Standards permit the capitalisation of costs, including interest costs (see interest expense section below) and exchange differences, directly attributable to the acquisition or construction of a qualifying asset. As reflected in our past reporting, prior to the commissioning of Phase 1 of the VGP, the Group capitalised within assets under construction qualifying employee costs, interest costs, exchange differences and security costs, amongst other costs. Capitalisation of costs attributable to the construction of Phase 1 ceased when the plant was commissioned in September 2022 and the referred costs are now recorded within operating expenses. For clarity, the Group will continue to capitalise qualifying costs directly attributable to segments of the plant that are still under construction including in the near-term qualifying costs associated with the construction of Phase 2. The change in accounting outlined in this paragraph had the following impact on key operating expenses:
  - Employees costs increased by R22.9 million to R25.7 million (2023: R2.8 million);
  - Security costs increased by R7.2 million to R7.5 million (2023: R0.3 million); and
  - A net foreign exchange loss of R14.7 million was recognised primarily on the DFC loans (2023: net foreign exchange gain of R9.6 million included under other operating income).
- As previously mentioned, the Group commenced the depreciation of plant and equipment and motor vehicles which were brought into use from July 2023 which significantly increased the depreciation and amortisation expense by R15.4 million to R18.4 million (2023: R3.0 million). The repairs and maintenance which were undertaken during the second half of the year to repair the primary mixed refrigerant compressors also resulted in an increase in repairs and maintenance costs by R16.6 million to R17.0 million (2023: R0.4 million).

Back to Table of Contents

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

Interest expenses

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

Share-based payments expense

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

Interest income

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

Deferred taxation credit

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

Financial position

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

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

Directors' Report

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

Increases in the above assets were offset by:

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

Outlook

The coming months are especially important in our evolution into a significant LNG and LHe player in local and international markets. Key focus areas during FY2025 will include:

- ramping up our LNG operations and commencing LHe production;
- completing the Nasdaq IPO and raising funds from the first placement;
- advancing the pre-development of Phase 2 of the VGP; and
- Reaching financial close on Phase 2 of the VGP.

3. STATED CAPITAL

The Company increased its number of shares issued to 147 528 660 from 144 748 378 shares issued in the prior year. Note 11 of the audited consolidated 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 (2023: Rnil).

1– R90.7 was capitalised to PPE and R15.4 million is included in the interest expense in the statement of profit or loss and other comprehensive loss.
2–R16.5 million was capitalised to PPE and R13.5 million is included in the foreign exchange loss of R14.7 million included in operating expenses.

Directors' Report

5. DIRECTORATE

The Directors in office as at the date of this report and during the year under review are as follows:

DIRECTOR	DESIGNATION	OFFICE	APPOINTMENT DATE	RESIGNATION DATE
Stefano Marani	Executive	CEO	20 November 2014	
Nick Mitchell	Executive	COO	25 November 2015	
Brian Harvey	Executive	CFO	1 May 2021	
Dr 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	10 April 2024
Dumisa Hlatshwayo	Independent Non-executive Director		6 February 2023	

On 11 April 2024, Renergen announced that Luigi Matteucci will retire from his role as director with effect from the date of the Company's next annual general meeting scheduled for 30 May 2024. There were no other changes to directors for the year under review and up until the date of this report.

6. DIRECTORS' AND PRESCRIBED OFFICERS' INTERESTS IN SHARES

Directors' and prescribed officers' interests in shares of the Company as at 29 February 2024 were as follows:

EXECUTIVE DIRECTORS

	2024			2023		
	Direct '000	Indirect '000	Total '000	Direct '000	Indirect '000	Total '000
Stefano Marani	297	8 714	9 011	259	8 714	8 973
Nick Mitchell	38	8 600	8 638	–	8 600	8 600
TOTAL	335	17 314	17 649	259	17 314	17 573

NON-EXECUTIVE DIRECTORS

	2024			2023		
	Direct '000	Indirect '000	Total '000	Direct '000	Indirect '000	Total '000
Dr David King	5	148	153	5	148	153
TOTAL	5	148	153	5	148	153

PRESCRIBED OFFICERS

	2024			2023		
	Direct '000	Indirect '000	Total '000	Direct '000	Indirect '000	Total '000
Leonard Eiser	17	–	17	17	–	17
TOTAL	17	–	17	17	–	17

7. DIRECTORS' AND OFFICERS' INTERESTS IN CONTRACTS

Transactions with Directors are entered into in the normal course of business under terms that are not more favourable than those arranged with third parties. Executive Directors are entitled to Renergen ordinary share awards, the details of which are included in note 12. 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 wholly owned subsidiaries are Cryovation Proprietary Limited ("Cryovation") and Renergen US ("Renergen US"). On 27 February 2024, MGE acquired a 5.5% interest in Tetra4 for R550.0 million, resulting in Renergen retaining a 94.5% interest in the subsidiary (2023: 100%).

The interest of the Company in the net losses of Tetra4, Cryovation and Renergen US is as follows:

	2024 R'000	2023 R'000
Tetra4	(70 965)	(1 040)
Cryovation	(1 092)	(172)
Renergen US	(1 652)	–
TOTAL	(73 709)	(1 212)

9. BORROWING FACILITIES AND POWERS

The Group's borrowing facilities are disclosed in note 14 of the audited consolidated 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 forthcoming 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 AGM to then be held in 2025.

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 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 54 of the financial statements.

12. LITIGATION UPDATE

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

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

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

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

On or about December 2021, Tetra4 initiated motion proceedings in the High Court of South Africa to seek clarification on the jurisdiction of NERSA regarding certain operational activities. Tetra4 contends that these activities fall under the regulatory purview of the Production Right granted in accordance with the Mineral and Petroleum Resources Development Act 28 of 2002. The sought-after order aims to resolve the ambiguity and potential contradictions arising from disparate sets of legislation affecting Tetra4. Notably, Tetra4 already holds all necessary licenses, and this action seeks legal clarity on the regulatory framework governing upstream versus downstream operations. The matter is now poised for adjudication, and proceedings will advance through the legal process accordingly.

13. EVENTS AFTER THE REPORTING PERIOD

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

14. GOING CONCERN

Refer to notes 36 and 27 of the consolidated and separate financial statements, respectively.

15. AUDITORS

BDO's business address is Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg, South Africa, 2196.

Consolidated Statement of Financial Position

Figures in Rand Thousands

	Notes	2024	2023
ASSETS			
NON-CURRENT ASSETS		**2 110 001**	**1 729 356**
Property, plant and equipment[1]	3	1 877 132	1 371 748
Intangible assets	4	82 212	241 842
Deferred taxation	6	90 435	53 236
Restricted cash	7	17 243	14 435
Finance lease receivables	8	42 979	48 095
CURRENT ASSETS		**599 126**	**171 525**
Inventory		2 073	147
Restricted cash	7	87 300	77 552
Finance lease receivables	8	5 969	6 464
Trade and other receivables	9	32 709	31 657
Cash and cash equivalents	10	471 075	55 705
TOTAL ASSETS		**2 709 127**	**1 900 881**
EQUITY AND LIABILITIES			
Stated capital	11	1 170 059	1 134 750
Share-based payments reserve	12	26 445	21 099
Other reserves	26	628	598
Accumulated profit/(loss)		46 515	(316 243)
Equity attributable to equity holders of Renergen		**1 243 647**	**840 204**
Non-controlling interest	13.2	77 456	–
TOTAL EQUITY		**1 321 103**	**840 204**
LIABILITIES			
Non-Current Liabilities		**816 467**	**860 323**
Borrowings	14	748 659	806 558
Lease liabilities	15	11 613	1 108
Deferred revenue	16	15 743	15 093
Provisions	17	40 452	37 564
Current Liabilities		**571 557**	**200 354**
Borrowings	14	487 470	104 457
Trade and other payables	18	82 272	92 313
Lease liabilities	15	1 815	1 184
Provisions	17	–	2 400
TOTAL LIABILITIES		**1 388 024**	**1 060 677**
TOTAL EQUITY AND LIABILITIES		**2 709 127**	**1 900 881**

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

Consolidated Statement of Changes in Equity

Figures in Rand Thousands

	Stated capital	Share-based payments reserve	Revaluation reserve	Foreign currency translation reserve	Accumulated profit/(loss)	Total equity attributable to equity holders of Renergen	Non-controlling interest ("NCI")	Total equity
Balance at 28 February 2022	**563 878**	**11 354**	**598**	**–**	**(289 518)**	**286 312**	**–**	**286 312**
Loss for the year	–	–	–	–	(26 725)	(26 725)	–	(26 725)
Total comprehensive loss for the year	–	–	–	–	(26 725)	(26 725)	–	(26 725)
Issue of shares (note 11)	574 447	(533)	–	–	–	573 914	–	573 914
Share issue costs (note 11)	(3 575)	–	–	–	–	(3 575)	–	(3 575)
Share-based payments expense (note 12)	–	10 278	–	–	–	10 278	–	10 278
Balance at 28 February 2023	**1 134 750**	**21 099**	**598**	**–**	**(316 243)**	**840 204**	**–**	**840 204**
Loss for the year	–	–	–	–	(110 273)	(110 273)	481	(109 792)
Other comprehensive income for the year	–	–	104	(74)	–	30	6	36
Total comprehensive loss for the year	–	–	104	(74)	(110 273)	(110 243)	487	(109 756)
Sale of interest in Tetra4 (note 13.2)	–	–	–	–	473 031	473 031	76 969	550 000
Issue of shares (note 11)	35 309	(2 728)	–	–	–	32 581	–	32 581
Share-based payments expense (note 12)	–	8 074	–	–	–	8 074	–	8 074
Balance at 29 February 2024	**1 170 059**	**26 445**	**702**	**(74)**	**46 515**	**1 243 647**	**77 456**	**1 321 103**
Notes	11	12	26.1	26.2			13.2	

Consolidated Statement of Profit or Loss and Other Comprehensive Loss

Figures in Rand Thousands

	Notes	2024	2023
Revenue	19	28 952	12 687
Cost of sales	20	(18 885)	(8 684)
Gross profit		**10 067**	**4 003**
Other operating income	21	9 778	13 630
Share-based payments expense	12	(8 074)	(10 278)
Other operating expenses	22	(146 868)	(42 879)
Operating loss		**(135 097)**	**(35 524)**
Interest income	23	10 853	3 675
Interest expense and imputed interest	24	(22 747)	(4 583)
Loss before taxation		**(146 991)**	**(36 432)**
Taxation	25	37 199	9 707
LOSS FOR THE YEAR		**(109 792)**	**(26 725)**

Other comprehensive income:			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operation		(74)	–
Items that may not be reclassified to profit or loss in subsequent periods:			
Revaluation of properties		110	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**36**	**–**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(109 756)**	**(26 725)**

Loss attributable to:			
Owners of Renergen		(110 273)	(26 725)
Non-controlling interest		481	–
LOSS FOR THE YEAR		**(109 792)**	**(26 725)**

Total comprehensive loss attributable to:			
Owners of Renergen		(110 243)	(26 725)
Non-controlling interest		487	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(109 756)**	**(26 725)**

Loss per ordinary share			
Basic and diluted loss per share (cents)	33	(75.10)	(19.86)

Consolidated Statement of Cash Flows

Figures in Rand Thousands

	Notes	2024	2023
Cash flows used in operating activities		**(53 847)**	**(70 596)**
Cash used in operations	27	(64 700)	(72 903)
Interest received	23	10 853	2 307
Tax paid		–	–

Cash flows used in investing activities		**(303 740)**	**(440 781)**
Investment in property, plant and equipment	3	(221 874)	(352 448)
Disposal of property, plant and equipment		–	55
Investment in intangible assets	4	(81 866)	(88 388)

Cash flows from financing activities		**773 717**	**470 925**
Ordinary shares issued for cash	11	32 581	573 914
Share issue costs	11	(2 208)	(1 367)
Proceeds from part-disposal of interest in Tetra4	13.2	550 000	–
Repayment of borrowings – capital	28	(105 245)	(56 114)
Repayment of interest on borrowings	28	(69 999)	(43 072)
Interest paid on leasing and other arrangements	24	(3 683)	(308)
Proceeds from borrowings	28	373 972	–
Payment of lease liabilities – capital	15	(1 701)	(2 128)

TOTAL CASH MOVEMENT FOR THE YEAR		**416 130**	**(40 452)**
Cash and cash equivalents at the beginning of the year	10	55 705	95 088
Effects of exchange rate changes on cash and cash equivalents		(760)	1 069
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**10**	**471 075**	**55 705**

1. BASIS OF PREPARATION

Renergen 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 139 of the consolidated 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 5.

The consolidated financial statements for the year ended 29 February 2024 have been prepared in accordance with IFRS Accounting Standards, the South African Financial Reporting Requirements, the JSE Listings Requirements and in a manner required by the Companies Act. The accounting policies applied in the preparation of these consolidated financial statements 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 29 February 2024. Note 2 discloses the impact of new standards, interpretations and amendments to published standards on the consolidated financial statements of the Group.

These consolidated 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 financial statements 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 36 for further disclosures on going concern matters.

1.1 CONSOLIDATION

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries which are controlled by the Company.

Consolidation of subsidiaries

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

Changes in ownership interest without a loss of control

An increase or decrease in the Company's ownership interest that does not result in a loss of control of a subsidiary is accounted for as an equity transaction. The carrying amounts of the controlling and NCI are adjusted to reflect changes in their relative interests in the subsidiary. The Company recognises directly in equity the difference between the amount by which the NCI are adjusted and the fair value of the consideration paid or received, and attributes this difference to the owners of the Company (the controlling interest). No changes in the subsidiary's assets or liabilities are recognised in a transaction in which the Company increases or decreases its ownership interest in a subsidiary that it already controls. Similarly, no gain or loss is recognised in such transactions.

Material Accounting Policies

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 36)

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 6)

After determining that 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.

Determination of a lease term (notes 1.9 and 8)

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). Management has applied judgement to conclude lesees will not exercise the purchase option (available after 18 months from lease commencement date) or the lease extension option (five years) applicable to the leases disclosed in note 8. 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 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.

Back to Table of Contents

ESTIMATES AND ASSUMPTIONS

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, 1.4 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 17)

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.

Material Accounting Policies

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 6 and 25)

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 32)

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.

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.

Material Accounting Policies

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 or loss 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	4 – 6 years
Right-of-use – head office building	Straight line	5.75 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 (or Loss) and accumulated in the revaluation reserve in the Statement of Changes in Equity. The reserve balance will be transferred to the accumulated loss upon disposal of the land.

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

1.4 INTANGIBLE ASSETS

Intangible assets are 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.

The amortisation period and the amortisation method for intangible assets is as follows and are reviewed annually.

ITEM	AMORTISATION METHOD
Exploration and development costs	Units of production

Amortisation of exploration and development costs will commence upon the start of production at which point they are transferred to PPE as development assets.

The impairment tests are performed as set out in note 1.5.

1.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

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 or loss.

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 a 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.

Back to Table of Contents

Material Accounting Policies

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 29 February 2024 and 28 February 2023, the Group did not have financial assets at fair value through profit or loss ("FVTPL") or at fair value through other comprehensive income ("FVOCI").

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 9), restricted cash (note 7) and cash and cash equivalents (note 10) in the consolidated statement of financial position.

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 statement of financial position and the consolidated statement 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 14). This cash is not treated as cash and cash equivalents.

Impairment of financial assets

Trade receivables and finance lease receivables

The directors of the Company estimate the loss allowance on trade receivables and 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. The expected loss rates are based on the payment profile for sales over the past 12 months as well as the corresponding historical credit losses during that period. The historical rates are then adjusted to reflect current and forwarding looking factors affecting the customer's ability to settle the amount outstanding. These factors are determined based on regular meetings held with customers which provide insights into their financial position and expected future operational performance. 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.

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 allowance, and if the associated allowance is not sufficient, the remaining trade receivable or finance lease receivable is written off in profit or loss within other operating expenses.

The Group provides 30 day credit terms to debtors and lessees. The Group monitors increases in credit risk associated with trade receivables and lease receivables by regularly reviewing the payment profile of each debtor and taking into account information acquired from regular engagement with customers. Payments by customers after 30 days but before 90 days signify an increase in credit risk however customers are not considered to be in default by the Group given the nature of its operations. Trade receivables and lease receivables are considered to be in default when they are 90 days past due, or if any other event has occurred that represents a serious threat to the going-concern basis of the debtor.

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, including but not limited to financial difficulty or default of payment. The Group will write off a financial asset when there is no reasonable expectation of recovering it after considering whether all means to recovery the asset have been exhausted, or the counterparty has been liquidated and the Group has assessed that no recovery is possible.

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

Impairment allowances for cash and cash equivalents, restricted cash and other receivables are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the allowance 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 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.

Material Accounting Policies

The Group's other receivables mainly comprise value added taxes and prepayments (insurance). An increase in credit risk associated with these assets is determined by assessing the third party's payment profile (in this case refunds received from the revenue authority over a period of time taking into account latest credit ratings) or the ability of the third party to provide services procured (usually reflected in a change in credit rating of the relevant insurer). 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 has determined that this period is reasonable given the past payment / service delivery history of the third parties concerned.

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 at amortised cost. At 29 February2024 and 28 February 2023, the Group did not have financial liabilities at fair value through profit or loss ("FVTPL") or derivative financial instruments.

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 14) and trade and other payables (note 18).

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 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 was measured at grant date and spread over the period that the option holder was unconditionally entitled to the options, except when the service was completed at grant date in which case the expense was recognised immediately in profit or loss. The fair value of the options granted was 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 was 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 occurred annually after each year of completed service (over a four-year period). These were 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. For participants to be able to exercise their options, the share price 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 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.

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.

Material Accounting Policies

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 loss or equity if they relate to items that are credited or charged, in the same or a different period, to other comprehensive income or loss or equity.

1.9 LEASES

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 the Group's net investment in the leases. At lease commencement date the Group 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.

Back to Table of Contents

Material Accounting Policies

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.

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 7).

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 Liquefied Natural Gas (LNG) to three 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 signed for the delivery (proof of delivery).

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 or receivable is allocated to the products based on their selling price per 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 all sales of LNG. All sales of LNG during the exploration phase are accounted for as revenue. The Group's customers are afforded 30-day terms for sales of 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 16).

A refund is provided to the customer if the LNG delivered is not in line with the agreed specifications. The Group will be responsible for decanting and refilling 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 LNG.

In the prior year the Group also sold Compressed Natural Gas (“CNG”) to one customer. Sales of CNG ceased in September 2022 in line with the Group's stated focus on its LNG and liquefied helium (“LHe”) operations. Revenue from sales of CNG was recognised on a similar basis as that applied for revenue arising from sales of LNG (at a point in time once the customer signed the proof of delivery).

Material Accounting Policies

1.12 COST OF SALES

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

1.13 TRANSLATION OF FOREIGN CURRENCIES

Functional and presentation currency

Items included in the consolidated financial statements for each of the Group entities are measured using the functional currency. The consolidated financial statements are presented in South African Rand which is the functional and presentation currency of the Company.

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 5.

The Group's operating segments and the business activities under each segment are disclosed in note 5.

Tetra4

Tetra4 explores for, produces and sells LNG to the South African market. It also explores for and will soon commence producing helium gas. In the prior year, Tetra4 also sold compressed natural gas and these operations ceased in September 2022 due to a focus on the LNG and helium operations of the Group.

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 7), 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 of the Virginia Gas Project. All the borrowing costs that would have otherwise been avoided had the construction not taken place are capitalised.

Exchange differences relating to the DFC loan are treated as borrowing costs to the extent that they are an adjustment to interest costs, 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 presents repayments of interest on borrowings within financing activities in the statement of cash flows.

Material Accounting Policies

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.

Deferred Tax related to Assets and Liabilities arising from a single transaction – Amendments to IAS 12

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.

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

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

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.

The annual financial statements of the Group have been updated to exclude accounting policies that are not material.

Definition of Accounting Estimates (Amendments to IAS 8)

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.

The adoption of these amendments did not have a material impact on the accounting estimates recorded by the Group.

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 1 March 2024 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, amendments and interpretations and will adopt the applicable standards on 1 March of each year that the standards, amendments and interpretations become effective.

Classification of Liabilities as Current of Non-Current – Amendments to IAS 1 (adoption date 1 March 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.

Lack of exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (adoption date 1 March 2025)

The amendment specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

3. PROPERTY, PLANT AND EQUIPMENT

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

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

	2024							
	At 1 March 2023	Revaluation	Derecognition[1]	Environmental rehabilitation costs[2]	Transfers[3]	Additions	Depreciation	At 29 February 2024
Assets under construction	1 342 450		–	(3 055)	(322 062)	267 128	–	1 284 461
Development asset[4]	–		–	–	238 962	–	(997)	237 965
Right-of-use asset – head office building	–		–	–	–	12 684	(1 101)	11 583
Land – at revalued amount	3 473	127	–	–	–	–	–	3 600
Plant and machinery	9 660		–	–	315 052	–	(10 942)	313 770
Furniture and fixtures	394		–	–	–	342	(136)	600
Motor vehicles	8 451		–	–	7 010	–	(2 695)	12 766
Office equipment	108		–	–	–	44	(27)	125
IT equipment	376		–	–	–	–	(214)	162
Right-of-use assets – motor vehicles	3 115		(915)	–	–	984	(988)	2 196
Office building	1 383		–	–	–	–	(206)	1 177
LEASEHOLD IMPROVEMENTS								
Office equipment	2		–	–	–	–	(2)	–
Furniture and fixtures	2 336		–	–	–	7 257	(866)	8 727
TOTAL	**1 371 748**	**127**	**(915)**	**(3 055)**	**238 962**	**288 439**	**(18 174)**	**1 877 132**

1 – The Group derecognised a leased motor vehicle with a book value of R0.9 million which was stolen during the year. The loss on derecognition of this leasing arrangement is reconciled in note 15.

2 – The reversal of rehabilitation costs as outlined in note 17.

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

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

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

	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 8).*

2 – *Rehabilitation costs as outlined in note 17.*

3 – *The lease for the head office building expired in June 2022 and the Group was on a short-term lease for office space as at 28 February 2023.*

During the 2023 financial year the Group disposed of a motor vehicle with a Rnil book value for R55 000.

Pledge of assets

Tetra4 concluded finance agreements with the DFC on 20 August 2019 and the IDC on 17 December 2021 (see note 14). All assets under construction and the land are held as security for the debt under these agreements. Pledged assets under construction and land have a carrying amount of R1.3 billion as at 29 February 2024 (2023: R1.3 billion), representing 100% (2023: 100%) of each of these asset categories.

Additions

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

The Group's capitalisation policy for borrowing costs is provided in note 1.15 and borrowings are disclosed in note 14. Borrowing costs amounting to R107.3 million (2023: R183.1 million) were capitalised to assets under construction representing 79% (2023: 98%) of borrowing costs incurred during the year.

Notes to the Consolidated 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:

	2024	2023
Additions as shown above	288 439	610 667
Capitalised interest attributable to the DFC loan (note 28)	(32 927)	(38 846)
Unrealised foreign exchange losses attributable to the DFC loan (note 28)	(16 548)	(120 290)
Capitalised interest attributable to the IDC loan (note 28)	(23 398)	(23 950)
Capitalised interest attributable to the SBSA bridge loan (note 28)	(30 798)	–
Capitalised interest attributable to the AIRSOL debentures (note 28)	(3 648)	–
Net movement in accruals attributable to assets under construction (note 18)	54 422	(74 057)
Non-cash additions to right-of-use assets	(13 668)	(1 076)
Additions as reflected in the cash flow statement	**221 874**	**352 448**

Capital commitments

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

Revalued property

On 6 February 2024 the Group revalued its land on two farm properties in the Free State by R0.13 million (R0.11 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 26.1).

The significant unobservable input is the average price per hectare which was R8 810 at 6 February 2024. 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/(decrease) in the average price per hectare would result in an increase/(decrease) in the fair value of the land by R0.4 million. The total land size is 408.5897 hectares. Prior to the revaluation done on 6 February 2024, the last valuation of the land was undertaken in February 2020. In the prior financial year, management determined that the effect of changes in fair values between the last valuation date (28 February 2020) and 28 February 2023 was 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:

	2024	2023
	R'000	R'000
Cost	2 777	2 777
Net book value	**2 777**	**2 777**

Land is not depreciated.

Leased assets

On 1 September 2023, Renergen concluded an agreement to lease the head office from its landlord under a 5.75 year lease. The lease will terminate on 31 May 2029. The lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

The lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. The Group is prohibited from selling or pledging the underlying leased assets as security. The corresponding lease liabilities disclosures for the right-of-use assets are provided in note 15.

4. INTANGIBLE ASSETS

	2024			2023		
	Cost	Accumulated amortisation	Net book value	Cost	Accumulated amortisation	Net book value
ACQUIRED INTANGIBLE ASSETS						
Exploration and development costs	56 031	(32)	55 999	217 459	(32)	217 427
Computer software	9 568	(3 907)	5 661	6 647	(1 373)	5 274
INTERNALLY DEVELOPED INTANGIBLE ASSETS						
Development costs – Cryo-Vacc™	17 070	–	17 070	15 666	–	15 666
Development costs – Helium Tokens System	3 482	–	3 482	3 475	–	3 475
TOTAL	**86 151**	**(3 939)**	**82 212**	**243 247**	**(1 405)**	**241 842**

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

RECONCILIATION OF INTANGIBLE ASSETS

	2024					
	At 1 March 2023	Additions – separately acquired	Additions – internally developed	Transfers[1]	Amortisation	At 29 February 2024
Exploration and development costs	217 427	77 534	–	(238 962)	–	55 999
Computer software	5 274	2 921	–	–	(2 534)	5 661
Development costs – Cryo-Vacc™	15 666	–	1 404	–	–	17 070
Development costs – Helium Tokens System	3 475	–	7	–	–	3 482
TOTAL	**241 842**	**80 455**	**1 411**	**(238 962)**	**(2 534)**	**82 212**

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

	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**

Exploration and development costs

These are costs incurred by Tetra4 in exploring for gas and carrying out related development activities pursuant to its exploration and production rights (reference 24/04/07PR) in the Free State Province, South Africa.

Exploration and development costs are transferred to PPE (as a development asset) as soon as the commercial viability of the extraction of LNG (or other gas) is demonstrable. Exploration and development costs are not amortised and the depreciation of development assets commences upon transfer to PPE.

Impairment of exploration and development costs

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

Back to Table of Contents

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

The net present value above equates to the recoverable amount which was determined using value-in-use calculations were future estimated cash flows attributable to the 2P Gas Reserves were discounted at 10% (2021: 15%). In order to determine whether the Group's exploration and evaluation assets were impaired as at 29 February 2024 the carrying amount of these assets of R56.0 million (2023: R217.4 million) was compared to the recoverable amount of R42.12 billion (2023: R31.0 billion) which resulted in no impairment charge being recognised for the year under review (2023: Rnil). Management concluded that the impairment assessment is not sensitive to a change in the recoverable amount or other factors due to the significant headroom of R42.06 billion (2023: R30.8 billion), being the difference between the carrying amount of exploration and evaluation assets of R56.0 million (2023: R217.4 million) and their recoverable amount of R42.12 billion (2023: R31.0 billion).

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

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

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

5. SEGMENTAL ANALYSIS

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

a) *Corporate head office*

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

b) *Tetra4*

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

c) *Cryovation*

Cryovation developed the ground-breaking Cryo-VaccTM 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.

d) *Renergen US*

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

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

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

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

2024	Notes	Corporate Head Office	Tetra4	Cryovation	Renergen US	Total	Eliminations	Consolidated
Revenue		–	28 952	–	–	28 952	–	28 952
External	19	–	28 952	–	–	28 952	–	28 952
Depreciation and amortisation	20, 22	(1 991)	(17 978)	–	–	(19 969)	–	(19 969)
Share-based payment	12	(6 275)	(1 767)	(32)	–	(8 074)	–	(8 074)
Employee costs	22	(6 597)	(16 676)	(967)	(1 441)	(25 681)	–	(25 681)
Consulting and advisory fees	22	(7 692)	(3 910)	(80)	(82)	(11 764)	–	(11 764)
Listing costs	22	(1 979)	–	–	–	(1 979)	–	(1 979)
Computer and IT expenses	22	(291)	(5 118)	(1)	–	(5 410)	–	(5 410)
Marketing and advertising	22	(3 842)	(602)	–	(62)	(4 506)	–	(4 506)
Legal and professional fees	22	(3 300)	(2 510)	(50)	–	(5 860)	–	(5 860)
Security	22	–	(7 459)	–	–	(7 459)	–	(7 459)
Selling and distribution	22	–	(7 910)	–	–	(7 910)	–	(7 910)
Repairs and maintenance	22	–	(17 022)	–	–	(17 022)	–	(17 022)
Net foreign exchange losses	22	(2 998)	(11 732)	–	–	(14 730)	–	(14 730)
Interest income	23	1 817	9 074	–	–	10 891	(38)	10 853
Imputed interest	24	–	(5 495)	–	–	(5 495)	–	(5 495)
Interest expense	24	(1 088)	(16 202)	–	–	(17 290)	38	(17 252)
Taxation	25	3 864	33 335	–	–	37 199	–	37 199
LOSS FOR THE YEAR		**(36 051)**	**(70 997)**	**(1 092)**	**(1 652)**	**(109 792)**	**–**	**(109 792)**
TOTAL ASSETS		**2 129 216**	**2 374 343**	**16 818**	**5 117**	**4 525 494**	**(1 816 367)**	**2 709 127**
TOTAL LIABILITIES		**(438 246)**	**(951 143)**	**(5 704)**	**(1 848)**	**(1 396 941)**	**8 917**	**(1 388 024)**

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

2023	Notes	Corporate Head Office	Tetra4	Cryovation	Total	Eliminations	Consolidated
Revenue		–	12 687	–	12 687	–	12 687
External	19	–	12 687	–	12 687	–	12 687
Depreciation and amortisation	20, 22	(194)	(5 218)	–	(5 412)	–	(5 412)
Share-based payment expenses	12	(7 905)	(2 373)	–	(10 278)	–	(10 278)
Employee costs[1]	22	(8 555)	5 712	–	(2 843)	–	(2 843)
Consulting and advisory fees	22	(2 151)	(2 787)	(81)	(5 019)	–	(5 019)
Listing costs	22	(2 769)	–	–	(2 769)	–	(2 769)
Computer and IT expenses	22	(49)	(3 751)	(1)	(3 801)	–	(3 801)
Marketing and advertising	22	(684)	(3 082)	–	(3 766)	–	(3 766)
Legal and professional fees	22	(1 822)	(1 651)	–	(3 473)	–	(3 473)
Net foreign exchange gains	21	818	8 751	–	9 569	–	9 569
Interest income	23	1 422	2 253	–	3 675	–	3 675
Imputed interest	24	–	(4 275)	–	(4 275)	–	(4 275)
Interest expense	24	(5)	(303)	–	(308)	–	(308)
Taxation	25	(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)**

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

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

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

Inter-segment balances are eliminated upon consolidation and are reflected in the "eliminations" column. There are no inter-segment revenues. The nature of the Group's revenue and its disaggregation are provided in note 19.

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

6. DEFERRED TAX

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

	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 (future expenditure)	–	(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)**

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

As at 29 February 2024 the Group recognised a deferred tax asset attributable to estimated tax losses totalling R1 410.0 million (2023: R990.1 million). These tax losses do not expire unless the tax entity concerned ceases to operate for a period longer than a year. The tax losses are available to be offset against future taxable profits. For tax years ending on or after 31 March 2023, companies with assessed losses will be entitled to set off a maximum of 80% of their assessed losses (subject to a minimum of R1.0 million) against taxable income in a specific year. Tax losses for which no deferred tax asset was recognised as at 29 February 2024 totalled R529.9 million (2023: R460.7 million).

A Group net deferred taxation asset of R90.4 million (2023: R53.2 million) has been recognised as it is estimated that future profits will be available against which the assessed losses can be utilised based on the latest financial projections prepared by management. These projections reflect expected profits from the sale of LNG, He and the leasing of storage and related infrastructure to customers under 8 year contracts which came into effect during the prior year. Expected future profits (based on forecasts to 2037) underpin the valuation of the exploration and development assets amounting to R42.12 billion (2023: R31.0 billion) (see note 4).

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

7. RESTRICTED CASH

	2024	2023
NON-CURRENT		
Environmental rehabilitation cash guarantee	8 838	6 021
Eskom Holdings SOC Limited ("Eskom") cash guarantee	8 405	8 414
	17 243	**14 435**
CURRENT		
Debt Service Reserve Accounts ("DSRAs")	**87 300**	**77 552**
DFC	66 969	61 733
IDC	20 331	15 819
TOTAL	**104 543**	**91 987**

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 R40.5 million (2023: R40.0 million) as disclosed in note 17. Cash totalling R8.8 million (2023: R6.0 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 cash 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 14) Tetra4 is required at any given date, to reserve in a US dollar denominated bank account the sum of all payments of principal, interest and fees required to be made to the DFC within the next 6 months. Should Tetra4 default on any payments due and payable, the DFC reserves the right to fund the settlement of amounts due from this bank account. The bank account is restricted and all interest earned accrues to Tetra4. This interest is recorded in interest income on the Statement of Profit or Loss and Other Comprehensive Loss.

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 Loss.

The DRSAs are held as security for the DFC and IDC loans (see note 14). Foreign exchange gains amounting to R2.3 million (2023: R9.8 million) were recognised during the year under review with respect to the DFC DSRA.

Figures in Rand Thousands

8. FINANCE LEASE RECEIVABLES

	2024	2023
Finance lease receivables	48 948	54 559
TOTAL	**48 948**	**54 559**

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

	2024	2023
NON-CURRENT		
Finance lease receivables	42 979	48 095
CURRENT		
Finance lease receivables	5 969	6 464
TOTAL	**48 948**	**54 559**

Finance lease arrangements

During the 2023 financial year, Tetra4 entered into finance leasing arrangements, as a lessor, with two customers 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 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 cent 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 (see note 1.6). None of the finance lease receivables at the end of the reporting period are considered to be impaired (2023: nil) given that there are no historical loss events and that the most recent engagement with customers did not indicate any anticipated future events which could impact the settlement of amounts owed. Management has also taken into account the short period exposed to credit risk in making the ECL assessment.

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

Amounts receivable under finance leases:

	2024	2023
Year 1	11 241	11 823
Year 2	10 376	10 040
Year 3	10 376	10 040
Year 4	10 376	10 040
Year 5	10 376	10 040
Year 6 onwards	17 293	26 457
Total undiscounted lease payments receivable	**70 038**	**78 440**
Less: unearned interest income	(21 090)	(23 881)
Net investment in the lease	**48 948**	**54 559**

	2024	2023
Undiscounted lease payments analysed as:		
Recoverable after 12 months	58 797	66 617
Recoverable within 12 months	11 241	11 823
	70 038	78 440
Net investment in the lease analysed as:		
Recoverable after 12 months	42 979	48 095
Recoverable within 12 months	5 969	6 464
	48 948	54 559

The movements in finance lease receivables were as follows:

	2024				
	At 1 March 2023	**Lease remeasu-rement**	**Repayments**	**Interest**	**At 29 February 2024**
Finance lease receivables	54 559	(11)	(11 346)	5 746	48 948
TOTAL	**54 559**	**(11)**	**(11 346)**	**5 746**	**48 948**

	2023				
	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	2024	2023
Selling profit on finance lease receivables	21	–	3 924
Loss on remeasurement of finance lease receivables	22	(11)	–
Interest income – finance lease receivables	23	5 746	1 368
TOTAL		**5 735**	**5 292**

Back to Table of Contents

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

9. TRADE AND OTHER RECEIVABLES

	2024	2023
FINANCIAL INSTRUMENTS		
Trade receivables[1]	1 941	8 798
	1 941	**8 798**
NON-FINANCIAL INSTRUMENTS		
Value-added taxation	13 759	21 493
Deposits	2 523	1 279
Prepayments[2]	14 486	87
	30 768	**22 859**
TOTAL TRADE AND OTHER RECEIVABLES	**32 709**	**31 657**

1 – The decrease in trade receivables is due to the repairs and maintenance performed on the LNG plant from September 2023 up until mid-February 2024 which affected sales to customers.
2 – Prepayments include advance payments for property damage and business interruption insurance for the LNG plant.

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.

	2024	2023
At amortised cost	1 941	8 798
Non-financial instruments	30 768	22 859
TOTAL	**32 709**	**31 657**

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 (see note 1.6). None of the trade receivables at the end of the reporting period are considered to be impaired (2023: nil) given that there are no historical loss events and that the most recent engagement with customers did not indicate any anticipated future events which could impact the settlement of amounts owed. Management has also taken into account the short period exposed to credit risk in making the ECL assessment.

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

For purposes of the cash flow statement the movement in trade and other receivables comprises:

	2024	2023
Trade and other receivables at the beginning of the year	31 657	27 032
Prior period creditors with debit balances	(5 043)	–
Other	–	163
Trade and other receivables at the end of the year	(32 709)	(31 657)
Movement in trade and other receivables as per the cash flow statement	**(6 095)**	**(4 462)**

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

10. CASH AND CASH EQUIVALENTS

	2024	2023
Cash and cash equivalents consist of:		
Cash at banks and on hand	24 711	17 301
Short-term deposits	446 364	38 404
TOTAL	**471 075**	**55 705**

Cash at banks earns interest at floating rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Included in cash at banks and on hand is R0.3 million (2023: R5.8 million) denominated in Australian Dollars. The amounts denominated in US Dollars at 29 February 2024 are immaterial (2023: immaterial). The Group banks with financial institutions with a ba2 Moody's standalone credit rating.

11. STATED CAPITAL

	2024	2023
AUTHORISED	**'000**	**'000**
500 000 000 no par value shares (number)	500 000	500 000

RECONCILIATION OF NUMBER OF SHARES ISSUED		
Balance at 1 March	144 748	123 934
Issue of shares – ordinary shares issued for cash	2 580	20 777
Issue of shares – share incentive scheme, non-cash	201	37
Balance at 29/28 February	**147 529**	**144 748**

RECONCILIATION OF STATED CAPITAL	**R'000**	**R'000**
Balance at 1 March	1 134 750	563 878
Issue of shares	35 309	574 447
Issue of shares – ordinary shares issued for cash	32 581	573 914
Issue of shares – share incentive scheme, non-cash	2 728	533
Share issue costs[1]	–	(3 575)
Balance at 29/28 February	**1 170 059**	**1 134 750**

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

Shares issued for cash during the year under review comprise:

2024 Nature	Date	Number of shares issued '000	Issue price Rand	Value of shares issued R'000[2]
Issue of shares on the Johannesburg Stock Exchange	17 May 2023	545	18.30	10 000
Exercise of options[3,4]	Various	2 035	11.10	22 581
TOTAL		**2 580**		**32 581**

2 – The value of shares issued is impacted by rounding.
3 – Issue price represents the average exercise price of the options exercised during the year.
4 – Refer to note 12 for futher details on options exercised during the year.

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[5]	Various	10 543	27.76	292 637
Issue of shares on the Australian Stock Exchange[5]	Various	2 336	23.90	55 825
Exercise of options[6,7]	Various	2 266	10.95	24 820
TOTAL		**20 777**		**573 914**

5 – Shares were issued to numerous parties consisting of existing and new domestic and international institutions and investors.
6 – Issue price represents the average exercise price of the options exercised during the year.
7 – Refer to note 12 for futher details on options exercised during the year.

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

12. EQUITY SETTLED SHARE-BASED PAYMENTS

EMPLOYEE BONUS SHARE SCHEME

Shares were granted to executive directors, senior management and general employees of the Group 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. Vesting dates for shares issued under the Bonus Share Scheme are as follows:

Grant date	Vesting date
1 March 2020	1 March 2023
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).

	29 FEBRUARY 2024			28 FEBRUARY 2023		
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	470		10 701	486		7 138
ALLOCATION FOR THE YEAR	**–**	**–**	**–**	**127**	**37.43**	**4 775**
Executive Directors	–	–	–	84	37.43	3 136
Senior management	–	–	–	11	37.43	428
General employees	–	–	–	32	37.43	1 211
VESTED SHARES FOR THE YEAR	**(202)**	**13.55**	**(2 728)**	**(142)**	**8.17**	**(1 168)**
Executive Directors	(160)	13.55	(2 161)	(117)	8.17	(960)
Senior management	(26)	13.55	(356)	(9)	8.17	(71)
General employees	(16)	13.55	(211)	(16)	8.17	(137)
LAPSED SHARES FOR THE YEAR	**–**	**–**	**–**	**(1)**	**12.15**	**(44)**
Senior management	–		–	–		–
General employees	–	–	–	(1)	37.43	(44)
Balance at the end of the year	**268**		**7 973**	**470**		**10 701**

1 – Numbers presented are impacted by rounding.

Back to Table of Contents

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

SHARE OPTIONS GRANTED

ASX listing

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

On 6 June 2019, 1.0 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 vested 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 1.2 million share options (at AUD0.96 or an average of R11.83) (2023: 1.9 million share options (at AUD0.96 or an average of R11.03)) and 0.8 million share options (at AUD0.80 or an average of R10.03) (2023: 0.4 million share options (at AUD0.80 or R10.59)), respectively. These movements are summarised in the table below.

SHARE OPTIONS	29 FEBRUARY 2024				28 FEBRUARY 2023			
Reconciliation of share options granted to date to the ASX lead advisor, corporate advisor and Non-executive Director:	**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	3 035		2 829	11.36	5 051		5 369	8.92
Vested during the year	**–**		**–**	**–**	**250**		**52**	**11.91**
Non-executive Director	–	–	–	–	250	0.21	52	11.91
Exercised during the year[2]	**(2 035)**		**(2 620)**	**11.08**	**(2 266)**		**(2 592)**	**10.95**
ASX lead advisor	(1 190)	1.03	(1 226)	11.83	(1 851)	1.03	(1 907)	11.03
Corporate advisor	(845)	1.65	(1 394)	10.03	(415)	1.65	(685)	10.59
Total share options awarded to date	**1 000**		**209**	**12.04**	**3 035**		**2 829**	**11.36**
Exerciseable at 29/28 February	**1 000**		**209**	**12.04**	**3 035**		**2 829**	**11.36**

1 – Exercise prices are denominated in Australian Dollars and have been translated into South African Rand at the average exchange rates for the transaction
2 – Refer to note 11 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.

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

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

			Exercise price (Rand)[1]		Number of share options ('000s)	
	Grant date	**Expiry date**	**2024**	**2023**	**2024**	**2023**
ASX lead advisor	6 June 2019	6 June 2023	–	11.91	–	1 190
Corporate advisor	6 June 2019	6 June 2023	–	9.92	–	845
Non-executive director	6 June 2019	6 June 2023	12.04	11.91	1 000	1 000
TOTAL					**1 000**	**3 035**

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.

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.

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

An additional 0.9 million share options were award during the current year to senior management and general employees (2023: 0.9 million), 1.0 million share options lapsed upon termination of employment of participants (2023: 0.3 million) and 0.9 million shares options lapsed upon expiry date for executive directors and select senior management. On 18 December 2023, 2.2 million share options previously granted to senior management and general employees were re-issued to more closely align to the Phase 2 scheduled turn-on date.

SAR PLAN	29 FEBRUARY 2024				28 FEBRUARY 2023			
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	10 554		16 231	61.29	9 956		15 479	61.10
Granted during the year								
Executives, senior management and general employees	905		1 892	56.25	900		1 231	63.19
Tier 1	226	4.64	1 050	37.50	100	4.64	464	37.50
Tier 2	226	2.20	498	50.00	150	2.20	330	50.00
Tier 3	226	1.14	258	62.50	250	1.14	285	62.50
Tier 4	226	0.38	86	75.00	400	0.38	152	75.00
Lapsed during the year								
Executives, senior management and general employees	(1 971)		(5 996)	49.77	(302)		(479)	60.80
Tier 1	(1 094)	4.64	(5 074)	37.50	(43)	4.64	(200)	37.50
Tier 2	(194)	2.20	(427)	50.00	(63)	2.20	(139)	50.00
Tier 3	(310)	1.14	(353)	62.50	(88)	1.14	(100)	62.50
Tier 4	(374)	0.38	(142)	75.00	(108)	0.38	(40)	75.00
Total shares awarded to date	**9 488**		**12 127**	**1.02**	**10 554**		**16 231**	**61.29**
Exerciseable at 29/28 February	**–**		**–**	**–**	**–**		**–**	**–**

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

The fair value at grant date of all share options awarded was determined using 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:

			Exercise price (Rand)		Number of share options ('000s)	
	Grant date	Expiry date	2024	2023	2024	2023
Tier 1	17 Dec 2021	17 Dec 2023	37.50	37.50	–	864
Tier 2	17 Dec 2021	17 Dec 2024	50.00	50.00	1 350	1 350
Tier 3	17 Dec 2021	17 Dec 2025	62.50	62.50	1 836	1 836
Tier 4	17 Dec 2021	17 Dec 2026	75.00	75.00	2 322	2 322
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	150
Tier 3	1 Mar 2022 - Feb 2023	17 Dec 2025	62.50	62.50	250	250
Tier 4	1 Mar 2022 - Feb 2023	17 Dec 2026	75.00	75.00	400	400
Tier 1	18 Dec 2023	17 Dec 2025	37.50	37.50	534	437
Tier 2	18 Dec 2023	17 Dec 2026	50.00	50.00	686	654
Tier 3	18 Dec 2023	17 Dec 2027	62.50	62.50	899	982
Tier 4	18 Dec 2023	17 Dec 2028	75.00	75.00	1 061	1 209
TOTAL					**9 488**	**10 554**

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

RECONCILIATION OF SHARE-BASED PAYMENTS RESERVE

	2024	2023
Balance at the beginning of the year	21 099	11 354
Bonus share scheme - share-based payments expense for Renergen participants charged to profit or loss[1]	**757**	**2 802**
Executive Directors	621	2 534
Senior management	88	258
General employees	48	10
Bonus share scheme - share-based payments expense for Tetra4 participants[1]	**1 767**	**859**
Executive Directors	1 262	162
Senior management	47	219
General employees	458	478
SAR Plan[1]	**5 550**	**6 565**
Renergen	4 297	5 052
Tetra4	1 221	1 481
Cryovation	32	32
Share options - share-based payments expense charged to profit or loss[1]	**–**	**52**
Non-executive Director	–	52
Shares which lapsed during the year[1]	–	–
Vested shares issued during the year	(2 728)	(533)
Balance at the end of the year	**26 445**	**21 099**

1 – Total share-based payments expenses amount to R8 074 000 for the year under review as presented in the statement of comprehensive income (2023: R10 278 000).

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

13.1 SUBSIDIARIES

	Country of registration	Principal place of business	2024 % Holding	2023 % Holding	2024 Carrying amount	2023 Carrying amount
Tetra4	South Africa	South Africa	94.5	100%	1 790 068	630 006
Balance at 1 March					630 006	627 666
Conversion of loan to equity					1 412 705	–
Disposal of 2.85% interest					(285 000)	–
Equity contribution relating to share-based payments (note 12)					1 767	2 340
Other equity contribution[1]					30 590	–
Cryovation	South Africa	South Africa	100%	100%	12 382	12 350
Balance at 1 March					12 350	–
Equity contribution relating to initial investment					–	12 318
Equity contribution relating to share-based payments (note 12)					32	32
Renergen US	USA	USA	100%	100%	5 000	–
Balance at 1 March					–	–
Equity contribution relating to initial investment					5 000	–
TOTAL					**1 807 450**	**642 356**

1 – The other equity contribution refers to capitalised interest totalling R15.7 million and expenses recharged to Tetra4 totalling R14.9 million. Previously these transactions were allocated to the Tetra4 loan account. Due to the conversion of the Tetra4 loan to equity the transactions are now allocated to the investment account.

The other equity contribution attributable to Tetra4 is comprised of the following:

	2024
Interest treated as an equity contribution in Tetra4 (note 5)	15 679
Expenses paid on behalf of Tetra4[2]	14 911
TOTAL	**30 590**

2 – Expenses paid on behalf of Tetra4 mainly comprise employee costs, advisory costs and legal costs.

The Company's interests in subsidiaries are outlined in the table above and the proportion of ownership interest held equals the voting rights held by the Company. A description of the Cryovation, Renergen US and Tetra4 operations is provided in note 5.

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 SAR Plan implemented in December 2021 pursuant to approvals obtained from shareholders. The shares granted to employees, senior management and Executives of Tetra4 and Cryovation who participate in the Bonus Share Scheme or the SAR Plan are Renergen shares. The investments in Tetra4 and Cryovation are therefore increased by the share-based payments expenses attributable to the Bonus Share Scheme and SAR Plan shares granted to employees of these companies which are treated as an equity contribution. This note should be read together with note 12.

All entities within the Group are consolidated. There are no unconsolidated structured entities.

13.2 NON-CONTROLLING INTEREST

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

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

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

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

Tetra4 did not declare a dividend during the year under review (2023: Rnil). Tetra4's operations are included under the Tetra4 segment (see note 5).

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

The comprehensive loss attributed to the NCI is outlined below:

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

14. BORROWINGS

	2024	2023
HELD AT AMORTISED COST		
Molopo Energy Limited ("Molopo")	46 960	51 036
DFC	624 181	678 180
IDC	173 437	181 799
SBSA	333 798	–
AIRSOL	57 753	–
TOTAL	**1 236 129**	**911 015**

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

	2024	2023
Non-current		
Molopo	46 960	51 036
DFC	540 957	598 394
IDC	160 742	157 128
	748 659	806 558
Current		
DFC	83 224	79 786
IDC	12 695	24 671
SBSA	333 798	–
AIRSOL	57 753	–
	487 470	104 457
TOTAL	**1 236 129**	**911 015**

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

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

Molopo

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

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

DFC

Tetra4 entered into a US$40.0 million finance agreement with the DFC on 20 August 2019 (“Facility Agreement”). The first draw down of US$20.0 million took place in September 2019, the second draw down of US$12.5 million in June 2020 and the final drawdown of US$7.5 million on 28 September 2021. Tetra4 shall repay the loan in equal quarterly instalments of US$1.08 million (R20.8 million using the rate at 29 February 2024) on each payment date which began on 1 August 2022 and ending on 15 August 2031. The loan is secured by a pledge of the Group’s assets under construction, land and the Debt Service Reserve Account disclosed in notes 3 and 7.

Interest

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

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

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$1.4 million (R26.6 million) during the year under review (2023: US$1.6 million (R26.6 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. (2023: Rnil).

Facility fee

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

Maintenance fee

An annual maintenance fee of US$0.04 million is payable by Tetra4 to the DFC for the duration of the loan term and is payable on 15 November of each year (commenced on 15 November 2020). The maintenance fee covers administrative costs relating to the loan. Tetra4 paid maintenance fees amounting to US$0.04 million (2023: R0.7 million) during the year under review (2023: US$0.04 million (R0.6 million)).

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

Debt covenants

The following debt covenants apply to the DFC loan:

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

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

(c) Tetra4 is required to ensure that the DSRA (note 7) is funded in the aggregate of all amounts due to the DFC within the next 6 months.

The covenants in a) and b) will apply from 15 August 2025. The Group has complied with the covenant under c) above for the year under review and believes that it will be able to comply with the covenants throughout the tenure of the loan.

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

IDC

Tetra4 entered into a R160.7 million loan agreement with the IDC on 17 December 2021. An amount of R158.8 million was drawn down on 22 December 2021 and is repayable in 102 equal monthly payments which commenced in July 2023. The loan terms included a 12-month interest capitalisation and an 18-month capital repayment moratorium. The loan accrues interest at the prime lending rate plus 3.5% (15.25% on 29 February 2024) and is secured by a pledge of the Group’s assets under construction, land and the Debt Service Reserve Account disclosed in notes 3 and 7. The IDC loan outstanding on 29 February 2024 amounted to R173.4 million (2023: R181.8 million) and interest accrued during the year amounted to R27.2 million (2023: R24.0 million). Qualifying interest attributable to assets under construction, within property, plant and equipment, is capitalised in line with the policy of the Group.

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

SBSA Bridge Loan

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

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

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

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

AIRSOL Unsecured Convertible Debentures

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

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

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

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

Tranche 1 debentures outstanding on 29 February 2024 amounted to US$3 million (R57.8 million) and interest accrued during the year amounted to US$0.2 million (R3.6 million).

The debentures have been classified as short term as they have a maturity date of 28 February 2025.

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

15. LEASE LIABILITIES

	2024	2023
Non-current	11 613	1 108
Current	1 815	1 184
TOTAL	**13 428**	**2 292**

The maturity analysis of lease liabilities is as follows:

	2024	2023
Lease payments		
Due within one year	3 534	1 358
Due within two to three years	6 902	905
Due within four to five years	7 668	355
Due over five years	961	–
	19 065	**2 618**
Finance charges	(5 637)	(326)
Net present value	**13 428**	**2 292**

The lease liabilities relate to the lease of certain motor vehicles and the head office building. The net book value of the right of use assets as at 29 February 2024 is R13.8 million (28 February 2023: R3.1 million) (see note 3). The lease term for motor vehicles is 5 years and 5.75 years for the head office building. The lease for the head office building in place during the prior year expired in June 2022 and the Group was on a short-term lease for office space as at 28 February 2023. Details relating to the new head office lease are provided in note 3.

There were no breaches or defaults on contracts during the current or prior year.

The expenses relating to lease payments not included in the measurement of the lease liabilities are as follows:

	2024	2023
Leases of low value assets	275	571
TOTAL	**275**	**571**

As at 29 February 2024 the Group was committed to leases of low value assets and total commitments at that date were R0.2 million (2023: R0.3 million). Payments made during the year relating to low value leases totalled R0.3 million (2023: R0.6 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 24.

The movements in lease liabilities are outlined below:

	At 1 March	Derecognition	New leases	Interest expense	Interest paid	Lease payments	At 29 February 2024
Lease liabilities	2 292	(831)	13 668	998	(998)	(1 701)	13 428
TOTAL	**2 292**	**(831)**	**13 668**	**998**	**(998)**	**(1 701)**	**13 428**

	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**

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

During the year under review, the Group derecognised a leased motor vehicle with a book value of R0.9 million which was stolen. The loss on derecognition of this leasing arrangement is reconciled below:

A reconciliation for the loss on derecognition of leasing arrangement is reconciled below:

	2024
Carrying amount of right-of-use asset derecognised (note 3)	(915)
Carrying amount of the lease liability derecognised	831
Insurance recovery	10
Loss on derecognition of leasing arrangement (note 27)	**(74)**

16. DEFERRED REVENUE

	2024	2023
Balance at 1 March	15 093	–
Arising during the year	–	14 956
Foreign exchange losses	650	137
Balance at 29 February	**15 743**	**15 093**

Tokens to the value of $0.8 million (R15.0 million) (3 556 units at a price of $225 (R4 206) per unit) were issued during the prior year. 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 was issued.

For purposes of the cash flow statement, the movement in deferred revenue excludes the foreign exchange losses as these exchange differences are unrealised.

17. PROVISIONS

RECONCILIATION OF PROVISIONS

	2024				2023		
	At 1 March 2023	Reversals	Unwinding of discount	At 29 February 2024	At 1 March 2022	Arising during the year	At 1 March 2023
NON-CURRENT							
Environmental rehabilitation	37 564	(655)	3 543	40 452	29 486	8 078	37 564
CURRENT							
Environmental rehabilitation	2 400	(2 400)	–	–	1 272	1 128	2 400
	2 400	(2 400)	–	–	1 272	1 128	2 400
TOTAL	**39 964**	**(3 055)**	**3 543**	**40 452**	**30 758**	**9 206**	**39 964**

Increases/(decreases) in expected costs with respect to the rehabilitation provision were recorded against assets under construction within property, plant and equipment (see note 3).

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

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 R40.5 million (2023: R40.0 million) has been recognised with respect to the rehabilitation of this land. This amount is based on an estimate of the costs to be incurred to address the following:

- Disturbed infrastructure areas;
- Existing production wells and all exploration wells;
- General surface rehabilitation;
- Monitoring; and
- Latent/residual environmental risk related to resealing wells.

In the prior year 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 February 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.

In the current year the Group changed the basis of estimating the rehabilitation provision to align with industry practice. This change in the estimation process did not have a material impact on the determination of the rehabilitation obligation. The Group now recognises the rehabilitation provision at the present value of estimated future cashflows associated with the rehabilitation, discounted at a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. As a result of this change the Group recorded a reversal amounting R3.1 million of the rehabilitation provision.

Gross cost to rehabilitate

The Group estimates that, based on current environmental and regulatory requirements, the total undiscounted rehabilitation cost is approximately R48.8 million (2023: R40.0 million).

This note should be read together with notes 3 and 7.

Back to Table of Contents

18. TRADE AND OTHER PAYABLES

	2024	2023
FINANCIAL INSTRUMENTS		
Trade payables[1]	53 367	71 070
Accrued expenses	19 918	13 769
	73 285	84 839
NON-FINANCIAL INSTRUMENTS		
Accrued leave pay	3 995	3 029
Accrued bonuses	4 445	4 445
Other	547	–
TOTAL	**82 272**	**92 313**

1 – Prior year trade payables reflected the increase in operations following the commissioning of the VGP in September 2022 and as at 29 February 2024 trade payables were impacted by the shutdown of the plant for repairs and maintenance between September 2023 and mid-February 2024.

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

	2024	2023
US Dollars	31 189	18 292
Australian Dollars	224	59
Great British Pounds	–	1 075
Euros	3 562	32 112
South African Rands	47 297	40 775
TOTAL	**82 272**	**92 313**

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

	2024	2023
Trade and other payables at the beginning of the year	(92 313)	(21 602)
Eliminated in the cash flow statement:		
Accruals attributable to – share issue costs	2 208	(2 208)
- leave pay	(906)	(138)
- bonuses	–	(1 877)
- audit fees	100	–
- non-executive directors fees	(474)	–
- assets under construction	54 422	(74 057)
Net foreign exchange losses	(2 962)	–
Exchange differences on translation of foreign operations	(74)	–
Reclassification between debtors and creditors	5 043	–
Trade and other payables at the end of the year	82 272	92 313
Movement in trade and other payables as per the cash flow statement	**47 316**	**(7 569)**

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

19. REVENUE

	2024	2023
REVENUE FROM CONTRACTS WITH CUSTOMERS		
Sale of CNG	–	1 550
Sale of LNG	28 952	11 137
TOTAL	**28 952**	**12 687**

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

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

This note should be read together with note 5 which provides details on the concentration of revenue.

20. COST OF SALES

	2024	2023
Employee costs	1 701	499
Plant depreciation	1 522	2 435
Fuel and lubricants	2 269	1 409
Plant waste disposal	78	–
Movement in inventory	(1 631)	–
Utilities	14 946	4 341
TOTAL	**18 885**	**8 684**

21. OTHER OPERATING INCOME

	2024	2023
Profit on disposal of property, plant and equipment	–	55
Selling profit on finance lease receivables	–	3 924
Net foreign exchange gains	–	9 569
Gain on remeasurement of financial liability (note 28)	9 571	–
Other income	207	82
TOTAL	**9 778**	**13 630**

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

Back to Table of Contents

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

22. OTHER OPERATING EXPENSES

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

1 – Increase attributable to public relations marketing and preparation for the Nasdaq listing.

2 – Excludes employee costs amounting to R1.7 million (2023: R0.5 million) attributable to the processing of gas sold which are included in cost of sales. A reduction in capitalised employee costs as outlined on page 58 is reflected in the increase in employee costs recorded in operating expenses.

3 – Refer to the depreciation reconciliation provided in note 27.

4 – A reduction in capitalised security costs as outlined on page 58 is reflected in the increase in security costs recorded in operating expenses.

5 – Increase attributable to increased LNG operations relative to the prior year.

6 – A reduction in capitalised exchange differences as outlined on page 58 is reflected in the increase in net foreign exchange losses recorded in operating expe

7 – Increase attributable to repairs of the primary mixed refrigerant compressors and the helium cold box (see page 58).

8 – Directors fees amounting to R15.2 million (2023: R13.0 million) were capitalised to assets under construction (note 3) during the year under review.

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

23. INTEREST INCOME

	2024	2023
Interest income – cash and cash equivalents	4 210	2 307
Interest income – finance lease receivables	5 746	1 368
Interest income – South African Revenue Services	897	–
TOTAL	**10 853**	**3 675**

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

	2024	2023
Interest income – cash and cash equivalents	4 210	2 307
Interest income – finance lease receivables	5 746	–
Interest income – South African Revenue Services	897	–
Interest received per the statement of cash flows	**10 853**	**2 307**

24. INTEREST EXPENSE AND IMPUTED INTEREST

	2024	2023
Interest – leasing arrangements	998	302
Interest – borrowings (note 28)	15 521	4 275
Imputed interest – rehabilitation provision (note 17)	3 543	–
Interest – suppliers	2 682	–
Interest – other	3	6
TOTAL	**22 747**	**4 583**

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

	2024	2023
Interest – leasing arrangements	998	302
Interest – suppliers and other	2 685	6
Interest paid on leasing and other arrangements per the statement of cash flows	**3 683**	**308**

25. TAXATION

	2024	2023
MAJOR COMPONENTS OF THE TAX INCOME		
Deferred		
Originating and reversing temporary differences	37 199	9 707
TOTAL	**37 199**	**9 707**

RECONCILIATION OF EFFECTIVE TAX RATE		
Accounting loss before taxation	(146 991)	(36 432)
Tax at the applicable tax rate of 27% (2023: 27%)	39 688	10 201
Tax effect of:		
Non-deductible expenses		
- Share-based payments	(2 180)	(2 869)
- Imputed interest expense	144	(1 197)
- Penalties	(46)	–
- Bursaries	(295)	(29)
Current year losses for which no deferred tax asset has been recognised	(25 544)	(22 762)
Special oil and gas allowances[1]	25 303	24 093
Increase in rehabilitation guarantee	132	2 485
Other	(3)	–
Effect of change in tax rate	–	(215)
TOTAL	**37 199**	**9 707**

1 – See note 1.8.

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

26. OTHER RESERVES

	2024	2023
Revaluation reserve	702	598
Foreign currency translation reserve	(74)	–
Balance at the end of the year	**628**	**598**

26.1 REVALUATION RESERVE

	2024	2023
Balance at the beginning of the year	598	598
Revaluation during the year	104	–
Balance at the end of the year	**702**	**598**

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

26.2 FOREIGN CURRENCY TRANSLATION RESERVE

	2024	2023
Balance at the beginning of the year	–	–
Foreign exchange losses arising on translation of foreign operation	(74)	–
Balance at the end of the year	**(74)**	**–**

The foreign currency translation reserve is used to recognise foreign exchange differences arising on the translation of the Company's foreign subsidiary (Renergen US) with a currency other than the presentation

27. CASH USED IN OPERATIONS

	Notes	2024	2023
Loss before taxation		(146 991)	(36 432)
CASH ADJUSTMENTS			
Interest income – cash and cash equivalents	23	(5 107)	(2 307)
Interest income – finance lease receivables	23	(5 746)	–
Interest expense – suppliers and other	24	2 685	6
Movement in restricted cash	7	(12 556)	(53 992)
Interest expense – borrowings	24, 28	10 026	–
Interest expense – leasing arrangements	24	998	302
NON-CASH ADJUSTMENTS			
Interest income – finance lease receivables	23	–	(1 368)
Imputed interest – borrowings	24, 28	5 495	4 275
Imputed interest – rehabilitation provision	17	3 543	–
Depreciation and amortisation[1]		20 708	5 412
Share-based payments expense	12	8 074	10 278
Selling profit on finance lease receivables	21	–	(3 924)
Loss on lease remeasurement	8	11	–
Profit on disposal of property, plant and equipment	21	–	(55)
Loss on derecognition of leasing arrangement	15	74	–
Gain on remeasurement of financial liability	21	(9 571)	–
Reversal of audit fee accrual		(100)	–
Increase in Non-executive Directors' fees accrual		474	–
Increase in leave pay accrual		906	138
Increase in bonus accrual		–	1 877
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
Net foreign exchange gains		17 482	(933)
CHANGES IN WORKING CAPITAL			
Inventory		(1 926)	(147)
Deferred revenue	16	–	14 956
Finance lease receivables	8	5 600	1 042
Trade and other receivables	9	(6 095)	(4 462)
Trade and other payables	18	47 316	(7 569)
TOTAL		**(64 700)**	**(72 903)**

1 – A reconciliation of the depreciation and amortisation charges of the Group is provided below.

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

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

	Notes	2024	2023
Depreciation and amortisation is recorded within these line items in the statement of profit or loss and other comprehensive loss:			
Operating expenses		19 186	2 977
Depreciation and amortisation	22	18 447	2 977
Repairs and maintenance	22	739	–
Cost of sales	20	1 522	2 435
Depreciation and amortisation as shown above		**20 708**	**5 412**

28. CHANGES IN LIABILITES ARISING FROM FINANCING ACTIVITIES

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2024							
		Non-cash movements			Cash movements			
	At 1 March 2023	Remeasurement[4]	Interest[1]	Foreign exchange losses[2]	Additions	Repayments – capital[3]	Repayments - interest[3]	At 29 February 2024 (note 14)
Molopo	51 036	(9 571)	5 495	–	–	–	–	46 960
DFC	678 180	–	38 933	27 884	–	(81 883)	(38 933)	624 181
IDC	181 799	–	27 189	–	–	(8 362)	(27 189)	173 437
MaxiConcepts ("MaxiConcepts")	–	–	229	–	15 000	(15 000)	(229)	–
SBSA	–	–	30 798	–	303 000	–	–	333 798
AIRSOL	–	–	3 648	1 781	55 972	–	(3 648)	57 753
TOTAL	**911 015**	**(9 571)**	**106 292**	**29 665**	**373 972**	**(105 245)**	**(69 999)**	**1 236 129**

1– *Interest on the Molopo loan is imputed interest representing the unwinding of the discount applied on initial recognition of the loan. The Group capitalises interest which qualifies as borrowing costs attributable to the construction of qualifying assets. The interest presented above will therefore not correspond to amounts shown within the additions reconciliation for cash flow purposes as shown in note 3. An analysis of the interest expense between interest which was capitalised or expensed is provided below.*

2 – *Foreign exchange losses reflect the impact of the weakening of the Rand against the US Dollar. Qualifying foreign exchange losses amounting to R16.5 million were capitalised to assets under construction within PPE (see note 3). Foreign exchange losses presented above therefore will not correspond to amounts shown within the additions reconciliation for cash flow statement purposes as shown in note 3.*

3 – *Repayments of capital, interest and fees attributable to the DFC loan, IDC loan, MaxiConcepts loan and AIRSOL debentures are in line with loan terms (see note 14). The Group shows repayments of interest under financing activities (see note 1.15).*

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

Back to Table of Contents

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

	2023					
		Non-cash movements		Cash movements		
	At 1 March 2022	Interest[5]	Foreign exchange losses[6]	Repayments – capital[7]	Repayments - interest[7]	At 28 February 2023 (note 14)
Molopo	46 761	4 275	–	–	–	51 036
DFC	614 004	38 846	120 290	(56 114)	(38 846)	678 180
IDC	162 075	23 950	–	–	(4 226)	181 799
TOTAL	**822 840**	**67 071**	**120 290**	**(56 114)**	**(43 072)**	**911 015**

5 – Interest on the Molopo loan is imputed interest representing the unwinding of the discount applied on initial recognition of the loan. The Group capitalises interest which qualifies as borrowing costs attributable to the construction of qualifying assets. The interest presented above will therefore not correspond to amounts shown within the additions reconciliation for cash flow purposes as shown in note 3. An analysis of the interest expense between interest which was capitalised or expensed is provided below.

6 – All exchange differences were capitalised to assets under construction within PPE (see note 3)

7 – Repayments of capital, interest and fees attributable to the DFC and IDC loans were in line with loan terms (see note 14). The Group elected to show repayments of interest under financing activities (see note 1.15).

A reconciliation of the interest which has been recognised in the statement of profit or loss and other comprehensive loss is provided below:

	2024	2023
Interest as shown above	106 292	67 071
DFC interest capitalised within PPE (note 3)	(32 927)	(38 846)
IDC interest capitalised within PPE (note 3)	(23 398)	(23 950)
SBSA interest capitalised within PPE (note 3)	(30 798)	–
AIRSOL interest capitalised within PPE (note 3)	(3 648)	–
Interest on borrowings as presented in profit or loss (note 24)	**15 521**	**4 275**

Interest on borrowings which has been recognised in the statement of profit or loss and other comprehensive loss comprises interest on the following borrowings:

	2024	2023
Molopo[1]	5 495	4 275
DFC	6 006	–
IDC	3 791	–
MaxiConcepts	229	–
Interest on borrowings as presented in Profit or Loss (note 24)	**15 521**	**4 275**

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

29. COMMITMENTS AND CONTINGENT LIABILITIES

29.1 CONTINGENT LIABILITIES

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

29.2 COMMITMENTS

	2024		
	Spent to date	Contractual commitments	Total approved
Capital equipment, construction and drilling costs	349 175	122 451	471 626
TOTAL	**349 175**	**122 451**	**471 626**

	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**

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

30. RELATED PARTIES

RELATIONSHIPS

Subsidiaries	See note 13.1
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 or balances with companies controlled by Directors or shareholders with significant influence during the year under review (2023: Rnil).

Key management personnel include Executive and Non-executive Directors and members of the Executive Committee. Refer to the Directors' Report for more details. Remuneration of key management personnel is disclosed in note 31.

31. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS

	NON-EXECUTIVES					
	2024			2023		
Fees paid to Non-executive Directors	Directors' Board fees	Committee fees	Total	Directors' Board fees	Committee fees	Total
David King	859	–	859	739	77	816
Mbali Swana	319	211	530	274	190	464
Luigi Matteucci	319	212	531	274	200	474
Bane Maleke[1]	–	–	–	274	133	407
Thembisa Skweyiya[2]	319	89	408	–	–	–
Dumisa Hlatshwayo[2]	319	68	387	–	–	–
TOTAL	**2 135**	**580**	**2 715**	**1 561**	**600**	**2 161**

1 – Retired on 6 February 2023
2 – Appointed on 6 February 2023 and resigned on 10 April 2024

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

	EXECUTIVES					
	2024		2023			
Remuneration paid to Executive Directors:	Total annual guaranteed package	Total	Total annual guaranteed package	Short-term cash incentive paid	Share incentive	Total
Stefano Marani	7 366	7 366	4 666	1 213	1 213	7 092
Brian Harvey	4 155	4 155	3 779	723	723	5 225
Nick Mitchell	5 785	5 785	4 666	1 201	1 201	7 068
TOTAL	**17 306**	**17 306**	**13 111**	**3 137**	**3 137**	**19 385**

	PRESCRIBED OFFICER			
	2024		2023	
Remuneration paid to Prescribed Officer:	annual guaranteed package	Total	annual guaranteed package	Total
Leonard Eiser[1]	2 646	2 646	2 238	2 238
TOTAL	**2 646**	**2 646**	**2 238**	**2 238**

1– Appointed on 1 April 2022

The prescribed officer is a member of the Executive Committee and is part of the Group's key management.

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

	EXECUTIVES AND PRESCRIBED OFFICERS					
	2024			2023		
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)	Number of shares granted ('000)	Fair value per share at grant date Rand	Value of shares at grant date (R'000)[2]
Stefano Marani	–	–	–	32	37.43	1 213
Brian Harvey	–	–	–	19	37.43	723
Nick Mitchell	–	–	–	32	37.43	1 201
TOTAL	**–**		**–**	**83**		**3 137**

2– Numbers presented are impacted by rounding.

	EXECUTIVES AND PRESCRIBED OFFICERS					
	2024			2023		
Share options granted to Executive Directors and Prescribed Officers pursuant to the SAR Plan:	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**

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

Post-employment and termination benefits

The Group introduced a defined contribution retirement scheme in July 2023 to improve the employee value proposition. Payments made with respect to the pension scheme are provided in note 22.

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

CATEGORIES OF FINANCIAL INSTRUMENTS

Categories of financial assets

	Notes	2024	2023
		Amortised cost	Amortised cost
Restricted cash	7	104 543	91 987
Trade and other receivables	9	1 941	8 798
Cash and cash equivalents	10	471 075	55 705
TOTAL		**577 559**	**156 490**

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

Categories of financial liabilities

	Notes	2024	2023
		Amortised cost	Amortised cost
Trade and other payables	18	73 285	84 839
Borrowings	14	1 236 129	911 015
TOTAL		**1 309 414**	**995 854**

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

PRE-TAX GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

Gains on financial assets

	Notes	2024	2023
		Amortised cost	Amortised cost
RECOGNISED IN PROFIT OR LOSS			
Interest income	23	4 210	2 307

Gains and (losses) on financial liabilities

	Notes	2024	2023
		Amortised cost	Amortised cost
RECOGNISED IN PROFIT OR LOSS			
Net foreign exchange (losses)/gains	21, 22	(14 730)	9 569
Interest – borrowings	24	(15 521)	(4 275)
Interest – suppliers and other	24	(2 685)	(6)
TOTAL		**(32 936)**	**5 288**

Notes to the Consolidated Financial Statements

Figures in Rand Thousands

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. The Group 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 transitioned from a construction project following the commencement of LNG operations in September 2022. The Group is targeting a long-term capital structure of a maximum of 34% equity funding and 66% debt funding, taking into consideration the development of Phase 2. Given the amortisation profile of our material debt, this ratio will reduce over time.

The Group's borrowings and equity are disclosed in notes 14 and 11, respectively. Debt covenants relating to loans are disclosed in note 14.

	Notes	2024	2023
Stated capital	11	1 170 059	1 134 750
Borrowings	14	1 236 129	911 015
TOTAL		**2 406 188**	**2 045 765**

The Group's capital structure as at 29/28 February of each year was as follows:

	2024	2023
Equity	49%	55%
Debt	51%	45%

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 the 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.

Back to Table of Contents

Notes to the Consolidated 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. 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 assets exposed to credit risk include restricted cash (note 7), cash and cash equivalents (note 10), trade and other receivables (note 9) and the finance lease receivables (note 8).

Cash and cash equivalents and restricted cash

The Group only deposits cash with major banks with high-quality credit standing and limits exposure to any one counterparty. The Group's cash is held with financial institutions with a ba2 Moody's credit rating.

Trade 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.

The maximum credit risk exposure of the Group is the carrying values of trade and other receivables, restricted cash, cash and cash equivalents and the finance lease receivables disclosed in notes 9, 7, 10, and 8, respectively. These financial assets and related carrying values are listed below.

		2024				2023			
	Notes	Gross carrying amount	Credit loss allowance	Amortised cost	Leases	Gross carrying amount	Credit loss allowance	Amortised cost	Leases
Finance lease receivables	8	48 948	–	–	48 948	54 559	–	–	54 559
Trade and other receivables	9	1 941	–	1 941	–	8 798	–	8 798	–
Restricted cash	7	104 543	–	104 543	–	91 987	–	91 987	–
Cash and cash equivalents	10	471 075	–	471 075	–	55 705	–	55 705	–
TOTAL		**626 507**	**–**	**577 559**	**48 948**	**211 049**	**–**	**156 490**	**54 559**

At 29 February 2024, the Group's exposure to credit risk is not material for reasons highlighted above (also see notes 8 and 9) (2023: Rnil).

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

Liquidity risk

Liquidity risk arises from the Group's management of working capital, commitments 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 has 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:

2024	Notes	Within 3 months	Within 4 – 6 months	Within 7 – 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total	Carrying amount
NON-CURRENT LIABILITIES									
Borrowings	14	–	–	–	260 098	332 424	370 006	962 528	748 659
Lease liabilities	15	–	–	–	6 902	7 668	961	15 531	11 613
CURRENT LIABILITIES									
Borrowings	14	373 191	40 917	137 540	–	–	–	551 648	487 470
Trade and other payables	18	73 285	–	–	–	–	–	73 285	73 285
Lease liabilities	15	884	884	1 766	–	–	–	3 534	1 815
TOTAL		**447 360**	**41 801**	**139 306**	**267 000**	**340 092**	**370 967**	**1 606 526**	**1 322 842**

2023	Notes	Within 3 months	Within 4 – 6 months	Within 7 – 12 months	1 to 3 years	3 to 5 years	Over 5 years	Total	Carrying amount
NON-CURRENT LIABILITIES									
Borrowings	14	–	–	–	295 697	351 171	453 622	1 100 490	806 558
Lease liabilities	15	–	–	–	905	355	–	1 260	1 108
CURRENT LIABILITIES									
Borrowings	14	36 231	37 711	77 116	–	–	–	151 058	104 457
Trade and other payables	18	84 839	–	–	–	–	–	84 839	84 839
Lease liabilities	15	340	340	678	–	–	–	1 358	1 184
TOTAL		**121 410**	**38 051**	**77 794**	**296 602**	**351 526**	**453 622**	**1 339 005**	**998 146**

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 10), restricted cash (note 7), deferred revenue (note 16), trade and other payables (note 18) and borrowings (note 14).

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 and Euro, however the Group is mostly exposed to transactions and balances denominated in US Dollars (see table below). The Group reviews 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 VGP) 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 Phase 1 of the VGP in the prior financial year.

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

		2024			
	Notes	USD	AUD	EURO	TOTAL
Restricted cash	7	66 969	–	–	66 969
Cash and cash equivalents	10	4	333	–	337
Trade and other payables	18	(31 189)	(224)	(3 562)	(34 975)
Deferred revenue	16	(15 743)	–	–	(15 743)
Borrowings	14	(681 934)	–	–	(681 934)
TOTAL		**(661 893)**	**109**	**(3 562)**	**(665 346)**

		2023				
	Notes	USD	AUD	GBP	EURO	TOTAL
Restricted cash	7	61 733	–	–	–	61 733
Cash and cash equivalents	10	4	5 792	–	–	5 796
Trade and other payables	18	(18 292)	(59)	(1 075)	(32 112)	(51 538)
Deferred revenue	16	(15 093)	–	–	–	(15 093)
Borrowings	14	(678 180)	–	–	–	(678 180)
TOTAL		**(649 828)**	**5 733**	**(1 075)**	**(32 112)**	**(677 282)**

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

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

	2024	2023
Weakening of Rand against the US Dollar by 2%	(13 238)	(12 997)
Strengthening of Rand against the US Dollar by 2%	13 238	12 997
Weakening of Rand against the Australian Dollar by 10%	11	573
Strengthening of Rand against the Australian Dollar by 10%	(11)	(573)
Weakening of Rand against the Euro by 5%	(178)	(1 606)
Strengthening of Rand against the Euro dollar by 5%	178	1 606

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

	2024	2023
Year-end exchange rates	**R**	**R**
US Dollar	19.2456	18.4505
Australian Dollar	12.5417	12.4040
Euro	20.8555	19.5328
British Pound	*	22.2178

*– no balances denominated in this currency in 2024.

Price risk

The Group is exposed to the risk of fluctuations in the prices of helium and LNG. 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 29 February 2024 the Group's exposure to price risk is not material.

The Group is not exposed to equity price risk.

Back to Table of Contents

Interest rate risk

The Group's interest rate risk arises from the interest-bearing borrowings disclosed in note 14. The DFC and AIRSOL borrowings expose the Group to fair value interest rate risk as they are secured at fixed interest rates. The IDC, Molopo and SBSA borrowings expose the Group to cash flow interest rate risk as they are secured at 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:

	2024	2023
USD borrowings - DFC and AIRSOL		
A 2% increase in the interest rate	(13 639)	(13 564)
A 2% decrease in the interest rate	13 639	13 564
Rand borrowings - IDC, Molopo and SBSA		
A 5% increase in the interest rate	(27 710)	(11 642)
A 5% decrease in the interest rate	27 710	11 642

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.

Concentration risk

The Group is subject to marginal concentration risk as it had three LNG customers (see note 5) during the year ended 28 February 2024. 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. The Group also has one LHe customer and sales will commence once the LHe operations resume.

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

33. LOSS PER SHARE

		2024	2023
Loss per share			
Basic and diluted	(cents)	(75.10)	(19.86)
Loss attributable to equity holders of Renergen used in the calculation of the basic and diluted loss per share	R'000	(110 273)	(26 725)
Weighted average number of ordinary shares used in the calculation of the basic loss per share:	**(000's)**	**146 833**	**134 536**
Issued shares at the beginning of the year	(000's)	144 748	123 934
Effect of shares issued during the year (weighted)	(000's)	2 085	10 602
Add: Dilutive share options		–	–
Weighted average number of ordinary shares used in the calculation of the diluted loss per share	**(000's)**	**146 833**	**134 536**

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

		2024	2023
Headline loss per share			
Basic and diluted	(cents)	(75.07)	(19.89)
Reconciliation of headline loss			
Loss attributable to equity holders of Renergen	R'000	(110 273)	(26 725)
Profit on disposal of property, plant and equipment	R'000	–	(55)
Loss on derecognition of leasing arrangement	R'000	74	–
Adjustments attributable to NCI	R'000	(4)	–
Tax effects	R'000	(19)	15
Headline loss	**R'000**	**(110 222)**	**(26 765)**

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

34. NET ASSET VALUE PER SHARE

		2024	2023
Number of shares in issue (note 11)	(000's)	147 529	144 748
Net assets	R'000	1 321 103	840 204
Total equity	R'000	1 321 103	840 204
Tangible net assets	R'000	1 238 891	598 362
Total equity	R'000	1 321 103	840 204
Intangible assets	R'000	(82 212)	(241 842)
Net asset value per share	**(Rand)**	**8.95**	**5.80**
Tangible net asset value per share	**(Rand)**	**8.40**	**4.13**

35. EVENTS AFTER THE REPORTING PERIOD

SBSA Bridge Loan

On 18 March 2024, Renergen settled in full the SBSA bridge loan (note 14).

Unsecured Convertible Debentures

On 18 March 2024, AIRSOL subscribed for the Tranche 2 debentures (see note 14) and Renergen received US$4.0 million.

Changes in directors

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

Notes to the Consolidated Financial Statements
Figures in Rand Thousands

36. 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 32 as part of its ongoing risk management programme. In conducting its most recent going concern assessment:

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

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

- The Company plans to complete the Nasdaq IPO and anticipates raising R2.9 billion (US$150.0 million) during the Assessment Period. Shareholder approval for the issue of shares for the Nasdaq IPO was obtained on 11 April 2023, however the Nasdaq IPO is dependent on market conditions which will determine whether it is completed during the Assessment Period. The Nasdaq IPO is also subject to Securities and Exchange Commission and exchange control approvals, as well as shareholder re-approval in terms of the ASX rules.
- The Group expects to obtain debt funding amounting to $795.0 million from the DFC and SBSA, which includes the refinancing of Phase 1 debt, and is subject to the fulfillment of conditions precedent and other standard conditions. Management are confident that the approvals will be obtained shortly after these conditions are satisfied by the Group.
- The Group is looking to conclude the disposal of the remaining 4.5% stake in Tetra4 not subscribed for in the initial tranche subscribed for by Mahlako Gas Energy.

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

Renergen Separate Annual Financial Statements 2024

Statement of Financial Position

Figures in Rand Thousands

	Notes	2024	2023
ASSETS			
Non-current assets		**1 841 309**	**1 695 015**
Property, plant and equipment[1]	3	20 320	2 368
Intangible assets	4	142	142
Investments in subsidiaries	5	1 807 450	642 356
Loans to subsidiaries	6	5 571	1 046 188
Deferred taxation	7	7 826	3 961
Current assets		**287 907**	**21 279**
Trade and other receivables	8	3 712	2 759
Cash and cash equivalents	9	284 195	18 520
TOTAL ASSETS		**2 129 216**	**1 716 294**
EQUITY AND LIABILITIES			
Stated capital	10	1 768 458	1 733 149
Share-based payments reserve	11	26 445	21 099
Accumulated loss		(103 933)	(67 882)
TOTAL EQUITY		**1 690 970**	**1 686 366**
LIABILITIES			
Non-current liabilities		**10 833**	**–**
Lease liabilities	12	10 833	–
Current liabilities		**427 413**	**29 928**
Borrowings	13	391 551	–
Loan from subsidiary	6	3 347	–
Lease liabilities	12	1 305	–
Trade and other payables	14	31 210	29 928
TOTAL LIABILITIES		**438 246**	**29 928**
TOTAL EQUITY AND LIABILITIES		**2 129 216**	**1 716 294**

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

Statement of Changes in Equity

Figures in Rand Thousands

	Stated capital	Share-based payments reserve	Accumulated loss	Total equity attributable to equity holders of Renergen
Balance at 1 March 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 10)	574 447	(533)	–	573 914
Share issue costs (note 10)	(3 575)	–	–	(3 575)
Share-based payments expense (note 11)	–	10 278	–	10 278
Balance at 28 February 2023	**1 733 149**	**21 099**	**(67 882)**	**1 686 366**
Loss for the year	–	–	(36 051)	(36 051)
Total comprehensive loss for the year	–	–	(36 051)	(36 051)
Issue of shares (note 10)	35 309	(2 728)	–	32 581
Share-based payments expense (note 11)	–	8 074	–	8 074
Balance at 29 February 2024	**1 768 458**	**26 445**	**(103 933)**	**1 690 970**
Notes	10	11		

Statement of Profit or Loss and Other Comprehensive Loss

Figures in Rand Thousands

	Notes	2024	2023
Operating income	15	–	818
Share-based payments expense	11	(6 275)	(7 905)
Operating expenses	16	(34 369)	(19 608)
Operating loss		**(40 644)**	**(26 695)**
Interest income	17	1 817	1 422
Interest expense	18	(1 088)	(5)
Loss before taxation		**(39 915)**	**(25 278)**
Taxation	19	3 864	(235)
LOSS FOR THE YEAR		**(36 051)**	**(25 513)**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(36 051)**	**(25 513)**

Back to Table of Contents

Statement of Cash Flows

Figures in Rand Thousands

	Notes	2024	2023
Cash flows from operating activities			
Cash (used in)/from operations	20	(23 959)	5 530
Interest received	17	1 817	1 422
Net cash (used in)/from operating activities		**(22 142)**	**6 952**
Cash flows from investing activities			
Investment in property, plant and equipment	3	(7 257)	(2 179)
Investment in intangible assets	4	–	(117)
Disposal of intangible assets	4	–	720
Proceeds from part-disposal of interest in Tetra4	5	285 000	–
Investments in subsidiaries	5	(19 911)	(12 318)
Loans granted to subsidiaries	23	(353 318)	(557 511)
Net cash used in investing activities		**(95 486)**	**(571 405)**
Cash flows from financing activities			
Ordinary shares issued for cash	10	32 581	573 914
Share issue costs	10	(2 208)	(1 367)
Repayment of borrowings – capital	21	(15 000)	–
Repayment of interest on borrowings	21	(3 877)	–
Proceeds from borrowings	20	373 972	–
Payment of lease liabilities – capital	12	(546)	–
Interest paid on leasing and other arrangements	18	(859)	(5)
Net cash generated from financing activities		**384 063**	**572 542**
TOTAL CASH MOVEMENT FOR THE YEAR		**266 435**	**8 089**
Cash and cash equivalents at the beginning of the year		18 520	9 362
Effects of exchange rate changes on cash and cash equivalents		(760)	1 069
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**9**	**284 195**	**18 520**

Material Accounting Policies

1. BASIS OF PREPARATION

The financial statements of the Company for the year ended 29 February 2024 have been prepared in accordance with IFRS Accounting Standards, the South African Financial Reporting Requirements, the JSE Listings Requirements and in a manner required by the Companies Act. The accounting policies applied in the preparation of these financial statements of the Company are consistent in all material respects with those used in the prior financial year, except for the adoption of new standards, interpretations and amendments to published standards which became effective for the first time for the financial year ended 29 February 2024. Note 2 discloses the impact of new standards, interpretations and amendments to published standards on the financial statements of the Company.

These financial statements have been prepared under the historical cost convention; are presented in the functional currency of the Company, being the South African Rand ("Rand"); and are rounded to the nearest thousand (R'000), except where otherwise stated.

Going concern

The financial statements of the Company have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Refer to note 27 for further disclosures on going concern matters.

1.1 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company 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 judgement about the future is based on information available at the time at which the judgement is made. Subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made.

Going concern (note 27)

Management's assessment of the Company's ability to continue as a going concern involved making a judgement that the funding initiatives outlined in note 27 will be completed during the assessment period.

Recognition of deferred tax assets (notes 1.7 and 7)

After determining that 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.

Back to Table of Contents

Material Accounting Policies

ESTIMATES AND ASSUMPTIONS

Impairment of non-financial assets (note 5)

In assessing impairment, management estimates the recoverable amount of each asset or CGU based on expected future cash flows and uses an interest rate to discount them.

Estimation uncertainty relates to assumptions about commodity prices, future operating and capital costs, interest rates, exchange rates, inflation rates and the determination of a suitable discount rate.

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.

Taxation (notes 7 and 19)

The Company's tax position involves an estimation of tax outcomes. 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.

1.2 INVESTMENTS IN SUBSIDIARIES

Subsidiaries are entities controlled by Renergen. Renergen controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are carried at cost less any accumulated impairment.

1.3 IMPAIRMENT OF NON-FINANCIAL ASSETS

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 Company of assets to which it belongs for which there are separately identifiable cash flows; its 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 or loss.

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.

1.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on trade date when the Company 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 Company classifies its financial assets as financial assets at amortised cost. At 29 February 2024 and 28 February 2023, the Company did not have financial assets at fair value through profit or loss ("FVTPL") or at fair value through other comprehensive income ("FVOCI").

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 method, less an allowance for impairment.

The Company's financial assets measured at amortised cost comprise cash and cash equivalents (note 9) and loans to subsidiaries (note 6) in the statement of financial position.

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.

Cash and cash equivalents

In the statement of financial position and the statement 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 Company does not have overdraft facilities.

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.

Back to Table of Contents

Impairment of financial assets

Other financial assets at amortised cost (cash and cash equivalents and loans to subsidiaries)

Impairment provisions for cash and cash equivalents and loans to subsidiaries 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 Company 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 loans to related parties currently do not have repayment terms. The Company 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 Company 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 is credit risk will arise when the subsidiary fails to secure adequate funding for projects undertaken. Loans to subsidiaries would be considered to be in default if they are 90 days past due, or if any other event has occurred that represents a serious threat to the going-concern basis of the subsidiary, however there are no fixed loan repayment terms and the loans are not expected to be settled in the next 3 years.

The Company 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.

FINANCIAL LIABILITIES

Classification

The Company classifies its financial liabilities as financial liabilities at amortised cost. At 29 February 2024 and 28 February 2023, the Company did not have financial liabilities at fair value through profit or loss ("FVTPL") or derivative financial instruments.

Financial liabilities at amortised cost

The Company's financial liabilities at amortised cost primarily arise from transactions with lenders and suppliers. The Company's financial liabilities at amortised cost comprise borrowings (note 13), trade and other payables (note 14) and loan from subsidiary (note 6).

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.

Material Accounting Policies

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 Company 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 Company derecognises financial liabilities when the Company'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.

1.5 SHARE-BASED PAYMENTS

Long-term employee benefits – Bonus Shares

The Company operates an equity-settled compensation plan where the Governance, Ethics, Transformation, Social and Compensation Committee ("GETSC") makes an award of forfeitable Renergen shares to the Executive Directors, prescribed officers, senior management and general employees of the Company. 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 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 was measured at grant date and spread over the period that the option holder was unconditionally entitled to the options, except when the service was completed at grant date in which case the expense was recognised immediately in profit or loss. The fair value of the options granted was 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 was 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.

Back to Table of Contents

Material Accounting Policies

The vesting of share options awarded to the Non-executive director occurred annually after each year of completed service (over a four-year period). These were 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 Company operates an equity-settled Share Appreciation Rights Plan ("SAR Plan") where the GETSC makes a once-off award of forfeitable Renergen share options to the Executive Directors, prescribed officers, senior management and general employees of the Company 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. For participants to be able to exercise their options, the share price 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 progress on the achievement of performance conditions on a monthly basis throughout the performance period.

1.6 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.

Material Accounting Policies

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 Company 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 Company.

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 loss or equity if they relate to items that are credited or charged, in the same or a different period, to other comprehensive income or loss or equity.

1.7 LEASES

Company as lessee

The Company assesses whether a contract contains a lease at inception of the contract. The Company 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 Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease liability is initially measured at the present value of the future lease payments from the commencement date of the lease. The lease payments are discounted using the incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets are initially recognised at cost, which comprises the amount of the initial measurement of the corresponding lease liability, adjusted for any lease incentive received and any initial direct costs incurred. Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease over the shorter of the useful life of the right-of-use asset or the end of the lease term (see table below). When a purchase option is included in the lease terms, the asset is depreciated over its estimated useful life.

ITEM	DEPRECIATION METHOD	USEFUL LIFE
Right-of-use - head office building	Straight line	5.75 years

Material Accounting Policies

1.8 TRANSLATION OF FOREIGN CURRENCIES

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 1.9. 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.

1.9 BORROWING COSTS

Borrowing costs are recharged to subsidiaries in the period in which they are incurred. Prior to 27 February 2023, these recharges were effected through the relevant subsidiary's loan account. Post this date, the recharges are treated as an equity contribution as set out in note 5.

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

Material Accounting Policies

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

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

Deferred Tax related to Assets and Liabilities arising from a single transaction – Amendments to IAS 12

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.

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

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

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.

The annual financial statements of the Company have been updated to exclude accounting policies that are not material.

Definition of Accounting Estimates (Amendments to IAS 8)

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.

The adoption of these amendments did not have a material impact on the accounting estimates recorded by the Company.

Material Accounting Policies

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 Company's accounting periods beginning on or after 1 March 2024 or later periods but which the Company has not early adopted. These new standards, amendments and interpretations to existing standards are listed below. The Company is evaluating the impact of these standards, amendments and interpretations and will adopt the applicable standards on 1 March of each year that the standards, amendments and interpretations become effective.

Classification of Liabilities as Current of Non-Current – Amendments to IAS 1 (adoption date 1 March 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.

Lack of exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (adoption date 1 March 2025)

The amendment specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

Notes to the Financial Statements

Figures in Rand Thousands

3. PROPERTY, PLANT AND EQUIPMENT

	2024			2023		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Right-of-use asset – head office building	12 684	(1 101)	11 583	–	–	–
Furniture and fixtures	605	(595)	10	605	(575)	30
LEASEHOLD IMPROVEMENTS						
Office equipment	142	(142)	–	142	(140)	2
Furniture and fixtures	10 321	(1 594)	8 727	3 064	(728)	2 336
TOTAL	**23 752**	**(3 432)**	**20 320**	**3 811**	**(1 443)**	**2 368**

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT – 2024

	At 1 March 2023	Additions	Depreciation	At 29 February 2024
Right-of-use asset – head office building	–	12 684	(1 101)	11 583
Furniture and fixtures	30	–	(20)	10
LEASEHOLD IMPROVEMENTS				
Office equipment	2	–	(2)	–
Furniture and fixtures	2 336	7 257	(866)	8 727
TOTAL	**2 368**	**19 941**	**(1 989)**	**20 320**

Notes to the Financial Statements
Figures in Rand Thousands

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT – 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**

Additions

Additions include non-cash additions to right-of-use assets with respect to the head office building which is leased under a 5.75 year lease agreement. The lease commenced on 1 September 2023 and will terminate on 31 May 2029. The lease is reflected on the statement of financial position as part of PPE and lease liabilities in line with IFRS 16.

Leasehold improvements were made to the new office building in the form of the acquisition of furniture and the installation of fixtures to bring the office building to use. These are included as additions above.

A reconciliation of additions to exclude the impact of non-cash additions to right-of-use assets is provided below:

	2024	2023
Additions as shown above	19 941	2 179
Non-cash additions to right-of-use assets – head office building	(12 684)	–
Additions as reflected in the cash flow statement	**7 257**	**2 179**

Leased assets

Leased asset details are as provided above. The corresponding lease liabilities disclosures for the right-of-use assets are provided in note 12.

Capital commitments and pledged assets

None of the Company's assets are pledged as security for borrowings and there are no capital commitments attributable to PPE as at 29 February 2024 (2023: Rnil).

Notes to the Financial Statements
Figures in Rand Thousands

4. INTANGIBLE ASSETS

	2024			2023		
	Cost	Accumulated amortisation	Net book value	Cost	Accumulated amortisation	Net book value
Internally developed intangible assets						
Development costs – Cryo-Vacc™	25	–	25	25	–	25
Development costs – Helium Tokens System	117	–	117	117	–	117
TOTAL	**142**	**–**	**142**	**142**	**–**	**142**

RECONCILIATION OF INTANGIBLE ASSETS – 2024

There were no movements in intangible assets during the year under review.

RECONCILIATION OF INTANGIBLE ASSETS – 2023

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

1 – Transfer of assets to Cryovation at book value.

Notes to the Financial Statements
Figures in Rand Thousands

5. INVESTMENTS IN SUBSIDIARIES

	Country of registration	Principal place of business	2024 % Holding	2023 % Holding	2024 Carrying amount	2023 Carrying amount
Tetra4	South Africa	South Africa	94.5%	100%	1 790 068	630 006
Balance at 1 March					630 006	627 666
Conversion of loan to equity					1 412 705	–
Disposal of 2.85% interest					(285 000)	–
Equity contribution relating to share-based payments (note 11)					1 767	2 340
Other equity contribution[1]					30 590	–
Cryovation	South Africa	South Africa	100%	100%	12 382	12 350
Balance at 1 March					12 350	–
Equity contribution relating to initial investment					–	12 318
Equity contribution relating to share-based payments (note 11)					32	32
Renergen US	USA	USA	100%	100%	5 000	–
Balance at 1 March					–	–
Equity contribution relating to initial investment					5 000	–
TOTAL					**1 807 450**	**642 356**

1– The other equity contribution is analysed below.

The other equity contribution attributable to Tetra4 is comprised of the following:

	2024
Interest treated as an equity contribution in Tetra4 (note 5)	15 679
Expenses paid on behalf of Tetra4[2]	14 911
TOTAL	**30 590**

2 – Expenses paid on behalf of Tetra4 mainly comprise employee costs, advisory costs and legals costs.

Amounts shown as investments in subsidiaries in the statement of cash flows comprise:

	2024
Expenses paid on behalf of Tetra4	14 911
Equity contribution relating to initial investment in Renergen US	5 000
TOTAL	**19 911**

The Company's interests in subsidiaries are outlined in the table above 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 SAR Plan implemented in December 2021 pursuant to approvals obtained from shareholders. The shares granted to employees, senior management and Executives of Tetra4 and Cryovation who participate in the Bonus Share Scheme or the SAR Plan are Renergen shares. The investments in Tetra4 and Cryovation are therefore increased by the share-based payments expenses attributable to the Bonus Share Scheme and SAR Plan shares granted to employees of these companies which are treated as an equity contribution. This note should be read together with note 11.

Disposal of 5.5% interest in Tetra4

On 27 February 2024, the Company disposed of a 2.85% interest in Tetra4 to MGE. The fair value of the consideration received was R285.0 million. On the same day, MGE acquired a further 2.65% interest in Tetra4 by subscribing for shares in Tetra4 for R265.0 million (fair value of consideration).

Notes to the Financial Statements
Figures in Rand Thousands

6. LOANS TO/(FROM) SUBSIDIARIES

	2024	2023
NON-CURRENT		
Loans to subsidiaries		
Tetra4[1]	–	1 044 213
Cryovation[2]	5 571	1 975
	5 571	**1 046 188**
CURRENT		
Loan from subsidiary		
Renergen US[3]	(3 347)	–
	(3 347)	**–**

1 – The loan was converted to equity as part of the terms of the MGE transaction. The loan was interest free, was unsecured and had no fixed repayment terms. The loan was denominated in Rands.

2 – The loan is interest free, is 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 29 February 2024, management has assessed that expected credit losses attributable to the loan to Cryovation would be immaterial due to the loan outstanding being immaterial (2023: immaterial).

3 – The loan from Renergen US is interest free, is unsecured and has no fixed repayment terms. The loan is denominated in US Dollars.

Back to Table of Contents

Notes to the Financial Statements
Figures in Rand Thousands

7. DEFERRED TAXATION

	2024				
	At 1 March 2023	Recognised in profit or loss	At 29 February 2024	Deferred tax asset	Deferred tax liability
PPE	177	(6)	171	171	–
Accrual for bonuses and other accruals	1 031	25	1 056	1 056	–
Lease liabilities	–	149	149	149	–
Unutilised tax losses	2 753	3 697	6 450	6 450	–
TOTAL	**3 961**	**3 865**	**7 826**	**7 826**	**–**

	2023				
	At 1 March 2022	Recognised in profit or loss	At 28 February 2023	Deferred tax asset	Deferred tax liability
PPE	177	–	177	177	–
Accrual for bonuses and other accruals	–	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**	**–**

As at 29 February 2024 the Company recognised a deferred tax asset attributable to estimated tax losses totalling R23.9 million (2023: R10.2 million). These tax losses do not expire unless the tax entity concerned ceases to operate for a period longer than a year. The tax losses are available to be offset against future taxable profits. For tax years ending on or after 31 March 2023, companies with assessed losses will be entitled to set off a maximum of 80% of their assessed losses (subject to a minimum of R1.0 million) against taxable income in a specific year. Tax losses for which no deferred tax asset was recognised as at 29 February 2024 totalled R15.9 million (2023: R20.4 million).

A net deferred taxation asset of R7.8 million (2023: R4.0 million) has been recognised,reflecting the estimation that future profits will be generated through the charging of management fees to subsidiaries. These profits are expected to be sufficient to utilize the assessed losses, as indicated by the latest financial projections prepared by management.

Notes to the Financial Statements
Figures in Rand Thousands

8. TRADE AND OTHER RECEIVABLES

	2024	2023
Non-financial instruments		
Value-added taxation	2 468	2 759
Deposits	1 244	–
TOTAL TRADE AND OTHER RECEIVABLES	**3 712**	**2 759**

CATEGORISATION OF TRADE AND OTHER RECEIVABLES

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

	2024	2023
Non-financial instruments	**3 712**	**2 759**
TOTAL	**3 712**	**2 759**

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

9. CASH AND CASH EQUIVALENTS

	2024	2023
Cash and cash equivalents consist of:		
Cash at banks and on hand	13 103	10 672
Short-term deposits	271 092	7 848
TOTAL	**284 195**	**18 520**

Cash at banks earns interest at floating rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. Included in cash at banks and on hand is R0.3 million (2023: R5.8 million) denominated in Australian Dollars. There are no amounts denominated in US Dollars at 29 February 2024 (2023: Nil).

The Company banks with financial institutions with a ba2 Moody's standalone credit rating.

Notes to the Financial Statements

Figures in Rand Thousands

10. STATED CAPITAL

	2024	2023
AUTHORISED	**'000**	**'000**
500 000 000 no par value shares (number)	500 000	500 000

RECONCILIATION OF NUMBER OF SHARES ISSUED		
Balance at 1 March	144 748	123 934
Issue of shares – ordinary shares issued for cash	2 580	20 777
Issue of shares – share incentive scheme, non-cash	201	37
Balance at 29/28 February	**147 529**	**144 748**

RECONCILIATION OF STATED CAPITAL	**R'000**	**R'000**
Balance at 1 March	1 733 149	1 162 277
Issue of shares	35 309	574 447
Issue of shares – ordinary shares issued for cash	32 581	573 914
Issue of shares – share incentive scheme, non-cash	2 728	533
Share issue costs[1]	–	(3 575)
Balance at 29/28 February	**1 768 458**	**1 733 149**

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

Shares issued for cash during the year under review comprise:

	2024			
Nature	**Date**	**Number of shares issued '000**	**Issue price Rand**	**Value of shares issued R'000[2]**
Issue of shares on the Johannesburg Stock Exchange	17 May 2023	545	18.30	10 000
Exercise of options[3,4]	Various	2 035	11.10	22 581
TOTAL		**2 580**		**32 581**

2 – The value of shares issued is impacted by rounding.
3 – Issue price represents the average exercise price of the options exercised during the year.
4 – Refer to note 11 for further details on options exercised during the year.

	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[5]	Various	10 543	27.76	292 637
Issue of shares on the Australian Stock Exchange[5]	Various	2 336	23.90	55 825
Exercise of options[6,7]	Various	2 266	10.95	24 820
TOTAL		**20 777**		**573 914**

5 – Shares were issued to numerous parties consisting of existing and new domestic and international institutions and investors.
6 – Issue price represents the average exercise price of the options exercised during the year.
7 – Refer to note 11 for further details on options exercised during the year.

Notes to the Financial Statements

Figures in Rand Thousands

11. EQUITY SETTLED SHARE-BASED PAYMENTS

EMPLOYEE BONUS SHARE SCHEME

Shares were granted to executive directors, senior management and general employees of the Group 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. Vesting dates for shares issued under the Bonus Share Scheme are as follows:

Grant date	Vesting date
1 March 2020	1 March 2023
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").

	29 FEBRUARY 2024			28 FEBRUARY 2023		
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	470		10 701	486		7 138
ALLOCATION FOR THE YEAR	**–**	**–**	**–**	**127**	**37.43**	**4 775**
Executive Directors	–	–	–	84	37.43	3 136
Senior management	–	–	–	11	37.43	428
General employees	–	–	–	32	37.43	1 211
VESTED SHARES FOR THE YEAR	**(202)**	**13.55**	**(2 728)**	**(142)**	**8.17**	**(1 168)**
Executive Directors	(160)	13.55	(2 161)	(117)	8.17	(960)
Senior management	(26)	13.55	(356)	(9)	8.17	(71)
General employees	(16)	13.55	(211)	(16)	8.17	(137)
LAPSED SHARES FOR THE YEAR	**–**	**–**	**–**	**(1)**	**37.43**	**(44)**
Senior management	–		–	–		–
General employees	–	–	–	(1)	37.43	(44)
Balance at the end of the year	**268**		**7 973**	**470**		**10 701**

1 – Numbers presented are impacted by rounding.

Notes to the Financial Statements

Figures in Rand Thousands

SHARE OPTIONS GRANTED

ASX listing

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

On 6 June 2019, 1.0 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 vested annually after every year of completed

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

During the year under review the ASX lead advisor and corporate advisor exercised 1.2 million share options (at AUD0.96 or an average of R11.83) (2023: 1.9 million share options (at AUD0.96 or an average of R11.03)) and 0.8 million share options (at AUD0.80 or an average of R10.03) (2023: 0.4 million share options (at AUD0.80 or R10.59)), respectively. These movements are summarised in the table below.

SHARE OPTIONS	29 FEBRUARY 2024				28 FEBRUARY 2023			
Reconciliation of share options granted to date to the ASX lead advisor, corporate advisor and Non-executive Director:	**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	3 035		2 829	11.36	5 051		5 369	8.92
Vested during the year	**–**		**–**	**–**	**250**		**52**	**11.91**
Non-executive Director	–	–	–	–	250	0.21	52	11.91
Exercised during the year[2]	**(2 035)**		**(2 620)**	**11.08**	**(2 266)**		**(2 592)**	**10.95**
ASX lead advisor	(1 190)	1.03	(1 226)	11.83	(1 851)	1.03	(1 907)	11.03
Corporate advisor	(845)	1.65	(1 394)	10.03	(415)	1.65	(685)	10.59
Total share options awarded to date	**1 000**		**209**	**12.04**	**3 035**		**2 829**	**11.36**
Exercisable at 29/28 February	**1 000**		**209**	**12.04**	**3 035**		**2 829**	**11.36**

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 10 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.

Notes to the Financial Statements

Figures in Rand Thousands

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

			Exercise price (Rand)[1]		Number of share options ('000s)	
	Grant date	**Expiry date**	**2024**	**2023**	**2024**	**2023**
ASX lead advisor	6 June 2019	6 June 2023	–	11.91	–	1 190
Corporate advisor	6 June 2019	6 June 2023	–	9.92	–	845
Non-executive director	6 June 2019	6 June 2023	12.04	11.91	1 000	1 000
TOTAL					**1 000**	**3 035**

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.

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 1.5). 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.

Notes to the Financial Statements
Figures in Rand Thousands

An additional 0.9 million share options were award during the current year to senior management and general employees (2023: 0.9 million), 1.0 million share options lapsed upon termination of employment of participants (2023: 0.3 million) and 0.9 million shares options lapsed upon expiry date for executive directors and select senior management. On 18 December 2023, 2.2 million share options previously granted to senior management and general employees were re-issued to more closely align to the Phase 2 scheduled turn-on date.

SAR PLAN	29 FEBRUARY 2024				28 FEBRUARY 2023			
Reconciliation of share options granted to date under the SAR Plan:	**Number of share options granted ('000)**	**value per share option at grant date**	**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	10 554		16 231	61.29	9 956		15 479	61.10
Granted during the year								
Executives, senior management and general employees	905		1 891	56.25	900		1 231	63.19
Tier 1	226	4.64	1 050	37.50	100	4.64	464	37.50
Tier 2	226	2.20	498	50.00	150	2.20	330	50.00
Tier 3	226	1.14	258	62.50	250	1.14	285	62.50
Tier 4	226	0.38	86	75.00	400	0.38	152	75.00
Lapsed during the year								
Executives, senior management and general employees	(1 971)		(5 996)	49.77	(302)		(479)	60.80
Tier 1	(1 094)	4.64	(5 074)	37.50	(43)	4.64	(200)	37.50
Tier 2	(194)	2.20	(427)	50.00	(63)	2.20	(139)	50.00
Tier 3	(310)	1.14	(353)	62.50	(88)	1.14	(100)	62.50
Tier 4	(374)	0.38	(142)	75.00	(108)	0.38	(40)	75.00
Total shares awarded to date	**9 488**		**12 127**	**1.02**	**10 554**		**16 231**	**61.29**
Exercisable at 29/28 February	**–**		**–**	**–**	**–**		**–**	**–**

Notes to the Financial Statements
Figures in Rand Thousands

The fair value at grant date of all share options awarded was determined using 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:

			Exercise price (Rand)		Number of share options ('000s)	
	Grant date	**Expiry date**	**2024**	**2023**	**2024**	**2023**
Tier 1	17 Dec 2021	17 Dec 2023	37.50	37.50	–	864
Tier 2	17 Dec 2021	17 Dec 2024	50.00	50.00	1 350	1 350
Tier 3	17 Dec 2021	17 Dec 2025	62.50	62.50	1 836	1 836
Tier 4	17 Dec 2021	17 Dec 2026	75.00	75.00	2 322	2 322
Tier 1	Mar 2022 - Feb 2023	17 Dec 2023	37.50	37.50	–	100
Tier 2	Mar 2022 - Feb 2023	17 Dec 2024	50.00	50.00	150	150
Tier 3	Mar 2022 - Feb 2023	17 Dec 2025	62.50	62.50	250	250
Tier 4	Mar 2022 - Feb 2023	17 Dec 2026	75.00	75.00	400	400
Tier 1	18 Dec 2023	17 Dec 2025	37.50	37.50	534	437
Tier 2	18 Dec 2023	17 Dec 2026	50.00	50.00	686	654
Tier 3	18 Dec 2023	17 Dec 2027	62.50	62.50	899	982
Tier 4	18 Dec 2023	17 Dec 2028	75.00	75.00	1 061	1 209
TOTAL					**9 488**	**10 554**

Back to Table of Contents

Notes to the Financial Statements
Figures in Rand Thousands

RECONCILIATION OF SHARE-BASED PAYMENTS RESERVE

	2024	2023
Balance at the beginning of the year	21 099	11 354
Bonus share scheme – share-based payments expense for Renergen participants charged to profit or loss[1]	**757**	**2 802**
Executive Directors	621	2 534
Senior management	88	258
General employees	48	10
Bonus share scheme – share-based payments expense for Tetra4 participants[1]	**1 767**	**859**
Executive Directors	1 262	162
Senior management	47	219
General employees	458	478
SAR Plan[1]	**5 550**	**6 565**
Renergen	4 297	5 052
Tetra4	1 221	1 481
Cryovation	32	32
Share options – share-based payments expense charged to profit or loss	**–**	**52**
Non-executive Director	–	52

	2024	2023
Shares which lapsed during the year[1]	–	–
Vested shares issued during the year	(2 728)	(533)
Balance at the end of the year	**26 445**	**21 099**

1 – *Total share-based payments expenses amount to R8 074 000 for the year under review as presented in the statement of changes in equity (2023: R10 278 000) of which R6 274 000 (2023: 7 905 000) is directly attributable to Renergen employees and is recorded in the statement of profit or loss and other comprehensive loss. Share-based expenses totalling R1 767 000 (2023: R2 340 000) and R32 000 (2023: R32 000) are recorded as equity contributions for Tetra4 and Cryovation, respectively. See note 5.*

Notes to the Financial Statements
Figures in Rand Thousands

12. LEASE LIABILITIES

	2024	2023
Non-current	10 833	–
Current	1 305	–
TOTAL	**12 138**	**–**

The maturity analysis of lease liabilities is as follows:

	2024	2023
Lease payments		
Due within one year	2 896	–
Due within two to three years	6 370	–
Due within four to five years	7 225	–
Due over five years	961	–
	17 452	–
Finance charges	(5 314)	–
Net present value	**12 138**	**–**

The lease liability relates to the lease of the new head office building. The Company entered into a new lease for head office space under a 5.75-year lease agreement which commenced 1 September 2023 (lease will terminate on 31 May 2029). The net book value of the right of use assets as at 29 February 2024 is R11.6 million.

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

The Company had no leases of low value assets as at 29 February 2024 (2023: no leases).

A reconciliation for the related right-of-use asset is provided in note 3 and the interest expense on leases is disclosed in note 18.

The movements in lease liabilities are outlined below:

	2024					
	At 1 March 2023	New leases	Interest expense	Interest paid	Lease payments	At 29 February 2024
Lease liabilities	–	12 684	857	(857)	(546)	12 138
TOTAL	**–**	**12 684**	**857**	**(857)**	**(546)**	**12 138**

Notes to the Financial Statements
Figures in Rand Thousands

13. BORROWINGS

	2024	2023
HELD AT AMORTISED COST		
SBSA	333 798	–
AIRSOL	57 753	–
TOTAL	**391 551**	**–**

The classification of the above borrowings is as follows:

	2024	2023
CURRENT		
SBSA	333 798	–
AIRSOL	57 753	–
TOTAL	**391 551**	**–**

Movements in the Group's borrowings are analysed in note 21.

SBSA Bridge Loan

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

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

The SBSA Bridge Loan is secured by a third ranking pledge of Tetra4’s assets under construction, land, the global business account and shares held by Renergen in Tetra4. The SBSA Bridge Loan outstanding on 29 February 2024 amounted to R333.8 million and interest accrued during the year amounted to R30.8 million. Interest on the SBSA Bridge Loan is treated as an equity contribution as outlined in note 5.

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

Notes to the Financial Statements
Figures in Rand Thousands

AIRSOL Unsecured Convertible Debentures

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

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

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

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

Tranche 1 debentures outstanding on 29 February 2024 amounted to US$3 million (R57.8 million) and interest accrued during the year amounted to US$0.2 million (R3.6 million).

The debentures have been classified as short term as they have a maturity date of 28 February 2025.

Notes to the Financial Statements
Figures in Rand Thousands

14. TRADE AND OTHER PAYABLES

	2024	2023
FINANCIAL INSTRUMENTS		
Trade payables	24 003	21 086
Accrued expenses	2 749	5 026
	26 752	**26 112**
NON-FINANCIAL INSTRUMENTS		
Accrued leave pay	1 396	1 301
Accrual for bonuses	2 515	2 515
Other	547	–
TOTAL	**31 210**	**29 928**

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

	2024	2023
US Dollars	20 130	16 444
Australian Dollars	224	59
Great British Pounds	–	667
South African Rands	10 856	12 758
TOTAL	**31 210**	**29 928**

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

		2024	2023
Trade and other payables at the beginning of the year		(29 928)	(724)
Eliminated in the cashflow statement:			
Accruals attributable to	– share issue costs	2 208	(2 208)
	– leave pay	(95)	(1 302)
	– bonuses	–	(3 250)
	– non-executive directors fees	(474)	–
Net foreign exchange losses		(869)	–
Trade and other payables at the end of the year		31 210	29 928
Movement in trade and other payables as per the cash flow statement		**2 052**	**22 444**

Notes to the Financial Statements
Figures in Rand Thousands

15. OTHER OPERATING INCOME

	2024	2023
Net foreign exchange gains	–	818
TOTAL	**–**	**818**

The net foreign exchange gains above arose on translation of foreign creditors.

16. OTHER OPERATING EXPENSES

	2024	2023
OPERATING EXPENSES BY NATURE		
Consulting and advisory fees[1]	7 692	2 151
Listing costs	1 979	2 769
Employee costs	6 598	8 555
Pension costs – defined contribution plans	397	–
Depreciation[2]	1 989	194
Computer and IT expenses	290	49
Marketing and advertising[3]	3 843	684
Net foreign exchange losses[4]	2 998	–
Legal and professional fees	3 300	1 822
Other operating costs	2 490	1 223
Directors fees' – Non-executive	2 793	2 161
TOTAL	**34 369**	**19 608**

1 *Increase attributable to public relations marketing and preparation for the Nasdaq listing.*
2 *The increase in depreciation is attributable to additional depreciation on the new head office right-of-use asset (see note 3).*
3 *Increase attributable to marketing to increase brand awareness given increased operations relative to the prior year.*
4 *The net foreign exchange losses above arose mainly on translation of foreign creditors.*

17. INTEREST INCOME

	2024	2023
Interest income – cash and cash equivalents	1 817	1 422
TOTAL	**1 817**	**1 422**

Notes to the Financial Statements
Figures in Rand Thousands

18. INTEREST EXPENSE

	2024	2023
Interest – borrowings (note 21)	229	–
Interest – leasing arrangements	857	–
Interest – other	2	5
TOTAL	**1 088**	**5**

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

	2024	2023
Interest – leasing arrangements	857	–
Interest – other	2	5
Interest paid on leasing and other arrangements per the statement of cash flows	**859**	**5**

19. TAXATION

	2024	2023
Major components of the tax income		
Deferred		
Originating and reversing temporary differences	3 864	(235)
TOTAL	**3 864**	**(235)**
Reconciliation of effective tax rate		
Accounting loss before taxation	(39 915)	(25 278)
Tax at the applicable tax rate of 27% (2023: 28%)	10 777	7 078
Tax effect of:		
Non-deductible expenses		
– Share-based payments	(1 694)	(2 213)
– Penalties	(21)	–
Current year losses for which no deferred tax asset has been recognised	(5 198)	(4 926)
Effect of change in tax rate	–	(174)
TOTAL	**3 864**	**(235)**

Notes to the Financial Statements
Figures in Rand Thousands

20. CASH (USED IN)/FROM OPERATIONS

	Notes	2024	2023
Loss before taxation		(39 915)	(25 278)
CASH ADJUSTMENTS			
Interest income – cash and cash equivalents	17	(1 817)	(1 422)
Interest expense – other	18	2	5
Interest expense – borrowings	18	229	–
Interest expense – leasing arrangements	18	857	–
NON-CASH ADJUSTMENTS			
Depreciation	16	1 989	194
Share-based payments expense	11	6 275	7 905
Increase in leave pay accrual		95	1 302
Increase in bonus accrual		–	3 250
Accrual for employee costs		3 755	–
Increase in Non-executive directors fees accrual		474	–
Net foreign exchange losses/(gains)		2 998	(1 069)
CHANGES IN WORKING CAPITAL			
Trade and other receivables		(953)	(1 801)
Trade and other payables	14	2 052	22 444
TOTAL		**(23 959)**	**5 530**

Notes to the Financial Statements

Figures in Rand Thousands

21. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2024						
		Non-cash movements		Cash movements			
	At 1 March 2023	Interest[1]	Foreign exchange losses[2]	Additions	Repayments – capital[3]	Repayments – interest[3]	At 29 February 2024 (note 13)
MaxiConcepts	–	229	–	15 000	(15 000)	(229)	–
SBSA	–	30 798	–	303 000	–	–	333 798
AIRSOL	–	3 648	1 781	55 972	–	(3 648)	57 753
TOTAL	**–**	**34 675**	**1 781**	**373 972**	**(15 000)**	**(3 877)**	**391 551**

1 – *The Company recharges interest incurred on debt acquired to construct the VGP to Tetra4. Following the equity conversion of the Tetra4 loan pursuant to the MGE Transaction this interest is now treated as an equity contribution. A reconciliation of the interest expense between amounts recharged to Tetra4 and amounts shown in the interest expense (note 18) is presented below.*

2 – *Foreign exchange losses reflect the impact of the weakening of the Rand against the US Dollar.*

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

A reconciliation of the interest which has been recognised in the statement of profit or loss and other comprehensive loss is provided below:

	2024	2023
Interest as shown above	34 675	–
SBSA interest recharged to Tetra4	(30 798)	–
AIRSOL interest recharged to Tetra4	(3 648)	–
Interest on borrowings as presented in profit or loss (note 18)	**229**	**–**

Interest on borrowings capitalised as presented in the Tetra4 loan and investment account

	2024	2023
Interest recharged to the Tetra4 loan account (note 23)	18 770	–
Interest treated as an equity contribution in Tetra4 (note 5)	15 679	–
Total interest recharged or treated as an equity contribution	**34 449**	**–**

Notes to the Financial Statements

Figures in Rand Thousands

22. COMMITMENTS AND CONTINGENT LIABILITIES

22 CONTINGENT LIABILITIES

There are no contingent liabilities as at 29 February 2024 attributable to the Company (2023: nil).

22 COMMITMENTS

There are no commitments as at 29 February 2024 attributable to the Company (2023: nil).

23. RELATED PARTIES

RELATIONSHIPS

Subsidiary	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

During the year under review there were no transactions or balances with companies controlled by Directors or shareholders with significant influence (2023: Rnil).

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

RELATED PARTY BALANCES

	2024						
Loans to/(from) subsidiaries	At 1 March 2023	Cash movements: Advances (costs recharged to subsidiaries)	Non-cash movements: Interest recharged to Tetra4	Non-cash movement: Equity conversion of loan	Non-cash movements: Advances (costs recharged to subsidiaries)	Non-cash movements: foreign exchange losses	At 29 February 2024
Tetra4	1 044 213	350 692	18 770	(1 412 705)	(970)	–	–
Cryovation	1 975	2 626	–	–	970	–	5 571
Renergen US	–	–	–	–	(3 755)	408	(3 347)
TOTAL (note 6)	**1 046 188**	**353 318**	**18 770**	**(1 412 705)**	**(3 755)**	**408**	**2 224**

	2023		
Loans to subsidiaries	At 1 March 2022	Advances	At 28 February 2023
Tetra4	488 677	555 536	1 044 213
Cryovation	–	1 975	1 975
TOTAL (note 6)	**488 677**	**557 511**	**1 046 188**

Back to Table of Contents

24. DIRECTORS' AND PRESCRIBED OFFICERS EMOLUMENTS

	NON-EXECUTIVES					
	2024			2023		
Fees paid to Non-executive Directors:	**Directors' Board fees**	**Committee fees**	**Total**	**Directors' Board fees**	**Committee fees**	**Total**
David King	859	–	859	739	77	816
Mbali Swana	319	211	530	274	190	464
Luigi Matteucci	319	212	531	274	200	474
Bane Maleke[1]	–	–	–	274	133	407
Thembisa Skweyiya[2]	319	89	408	–	–	–
Dumisa Hlatshwayo[2]	319	68	387	–	–	–
TOTAL	**2 135**	**580**	**2 715**	**1 561**	**600**	**2 161**

1 – Retired on 6 February 2023
2 – Appointed on 6 February 2023 and resigned on 10 April 2024

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

	EXECUTIVES					
	2024		2023			
Remuneration paid to Executive Directors:	**Total annual guaranteed package**	**Total**	**Total annual guaranteed package**	**Short-term cash incentive paid**	**Share incentive**	**Total**
Stefano Marani	7 366	7 366	4 666	1 213	1 213	7 092
Brian Harvey	4 155	4 155	3 779	723	723	5 225
Nick Mitchell	5 785	5 785	4 666	1 201	1 201	7 068
TOTAL	**17 306**	**17 306**	**13 111**	**3 137**	**3 137**	**19 385**

	PRESCRIBED OFFICER			
	2024		2023	
Remuneration paid to Prescribed Officer:	**Total annual guaranteed package**	**Total**	**Total annual guaranteed package**	**Total**
Leonard Eiser[1]	2 646	2 646	2 238	2 238
TOTAL	**2 646**	**2 646**	**2 238**	**2 238**

1– Appointed on 1 April 2022

The prescribed officer is a member of the Executive Committee and is part of the Group's key management.

Notes to the Financial Statements
Figures in Rand Thousands

	EXECUTIVES AND PRESCRIBED OFFICERS					
	2024			2023		
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)**	**Number of shares granted ('000)**	**Fair value per share at grant date Rand**	**Value of shares at grant date (R'000)[1]**
Stefano Marani	–	–	–	32	37.43	1 213
Brian Harvey	–	–	–	19	37.43	723
Nick Mitchell	–	–	–	32	37.43	1 201
TOTAL	**–**		**–**	**83**		**3 137**

1– Numbers presented are impacted by rounding.

	EXECUTIVES AND PRESCRIBED OFFICERS					
	2024			2023		
Share options granted to Executive Directors and Prescribed Officers pursuant to the SAR Plan:	**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**

The performance and service conditions for the above share options and bonus scheme shares are provided in note 11.

Post-employment and termination benefits

The Group introduced a defined contribution retirement scheme in July 2023 to improve the employee value proposition. Payments made with respect to the pension scheme are provided in note 16.

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

CATEGORIES OF FINANCIAL INSTRUMENTS

Categories of financial assets

	Notes	2024 Amortised cost	2023 Amortised cost
Loans to subsidiaries	6	5 571	1 046 188
Cash and cash equivalents	9	284 195	18 520
TOTAL		**289 766**	**1 064 708**

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

Categories of financial liabilities

	Notes	2024 Amortised cost	2023 Amortised cost
Trade and other payables	14	26 752	26 112
Loan from subsidiary	6	3 347	–
Borrowings	13	391 551	–
TOTAL		**421 650**	**26 112**

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

	Note	2024 Amortised cost	2023 Amortised cost
RECOGNISED IN PROFIT OR LOSS			
Interest income	17	1 817	1 422
TOTAL		**1 817**	**1 422**

Notes to the Financial Statements
Figures in Rand Thousands

Gains and (losses) on financial liabilities

	Notes	2024 Amortised cost	2023 Amortised cost
RECOGNISED IN PROFIT OR LOSS			
Net foreign exchange (losses)/gains	16	(2 998)	818
Interest expense – other	18	(2)	(5)
Interest expense – borrowings	18	(229)	–
TOTAL		**(3 229)**	**813**

CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company'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 Company is targeting a long-term capital structure of a maximum of 80% equity funding and 20% debt funding, taking into consideration the capital raise and development of Phase 2.

The Company considers borrowings, cash and cash equivalents and equity as disclosed in notes 9 and 10, respectively as capital.

	Notes	2024	2023
Stated capital	10	1 768 458	1 733 149
Borrowings	13	391 551	–
TOTAL		**2 160 009**	**1 733 149**

The Company's capital structure as at 29/28 February of each year was as follows:

	2024	2023
Equity	82%	100%
Debt	18%	0%

FINANCIAL RISK MANAGEMENT

Overview

The Company is exposed to a variety of financial risks: market risk (including 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 Company Executive Committee, is responsible for the development, monitoring and communication of the processes for managing risk across the Company. The Company's overall risk management program ensures that business risks are systematically identified, assessed and reduced to acceptable levels, whether they are insurable or not, without unduly affecting the Company's competitiveness and flexibility. The Company 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 Company'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.

Back to Table of Contents

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from cash held on its behalf by counterparties and loans advances to subsidiaries. Credit risk in this regard is managed to ensure that counterparty default risk is reduced to an acceptable level. Financial instruments of the Company exposed to credit risk include cash and cash equivalents (note 9) and loans to subsidiaries (note 6).

Cash and cash equivalents

The Company only deposits cash with major banks with high-quality credit standing and limits exposure to any one counterparty. The Company's cash is held with financial institutions with a ba2 Moody's credit rating.

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 is the carrying values of cash and cash equivalents and loans to subsidiaries disclosed in notes 9 and 6, respectively. These financial instruments and related carrying values are

		2024		
	Notes	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost**
Loans to subsidiaries	6	5 571	–	5 571
Cash and cash equivalents	9	284 195	–	284 195
TOTAL		**289 766**	**–**	**289 766**

		2023		
	Notes	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost**
Loans to subsidiaries	6	1 046 188	–	1 046 188
Cash and cash equivalents	9	18 520	–	18 520
TOTAL		**1 064 708**	**–**	**1 064 708**

At 29 February 2024, the Company's exposure to credit risk is not material for reasons highlighted above (also see notes 6 and 9) (2023: Rnil).

Notes to the Financial Statements
Figures in Rand Thousands

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure that it will always has sufficient cash to allow it to meet its liabilities when they become due. Management manages cash flows 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 Company 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

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

		2024							
	Notes	**Within 3 months**	**Within 4 – 6 months**	**Within 7 – 12 months**	**1 – 3 years**	**3 – 5 years**	**Over 5 years**	**Total**	**Carrying amount**
NON-CURRENT LIABILITIES									
Lease liabilities	12	–	–	–	6 370	7 225	961	14 556	10 833
CURRENT LIABILITIES									
Borrowings	13	333 798	1 824	59 577	–	–	–	395 199	391 551
Lease liabilities	12	724	724	1 448	–	–	–	2 896	1 305
Loan from subsidiary	6	–	3 347	–	–	–	–	3 347	3 347
Trade and other payables	14	26 752	–	–	–	–	–	26 752	26 752
TOTAL		**361 274**	**5 895**	**61 025**	**6 370**	**7 225**	**961**	**442 750**	**433 788**

		2023							
	Notes	**Within 3 months**	**Within 4 – 6 months**	**Within 7 – 12 months**	**1 – 3 years**	**3 – 5 years**	**Over 5 years**	**Total**	**Carrying amount**
CURRENT LIABILITIES									
Trade and other payables	14	26 112	–	–	–	–	–	–	26 112
TOTAL		**26 112**	**–**	**–**	**–**	**–**	**–**	**–**	**26 112**

Market risk

Market risk arises from the Company'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 Company's financial assets and liabilities affected by market risk include cash and cash equivalents (note 9) and borrowings (note 13).

Notes to the Financial Statements
Figures in Rand Thousands

Foreign currency risk

The Company'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 Company transacted in currencies including the US Dollar and Australian Dollar, however, the Company is mostly exposed to transactions and balances denominated in US Dollars (see table below). The Company reviews foreign currency exposure, including exposures arising from commitments on a monthly basis. The Company will in future rely on the ability of its key subsidiary to generate revenue in US Dollars (from Phase 2 of the VGP) 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 as the operations of the Group evolve.

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

		2024		
	Notes	USD	AUD	TOTAL
Trade and other payables	14	(20 130)	(224)	(20 354)
Cash and cash equivalents	9	–	333	333
Borrowings	13	(57 753)	–	(57 753)
TOTAL		**(77 883)**	**109**	**(77 774)**

		2023			
	Notes	USD	AUD	GBP	TOTAL
Trade and other payables	14	(16 444)	(59)	(667)	(17 170)
Cash and cash equivalents	9	–	5 792	–	5 792
TOTAL		**(16 444)**	**5 733**	**(667)**	**(11 378)**

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

	2024	2023
Weakening of Rand against the US Dollar by 2%	(1 558)	(329)
Strengthening of Rand against the US Dollar by 2%	1 558	329
Weakening of Rand against the Australian Dollar by 10%	11	573
Strengthening of Rand against the Australian Dollar by 10%	(11)	(573)

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

	2024	2023
Year-end exchange rates	**R**	**R**
US Dollar	19.2456	18.4505
Australian Dollar	12.5417	12.4040
British Pound	*	22.2178

*- no balances denominated in this currency in 2024.

Notes to the Financial Statements
Figures in Rand Thousands

The Company is not exposed to price and equity price risk.

Interest rate risk

The Company's interest rate risk arises from its borrowings disclosed in note 13. The AIRSOL borrowings expose the Company to fair value interest rate risk as it is secured at a fixed interest rate. The SBSA borrowings expose the Group to cash flow interest rate risk as it was secured at a variable interest rate. The Company manages its interest rate risk by monitoring interest rates on a regular basis.

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

	2024	2023
USD borrowings – AIRSOL		
A 2% increase in the interest rate	(1 155)	–
A 2% decrease in the interest rate	1 155	–
Rand borrowings – SBSA		
A 2% increase in the interest rate	(6 676)	–
A 2% decrease in the interest rate	6 676	–

26. EVENTS AFTER THE REPORTING PERIOD

SBSA Bridge Loan

On 18 March 2024, Renergen settled in full the SBSA bridge loan (note 13).

Unsecured Convertible Debentures

On 18 March 2024, AIRSOL subscribed for the Tranche 2 debentures (see note 13) and Renergen received US$4.0 million.

Changes in directors

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

Notes to the Financial Statements

Figures in Rand Thousands

27. GOING CONCERN

The financial statements presented have been prepared on a going concern basis, which assumes the Company will be able to discharge its liabilities as they fall due. The Company regularly monitors its liquidity position as part of its ongoing risk management programme as set out in note 25. In conducting its most recent going concern assessment:

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

After consideration of the Cash Forecast and the outcome of the stress testing performed, the Company has concluded that the going concern basis of preparation is appropriate. Various initiatives have come to fruition since 29 February 2024 which have resulted in cash inflows as well as increasing the certainty of future cash inflows. 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 Company plans to complete the Nasdaq IPO and anticipates raising R2.9 billion (US$150.0 million) during the Assessment Period. Shareholder approval for the issue of shares for the Nasdaq IPO was obtained on 11 April 2023, however the Nasdaq IPO is dependent on market conditions which will determine whether it is completed during the Assessment Period. The Nasdaq IPO is also subject to Securities and Exchange Commission and exchange control approvals, as well as shareholder re-approval in terms of the ASX rules.
- The Group expects to obtain debt funding amounting to $795.0 million from the DFC and SBSA, which includes the refinancing of Phase 1 debt, and is subject to the fulfillment of conditions precedent and other standard conditions. Management are confident that the approvals will be obtained shortly after these conditions are satisfied by the Group.
- The Company is looking to conclude the disposal of the remaining 4.5% stake in Tetra4 not subscribed for in the initial tranche subscribed for by Mahlako Gas Energy.

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

Shareholder Information

Company: Renergen Limited

Register date: 01 March 2024

Issued Share Capital: 147 528 660

Shareholder Spread	No of Shareholdings	%	No of Shares	%
1 - 1 000 shares	33 791	80,90	5 309 462	3,60
1 001 - 10 000 shares	6 637	15,89	21 656 224	14,68
10 001 - 100 000 shares	1 189	2,85	31 814 493	21,56
100 001 - 1 000 000 shares	136	0,33	31 975 910	21,67
1 000 001 shares and over	16	0,04	56 772 571	38,48
Totals	**41 769**	**100,00**	**147 528 660**	**100,00**

Distribution of Shareholders	No of Shareholdings	%	No of Shares	%
Banks/Brokers	80	0,19	12 605 254	8,54
Close Corporations	84	0,20	796 785	0,54
Endowment Funds	16	0,04	407 543	0,28
Individuals	40 105	96,02	63 082 067	42,76
Insurance Companies	47	0,11	1 676 192	1,14
Investment Companies	5	0,01	120 644	0,08
Mutual Funds	44	0,11	12 675 703	8,59
Other Corporations	169	0,40	303 573	0,21
Private Companies	523	1,25	28 627 549	19,40
Public Companies	7	0,02	4 701 629	3,19
Retirement Funds	220	0,53	18 428 272	12,49
Trusts	469	1,12	4 103 449	2,78
Totals	**41 769**	**100,00**	**147 528 660**	**100,00**

Public / Non - Public Shareholders	No of Shareholdings	%	No of Shares	%
Non - Public Shareholders	11	0,03	17 845 952	12,10
Directors,Associates and Prescribed Officers of the Company	11	0,03	17 845 952	12,10
Public Shareholders	41 758	99,97	129 682 708	87,90
Totals	**41 769**	**100,00**	**147 528 660**	**100,00**

Beneficial shareholders holding 5% or more	No of Shares	%
MATC Investments (Pty) Ltd	8 714 306	5,91
CRT Investments (Pty) Ltd	8 600 269	5,83
Government Employees Pension Fund	8 321 396	5,64
Ye,J	8 030 000	5,44
Northshore Capital	7 325 104	4,97
Ivanhoe Mines Ltd	4 568 203	3,10
Totals	**45 559 278**	**30,88**

Institutional shareholders holding 3% or more	No of Shares	%
Mazi Asset Management	12 962 214	8,79
Northshore Capital	7 325 104	4,97
Mergence Investment Managers	3 568 741	2,42
Anchor Capital	2 119 708	1,44
Peresec Prime Brokers	1 739 133	1,18
Totals	**27 714 900**	**18,79**

Shareholder Spread	No of Shareholdings	%	No of Shares	%
South Africa	38 805	92,90	106 985 213	72,52
Australiasia	2 471	5,92	31 030 248	21,03
North America	17	0,04	5 469 776	3,71
Europe	28	0,07	1 664 379	1,13
United Kingdom	35	0,08	1 313 754	0,89
Rest of the World	381	0,91	1 049 750	0,71
Asia	32	0,08	15 540	0,01
Totals	**41 769**	**100,00**	**147 528 660**	**100,00**

Top 20 Shareholders

Registered Shareholder	No of Shares	%
MATC INVESTMENTS (PTY) LTD	8 714 306	5,91
CRT INVESTMENTS (PTY) LTD	8 600 269	5,83
MR JIA YE	8 030 000	5,44
GOVERNMENT EMPLOYEES PENSION FUND M AZI CAPITAL PTY LTD	6 182 498	4,19
IVANHOE MINES LIMITED	4 568 203	3,10
FRB ITF NORTHSHORE PRIME FLEXIBLE Q UALIFIED INVESTOR HEDGEFUND	4 396 023	2,98
FRB ITF NORTHSHORE PRIME FLEXIBLE Q	2 929 081	1,99
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2 468 864	1,67
GOVERNMENT EMPLOYEES PENSION FUND M ERGENCE INVESTMENT MANAGERS PTY LTD	1 915 545	1,30
PERESEC PRIME BROKERS (PTY) LTD	1 739 133	1,18
ESKOM PENSION AND PROVIDENT FUND	1 609 589	1,09
CITICORP NOMINEES PTY LIMITED	1 371 998	0,93
GJ FILTER & SEUNS (EDMS) BPK	1 100 000	0,75
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	1 086 093	0,74
TITAN PREMIER INVESTMENTS (PTY) LTD	1 035 809	0,70
ZOGHBY STEPHEN MICHAEL MR	1 025 160	0,69
VIDEOVISION INVESTMENTS (PTY) LTD	946 448	0,64
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	775 209	0,53
SBSA ITF ANCHOR BCI SA EQUITY FUND	763 726	0,52
MR ANDREW FORSTER	757 072	0,51
TOTAL	**60 015 026**	**40,68**

Notice of Annual General Meeting

Renergen Limited

Place of Incorporation: South Africa
South African Company Registration Number: 2014/195093/06
JSE Share Code: REN
A2X Share Code: REN
ASX Share Code: RLT
ISIN: ZAE 000 202610
Renergen Limited LEI: 378900B1512179F35A69
Australian Business Number (ABN): 93 998 352 675

("Renergen" or "the Company")

Notice to Shareholders of the Annual General Meeting ("AGM") of Renergen Limited

Notice is hereby given that the AGM of shareholders of the Company for the year ended 29 February 2024 will be held at 10:00 on Friday, 26 July 2024, in the Boardroom at Renergen's offices situated on the 2nd Floor, Sandton Gate, 25 Minerva Avenue, Glenadrienne, Sandton. Registration for attendance will commence at 09:30.

QUORUM

A quorum for the purpose of considering the resolutions set out below consists of three shareholders of the Company, personally present or represented by proxy and entitled to vote at the AGM. In addition, a quorum will comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions contained in this AGM notice.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services (Pty) Ltd ("Computershare"), to be entitled to attend, participate in and vote at the AGM is Friday, 21 June 2024.

VOTING AND PROXIES

To record the votes more effectively and give effect to the intentions of shareholders, voting on all resolutions will be conducted by way of a poll. Any shareholder entitled to attend and vote at the AGM may appoint a proxy to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company.

The attached form of proxy is to be completed only by those shareholders who are:

- holding the Company's ordinary shares in certificated form; or
- recorded on the electronic sub-register in "own name" dematerialised form.

Completion of a form of proxy will not preclude a shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM.

Dematerialised shareholders (not with "own name" registration) must notify their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the AGM in order for such CSDP or broker to be able to issue them with the necessary letter of representation to enable them to attend the AGM, or, alternatively, should the dematerialised shareholder not wish to attend the AGM, they should provide their CSDP or broker with their voting instructions.

A form of proxy is attached but may also be obtained on request from the Company's registered office. Completed forms of proxy should be returned to the transfer secretaries, Computershare at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132), so as to reach them by no later than 10:00 on Wednesday, 24 July 2024. It may also be emailed to them at **proxy@computershare.co.za**. Any forms of proxy not submitted in this time may nevertheless emailed to the above email address to be received by the transfer secretaries before the AGM or handed to the chairperson of the AGM before voting on a particular resolution commences.

AGM participants may be required to provide identification to the reasonable satisfaction of the chairperson of the AGM. An official identification document issued by the South African Department of Home Affairs, a driving license or a valid passport will be accepted as sufficient identification.

Shareholders who have any doubt as to what action they are required to take in respect of the following resolutions, should consult their CSDP, broker, banker, attorney, accountant or other professional adviser immediately.

ACCESS TO THE AGM VIA ELECTRONIC PARTICIPATION

In terms of section 61(10) of the Companies Act, No. 71 of 2008, as amended ("Companies Act"), every shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders.

The Board has determined that it is appropriate that the AGM will be a hybrid meeting, held in person at the offices of Renergen, Sandton Gate, 2nd Floor, 25 Minerva Avenue, Glenadrienne, Sandton, 2196 and with optional virtual access electronic participation for shareholders who are unable to attend in person.

Virtual electronic access to the AGM will include full voice integration, allowing shareholders who cannot attend in person to view the proceedings and ask questions in real time.

The Board is confident that this hybrid approach, which combines an in-person meeting with electronic access, will provide the widest possible opportunity for shareholders to participate effectively in the AGM.

The Company has retained the services of The Meeting Specialist Proprietary Limited (TMS) to host the AGM. The remote hosting will be on an interactive electronic platform that will facilitate remote participation by shareholders. TMS will also act as scrutineer for purposes of the AGM.

Shareholders who wish to attend in person or participate electronically at the AGM are required to:

- Contact TMS as soon as possible, but in any event, no later than 12:00 (SA Standard time) on Friday, 19 July 2024, either by email at **proxy@tmsmeetings.co.za** or by telephone at Farhana Adam +27 84 433 4836 / Izzy van Schoor +27 81 711 4255 / Michael Wenner +27 61 440 0654.
- TCM will follow a verification process to verify each applicant's entitlement to participate in the AGM.
- Valid identification will be required:
  - If the shareholder is an individual, a certified copy of their identity document, driver's license and/or passport.
  - If the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, specifying the name of the individual that is authorised to represent the relevant entity at the AGM by way of teleconference call.
- No electronic voting facilities will be available, so shareholders who wish to participate in the Virtual AGM and wish to vote are still required to submit their proxy forms in advance.
- The participant indemnifies the Company and its Directors, employees, company secretary, transfer secretary, service providers and advisors against any loss, injury, damage, penalty, or claim arising in any way from the use or possession of the electronic facility, whether or not the problem is caused by any act or omission on the part of the participants or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the Company and its Directors, employees, company secretary, transfer secretary, service providers and advisors, whether for consequential damages or otherwise, arising from the use of the electronic facility or any defect in it or from total or partial failure of the electronic facility and connections linking the electronic facility to the AGM.

TMS is obliged to validate, in consultation with the Company, its transfer secretaries, and the relevant CSDP, each shareholder's entitlement to participate in the AGM before providing a shareholder with the necessary means to access it. TMS will assist shareholders with the requirements for participation in the AGM.

IMPORTANT DATES

In terms of section 62(3)(a), read together with section 59 of the Companies Act, the following dates apply to the AGM:

Important dates and times (1), (2)	2024
Record date for determining which shareholders are entitled to receive the AGM notice	Friday, 21 June 2024
AGM notice posted distributed to shareholders on or about	Tuesday, 28 June 2024
Last day to trade to be eligible to participate and vote at the AGM	Tuesday, 16 July 2024
Record date for attending and voting at the AGM(3)	Friday, 19 July 2024
AGM(4) to be held at 10:00	Friday, 26 July 2024
Results of AGM to be released on ("SENS") on the JSE Ltd's ("JSE") Stock Exchange News Service	Friday, 26 July 2024

NOTES

1. All times referred to in this notice are local times in South Africa.
2. Any material variation of the above dates and times will be announced on SENS.
3. The Board of Directors of Renergen ("the Board") has determined that the record date for the purpose of determining which shareholders are entitled to receive the AGM notice is Friday, 19 April 2024, and the record date for purposes of determining which shareholders of the Company are entitled to participate and vote at the AGM is Friday, 26 July 2024. Accordingly, only shareholders who are recorded as such in the register maintained by the transfer secretaries of the Company on Friday, 19 July 2024, will be entitled to participate in and vote at the AGM.
4. Kindly note that AGM participants (including shareholders and proxies) are required to provide satisfactory picture identification before being entitled to attend or participate at the AGM. Forms of satisfactory identification include valid identity documents, driver's licences and passports.

Agenda

The purpose of the AGM is for the following business to be transacted and the following ordinary and special resolutions to be proposed:

1. Presentation of Audited Consolidated Annual Financial Statements and ESG Report

To present the Company's audited Annual Financial Statements (as approved by the Board), as well as the reports of the external auditor, Audit, Risk and IT Committee, Governance, Ethics, Social, Transformation and Compensation ("GESTC") Committee and Directors for the financial year ended 29 February 2024.

The Integrated Annual Report, which this AGM notice is part of, contains the full audited Annual Financial Statements, together with the reports referred to above, for the year ended 29 February 2024. The Integrated Annual Report is also obtainable from the Company's website: **www.renergen.co.za** or from the Company Secretary at **renergen@acorim.co.za.**

The Company's ESG report accompanies the Integrated Annual Report, to which this notice of AGM is annexed, and will serve as the Social and Ethics committee Report, as contemplated in regulation 43(5)(c) of the Companies Regulations, to the company's shareholders at the AGM.

2. Re-Election of Director Retiring By Rotation

2.1 ORDINARY RESOLUTION NUMBER 1

"Resolved that Mr D King, who retires by rotation in terms of clause 5.1.7 of the Company's memorandum of incorporation and, being eligible, offers himself for re-election, be and is hereby re-elected as Director."

2.2 ORDINARY RESOLUTION NUMBER 2

"Resolved that Mr M Swana, who retires by rotation in terms of clause 5.1.7 of the Company's memorandum of incorporation and, being eligible, offers himself for re-election, be and is hereby re-elected as Director."

Brief curricula vitae of each of the Independent Non-executive Directors mentioned above appear on page 37 and 38 of Renergen's Integrated Annual Report, of which the AGM notice forms part.

The reason for Ordinary Resolution Numbers 1 and 2 is that the memorandum of incorporation of the Company, the JSE Listings Requirements and, to the extent applicable, the Companies Act, require that at least one third of the Non-executive Directors rotate at every Annual General Meeting of the Company and, being eligible, may offer themselves for re-election as Directors.

For Ordinary Resolution Numbers 1 and 2 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders on each resolution, present in person or by proxy, is required.

3. Re-Appointment of the Members of the Audit, Risk and IT Committee

For avoidance of doubt, all references to the Audit, Risk and IT Committee of the Company refer to the audit committee as contemplated in the Companies Act.

3.1 ORDINARY RESOLUTION NUMBER 3

"Resolved that Mr D King, subject to the approval of Ordinary Resolution Number 1, being eligible, be hereby appointed as a member of the Audit, Risk and IT Committee, as recommended by the Board of Directors of the Company, until the next Annual General Meeting of the Company."

3.2 ORDINARY RESOLUTION NUMBER 4

"Resolved that Mr M Swana, subject to the approval of Ordinary Resolution Number 2, being eligible, be hereby re-appointed as a member of the Audit, Risk and IT Committee, as recommended by the Board of Directors of the Company, until the next Annual General Meeting of the Company."

3.3 ORDINARY RESOLUTION NUMBER 5

"Resolved that Mr D Hlatshwayo, being eligible, be hereby re-appointed as a member of the Audit, Risk and IT Committee, as recommended by the Board of Directors of the Company, until the next Annual General Meeting of the Company."

In terms of the Companies Act, the audit committee is a committee elected by the shareholders at each AGM.

A brief curriculum vitae of each of the Independent Non-executive Directors mentioned above appears on page 37 and 38 of Renergen's Integrated Annual Report of which this AGM notice forms part of.

The reason for Ordinary Resolution Numbers 3 to 5 (inclusive) is that the Company, being a public listed company, must appoint an audit committee and section 94 of the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each AGM of such company.

For Ordinary Resolution Numbers 3,4 and 5 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders on each resolution, present in person or by proxy, is required.

4. Re-Appointment of the External Auditor

4.1 ORDINARY RESOLUTION NUMBER 6

"Resolved that BDO South Africa Incorporated ("BDO") be and is hereby re-appointed as auditor of the Company for the ensuing financial year or until the next Annual General Meeting of the Company, whichever is the later, with the designated auditor being Mr J Barradas, as registered auditor and partner in the firm, on the recommendation of the Audit, Risk and IT Committee of the Company."

The Company's Audit, Risk and IT Committee has concluded that the re-appointment of BDO will comply with the requirements of the Companies Act, the Companies Regulations, 2011 and the JSE Listings Requirements and has accordingly nominated BDO for re-appointment as the Company's external auditor.

The reason for Ordinary Resolution Number 6 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed, as the case may be, at each AGM of the Company, as required by section 90 of the Companies Act and the JSE Listings Requirements.

For Ordinary Resolution Number 6 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

5. General Authority to Directors to Allot and Issue Authorised but Unissued Ordinary Shares for Cash

5.1 ORDINARY RESOLUTION NUMBER 7

"Resolved that the Directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue any of the Company's unissued shares for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the Company's memorandum of incorporation, the Companies Act and the JSE Listings Requirements, provided that:

- The authority shall be valid until the date of the Company's next AGM, provided that it shall not extend beyond 15 months from the date of this AGM.
- Issues in terms of the authority will not, in any financial year, in aggregate, exceed 5% of the number of ordinary shares in the Company's issued share capital as at the date of the AGM (5% amounts to 7 376 433 shares), it being recorded that ordinary shares issued pursuant to a rights offer to shareholders, shares issued in connection with the Renergen Share Appreciation Rights Plan or options granted thereunder in accordance with the JSE Listings Requirements shall not diminish the number of ordinary shares that comprise the 5% of the ordinary shares that can be issued in terms of this Ordinary Resolution Number 7. In the event of a sub-division or consolidation of issued equity securities, this authority must be adjusted accordingly to represent the same allocation ratio.
- The shares, which are the subject of the issue for cash, must be of a class already in issue or, where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue.
- The shares must be issued only to public shareholders (as defined in the JSE Listings Requirements) and not to related parties, save therefore that related parties may participate in a general issue for cash through a bookbuild process provided that (i) related parties may only participate with a maximum bid price at which they are prepared to take-up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price the relevant related party will be "out of the book" and not be allocated shares; and (ii) equity securities must be allocated equitably "in the book" through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild.
- The maximum discount at which such shares may be issued is 10% of the weighted average traded price of Renergen shares over the 30 business days prior to the date that the price of the issue is agreed between Renergen and the party subscribing for the securities. The JSE will be consulted for a ruling if the Company's shares have not traded in such a 30-business-day period.
- Upon any issue of shares for cash which, on a cumulative basis within the validity period of this general authority, constitute 5% of the number of shares of the class in issue as at the date of this AGM, Renergen shall by way of an announcement on SENS, give full details thereof in compliance with the JSE Listings Requirements."

For listed entities wishing to issue shares for cash (other than issues by way of rights offers, in consideration for aquisitions (including via vendor consideration placements) and/or in connection with duly approved share incentive schemes), it is necessary for the Board of the Company to obtain prior authority from shareholders in accordance with the JSE Listings Requirements and the memorandum of incorporation of the Company.

Accordingly, the reason for Ordinary Resolution Number 7 is to obtain such general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the memorandum of incorporation of the Company.

In terms of the JSE Listings Requirements, for Ordinary Resolution Number 7 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

6. Non-Binding Advisory Endorsement of Renergen's Remuneration Policy and Implementation Report

6.1 ORDINARY RESOLUTION NUMBER 8

"Resolved that the Company's remuneration policy, as set out on pages 42 and 43 of the Integrated Annual Report of which this AGM notice forms a part, be and is hereby endorsed by way of a non-binding advisory vote."

The reason for Ordinary Resolution Number 8 is that the King IV™ Report on Corporate Governance™ for South Africa, 2016 ("King IV™") recommends, and the JSE Listings Requirements require, that the remuneration policy of a listed company be tabled for a non-binding advisory vote thereon by shareholders at each Annual General Meeting of such company. This enables shareholders to express their views on the remuneration policy adopted. The effect of Ordinary Resolution Number 8, if passed, will be to endorse the Company's remuneration policy. Ordinary Resolution Number 8 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements.

6.2 ORDINARY RESOLUTION NUMBER 9

"Resolved that the Company's implementation report on its remuneration policy, as set out on pages 42 and 43 of the Integrated Annual Report of which this AGM notice forms a part, be and is hereby endorsed by way of a non-binding advisory vote.

The reason for Ordinary Resolution Number 9 is that King IV™ recommends, and the JSE Listings Requirements require, that the implementation report on a listed company's remuneration policy be tabled for a non-binding advisory vote thereon by shareholders at each Annual General Meeting of such company. This enables shareholders to express their views on the implementation of a company's remuneration policy. The effect of Ordinary Resolution Number 9, if passed, will be to endorse the Company's implementation report on its remuneration policy. Ordinary Resolution Number 9 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the Board will take the outcome of the vote into consideration when considering amendments to implementation of the Company's remuneration policy.

Should 25% or more of the votes exercised in respect of Ordinary Resolution Number 8 or Ordinary Resolution Number 9 be against either resolution, or both resolutions, the Company will issue an invitation to those shareholders who voted against the applicable resolution to engage with the Company.

7. Ordinary Resolution Number 10 – Signature of Documents

"Resolved that any one Director or the Company Secretary of Renergen be and is hereby authorised to do all such things and sign all documents and take all such action as they consider necessary to implement the resolutions set out in the notice convening the AGM at which this ordinary resolution will be considered."

For Ordinary Resolution Number 10 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

8. Non-Executive Directors' Remuneration

8.1 SPECIAL RESOLUTION NUMBER 1

"Resolved, in terms of section 66(9) of the Companies Act, that the Company be and is hereby authorised to remunerate its Non-executive Directors for their services as Directors, which include serving on various sub- committees, and to make payment of the amounts set out below (plus any value-added tax, to the extent applicable), provided that this authority will be valid for the latter of, the period from 1 March 2024 until 28 February 2025 or until the next Annual General Meeting of the Company:

Proposed Fees	2025	2024
ANNUAL RETAINER		
Board		
Chairperson	R579 475.00	R579 475.00
Member	R213 578.00	R213 578.00
Audit, Risk and IT Committee		
Chairperson	R41 124.00	R41 124.00
Member	R21 547.00	R21 547.00
GETSC Committee		
Chairperson	R61 219.00	R61 219.00
Member	R42 446.00	R42 446.00

Proposed Fees	2025	2024
PER MEETING FEES		
Board		
Chairperson	R39 877.00	R39 877.00
Member	R15 068.00	R15 068.00
Audit, Risk and IT Committee		
Chairperson	R20 420.00	R20 420.00
Member	R11 562.00	R11 562.00
GETSC Committee		
Chairperson	R20 419.00	R20 419.00
Member	R11 563.00	R11 563.00
AD HOC TELECONFERENCE FEES PER MEETING		
Board		
Chairperson	R4 320.00	R4 320.00
Member	R4 320.00	R4 320.00
Committees		
Chairperson	R4 320.00	R4 320.00
Member	R4 320.00	R4 320.00

The reason for Special Resolution Number 1 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its Non-executive Directors in accordance with the requirements of section 66(9) of the Companies Act. The effect of Special Resolution Number 1, if passed, is that the Company will be able to pay its Non-executive Directors for the services they render to the Company as Directors without requiring further shareholder approval until the next Annual General Meeting of the Company.

For Special Resolution Number 1 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

9. Provision of Financial Assistance to Related or Inter-Related Companies

9.1 SPECIAL RESOLUTION NUMBER 2

"Resolved, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval (which approval will be in place for a period of two years from the date of adoption of this Special Resolution Number 2), that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related ("related" and "inter-related" will herein have the meanings attributed to such terms in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the Board of the Company may determine."

The reason for and effect, if passed, of Special Resolution Number 2 is to grant the Directors of the Company the authority to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, inter alia, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

For Special Resolution Number 2 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

Note: In the normal course of business, the Company may be required to grant financial assistance to its subsidiaries. This assistance includes, but is not limited to, loans and guarantees for banking facilities. If this authorisation is not granted, it could inhibit the Company from obtaining banking facilities without having to call a general meeting of shareholders on each occasion. Special Resolution Number 2 will enable Renergen to provide financial assistance to its subsidiaries for any purpose in the normal course of business.

Section 45 of the Companies Act provides, inter alia, that any financial assistance to related or inter-related companies, including, inter alia, to subsidiaries of the Company, must be provided only pursuant to a special resolution of the shareholders, adopted within the previous 2 years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category, and the Board must be satisfied that:

- Immediately after providing the financial assistance, the Company will satisfy the

solvency and liquidity test, as defined in section 4 of the Companies Act.
- The terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.
- Any conditions or restrictions in respect of the granting of financial assistance set out in Renergen's memorandum of incorporation have been satisfied.

10. Provision of Financial Assistance for the Subscription and/or Purchase of Securities in the Company or a Related or Inter-Related Company

10.1 SPECIAL RESOLUTION NUMBER 3

"Resolved, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval (which approval will be in place for a period of two years from the date of adoption of this Special Resolution Number 3), that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the Board of the Company may deem fit to any person, including any company or corporation that is related or inter-related to the Company ("related" and "inter-related" will herein have the meanings attributed to such terms in section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or in any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board of the Company may determine for the purpose of, or in connection with the, subscription for any option, or any shares or other securities, issued or to be issued by the Company or by a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or of a related or inter-related company or corporation."

The reason for and effect, if passed, of Special Resolution Number 3 is to grant the Directors the authority to provide financial assistance to any person, including any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation. This means that the Company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the Company or its subsidiaries.

A typical example of where the Company may rely on this authority is where a wholly owned subsidiary raises funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its wholly owned subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plan to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

Note: Section 44 of the Companies Act provides, inter alia, that any financial assistance to any person for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by Renergen, must be provided only pursuant to a special resolution of the shareholders, adopted within the previous 2 years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category, and the Board must be satisfied that:

- Immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test, as defined in section 4 of the Companies Act.
- The terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.
- Any conditions or restrictions in respect of the granting of financial assistance set out in Renergen's memorandum of incorporation have been satisfied.

For Special Resolution Number 3 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

11. General Authority to Repurchase Ordinary Shares in Issue

11.1 SPECIAL RESOLUTION NUMBER 4

"Resolved, as a special resolution, that the Company and its subsidiaries be and are hereby authorised, as a general approval, to repurchase (or purchase, as the case may be) any of the shares issued by the Company, upon such terms and conditions and in such amounts as the Directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the memorandum of incorporation of the Company and the JSE Listings Requirements, including, inter alia, that:

- Any such acquisition of ordinary shares shall be effected through the order book operated by the JSE or the ASX trading system and done without any prior understanding or arrangement between Renergen and the counterparty (reported trades are prohibited).
- This general authority shall be valid until the Company's next AGM, provided that it shall not extend beyond 15 months from the date of passing of this special resolution.
- An announcement will be published as soon as Renergen or any of its subsidiaries has acquired ordinary shares constituting, on a cumulative basis, 3% of the number of

ordinary shares in issue and for each 3% in aggregate of the initial number acquired thereafter, in compliance with the JSE Listings Requirements.

- Acquisitions of ordinary shares in aggregate in any one financial year may not exceed 20% of Renergen's ordinary issued share capital as at the date of passing of this Special Resolution Number 4.
- Ordinary shares may not be acquired at a price greater than 10% above the weighted average of the market value at which such ordinary shares are traded on the JSE or ASX, whichever may be applicable, as determined over the five business days immediately preceding the date of repurchase of such ordinary shares by Renergen or any of its subsidiaries. The JSE will be consulted for a ruling if the company's shares have not traded in such five-business-day period.
- At any point in time, Renergen and its subsidiaries may only appoint one agent to effect any repurchase on their behalf.
- Prior to entering the market to repurchase the Company's shares, a resolution authorising the repurchase will have been passed in accordance with the requirements of section 46 of the Companies Act, stating that the Board has applied the solvency and liquidity test as set out in section 4 of the Companies Act, and has reasonably concluded that the Company and its subsidiaries ("the Group") will satisfy the solvency and liquidity test immediately after the repurchase, and that since the test was performed there have been no material changes to the financial position of the Group.
- Renergen and/or its subsidiaries may not repurchase any ordinary shares during a prohibited period as defined by the JSE Listings Requirements unless a repurchase programme is in place, where the dates and quantities of ordinary shares to be traded during the prohibited period are fixed and full details of the programme have been submitted to the JSE in writing prior to the commencement of the prohibited period.
- The general repurchase is authorised by the Company's memorandum of incorporation.

Although there is no immediate intention to effect a repurchase of the Company's securities, the Board would utilise this general authority to repurchase securities as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action. The Board undertakes that, after considering the maximum number of securities which may be repurchased and the price at which the repurchases may take place pursuant to this general authority:

- The Company and the Group will be able to pay its debts in the ordinary course of business for a period of 12 months after the date of the notice of AGM and for the period of 12 months after the repurchase.
- The consolidated assets of the Company and the Group (fairly valued in accordance with statements of International Financial Reporting Standards), will at the date of the notice of AGM and at the time of making such determination, and for a period of 12 months thereafter, be in excess of the consolidated liabilities of the Company and the Group.
- The ordinary share capital, reserves and working capital of the Company and the Group will be adequate for ordinary business for a period of 12 months after the date of the notice of AGM.
- A resolution by the Board will be passed confirming that it has authorised the repurchase, that the Company and the Group has passed the solvency and liquidity test and, since the test was performed, there have been no material changes to the financial position of the Company and the Group.

The reason for and effect, if passed, of Special Resolution Number 4 is to grant the Directors a general authority in terms of the Company's memorandum of incorporation and the JSE Listings Requirements for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in Special Resolution Number 4. This authority will provide the Board with the necessary flexibility to repurchase shares in the market, should a favourable opportunity arise and it be in the best interest of the Company to do so.

For Special Resolution Number 4 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

The following additional information, which appears in the Integrated Annual Report on page 124 and 125, is provided in terms of the JSE Listings Requirements for purposes of the general authority to repurchase shares:

- Major shareholders – page 124; and
- Share capital – page 80.

MATERIAL CHANGES

Other than the facts and developments reported on in the Integrated Annual Report, there have been no material changes in the affairs or financial position of Renergen and its subsidiaries since the date of signature of the audit report and up to the date of this AGM notice.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear on pages 37 and 38 of the Integrated Annual Report, collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statements false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this AGM notice contains all information required by law and the JSE Listings Requirements.

12. Other Business

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to Renergen.

By order of the Board

N Davies – Acorim Secretarial and Governance Services
Company Secretary

28 June 2024

Acorim

Transfer Secretaries

Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)

Form of Proxy

To: Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)
email: proxy@computershare.co.za

Renergen Limited
(Incorporated in the Republic of South Africa)
(Registration number 2014/195093/06) JSE and A2X
Share code: REN
ISIN code: ZAE000202610
LEI: 378900B1512179F35A69
Australian Business Number (ABN): 93 998 352 675
ASX Share code: RLT

("Renergen" or "the Company")

For use only by ordinary shareholders who:

- hold ordinary shares in certificated form ("certificated ordinary shareholders"); or
- have dematerialised their ordinary shares ("dematerialised ordinary shareholders") and are registered with "own name" registration,

at the Annual General Meeting ("AGM") of shareholders of Renergen to be held at 10:00 on Friday, 26 July in the Boardroom at Renergen's offices situated at 2nd Floor, Sandton Gate, 25 Minerva Avenue, Glenadrienne, Sandton and any adjournment thereof.

Dematerialised ordinary shareholders holding ordinary shares other than with "own name" registration who wish to attend the AGM must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the AGM and request their CSDP or broker to issue them with the relevant letter of representation to attend the AGM in person or by proxy and vote. If they do not wish to attend the AGM in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered between them and the CSDP or broker. These ordinary shareholders must not use this form of proxy.

I/We ______________________________

of (address) ______________________________
(Please Print)

being the holder(s) of __________ ordinary shares in the share capital of the Company, do hereby appoint (see note 2):

1. ______________________________ or failing him/her

2. ______________________________ or failing him/her

3. the chairperson of the AGM ______________________________

as my/our proxy to act on my/our behalf at the AGM, which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of all the above ordinary shares registered in my/our name/s, in accordance with the following instructions:

Please indicate your voting instruction by inserting the number of shares (or a cross (X) should you wish to vote all of your shares) in the space provided.

	Number of Ordinary Shares		
	For	**Against**	**Abstain**
Resolution			
Ordinary Resolution Number 1: To re-elect Director retiring by rotation: D King			
Ordinary Resolution Number 2: To re-elect Director retiring by rotation: M Swana			
Ordinary Resolution Number 3: Appointment of a member of the Audit, Risk and IT Committee: D King (subject to the passing of Ordinary Resolution Number 1)			
Ordinary Resolution Number 4: Re-appointment of a member of the Audit, Risk and IT Committee: M Swana (subject to the passing of Ordinary Resolution Number 2)			
Ordinary Resolution Number 5: Re-appointment of a member of the Audit, Risk and IT Committee: D Hlatshwayo			
Ordinary Resolution Number 6: To approve the re-appointment of the external auditor			
Ordinary Resolution Number 7: General authority to Directors to allot and issue authorised but unissued ordinary shares for cash			
Ordinary Resolution Number 8: Non-binding advisory endorsement of Renergen's remuneration policy			
Ordinary Resolution Number 9: Non-binding advisory endorsement of Renergen's remuneration implementation report			
Ordinary Resolution Number 10: Signature of documents			
Special Resolution Number 1: Approval of Non-executive Directors' remuneration			
Special Resolution Number 2: Authorising the provision of financial assistance to related or inter-related companies			
Special Resolution Number 3: Authorising the provision of financial assistance for subscription and/or purchase of securities in the Company or a related or inter-related company			
Special Resolution Number 4: General authority to repurchase ordinary shares in issue			

Signed at ______________________ on ______________ 2024

Signature ______________________ Assisted by (if applicable) ______________________

Notes

1. Shareholders who have dematerialised their shares through a CSDP or broker must either inform their CSDP or broker of their intention to attend the AGM to provide them with the necessary authority to attend or provide the CSDP or broker with their voting instruction in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.
2. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided. The person whose name appears first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided or insertion of a cross (X) if all shares should be voted on behalf of that shareholder. Failure to comply with the above will be deemed to authorise a proxy to vote or abstain from voting at the AGM as he/she deems fit in respect of all the members' votes exercisable at the Annual General Meeting.
4. The completion and lodging of this form of proxy will not preclude the shareholder from attending the AGM and speaking and voting thereat to the exclusion of any proxy appointed in terms hereof should the shareholder wish to do so (see note 1 above).
5. The chairperson of the AGM may reject or accept any form of proxy that is completed and/or received, other than in accordance with these notes.
6. Each shareholder is entitled to appoint one or more proxies (none of whom needs to be a shareholder of Renergen) to attend, speak and vote in place of the shareholder at the AGM.
7. Any alteration to this form of proxy, other than a deletion of alternatives, must be initialled by the signatories.
8. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by Renergen.
9. Where there are joint shareholders –
   (a) Any one shareholder may sign the form of proxy.
   (b) The vote of the senior (for that purpose seniority will be determined by the order in which the names of shareholders appear in Renergen's register of shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote/s of the other joint shareholder/s.
10. For administrative purposes only, forms of proxy should be lodged with the transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or be posted to them at Private Bag X9000, Saxonwold, 2132, or emailed to them at **proxy@computershare.co.za**, by Wednesday, 24 July 2024, at 10:00. Any forms of proxy not submitted by this time may nevertheless be submitted in any one of the aforesaid manners emailed to the above email address to be received by the transfer secretaries before the AGM or handed to the chairperson of the AGM prior to the shareholder exercising any rights of a shareholder at the AGM.
11. In terms of section 61(10) of the Companies Act, every shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders. Therefore, shareholders or their proxies may participate in the AGM by way of teleconference if they wish to do so. In this event:
    - Renergen's Company Secretary must be contacted by email (at the address renergen@acorim.co.za) by no later than 12:00 on Friday, 19 July 2024 in order to obtain dial-in details for electronic participation.
    - Valid identification will be required:
        - if the shareholder is an individual, a certified copy of their identity document, driver's licence and/ or passport;
        - if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents, driver's licences and/or passports of the persons who passed the relevant resolution, specifying the name of the individual that is authorised to represent the relevant entity at the AGM by way of video conference call as well as a valid email address and/or facsimile number; and
    - No electronic voting facilities will be available so shareholders who wish to participate in the meeting by teleconference and wish to vote are still required to submit their proxy forms in advance.

If you Hold Chess Depositary Interests in Renergen

Each CDI holder has the right to direct CHESS Depositary Nominees Proprietary Limited ("CDN"), the legal holder of the Shares to which the CDIs relate, how to vote the underlying Shares in respect of their CDIs in respect of the business of the General Meeting.

If you are a CDI holder and you wish to direct or instruct CDN in the manner contemplated above, please read, complete, and sign the enclosed CDI voting instruction form and return by one of the methods and by the deadline set out on the CDI voting instruction form.

CDI voting instruction forms received later than the specified date and time will be invalid.

General Information

Glossary of Terms and Acronyms

AGM	Annual General Meeting
AltX	AltX is an alternative public equity exchange for small and medium-sized companies in South Africa operated in parallel with and wholly owned by the JSE Securities Exchange
ASX	Australian Stock Exchange
A2X	A2X Markets
B-BBEE	Broad-Based Black Economic Empowerment
Bcf	Billion cubic feet
CEO	Chief Executive Office
CFO	Chief Financial Officer
CH4	Methane
CNG	Compressed natural gas, made by compressing natural gas and primarily used as a fuel which can be used in place of petrol, diesel and liquid petroleum gas
CSI	Corporate Social Investment
Company	Refers to Renergen only
COO	Chief Operating Officer
COVID-19	Coronavirus disease of 2019
Downstream	Downstream, commonly referred to as petrochemical, is the refining of petroleum crude oil and the processing and purifying of raw natural gas, as well as the marketing and distribution of products made from crude oil and natural gas
EIA	Environmental Impact Assessment
EPC	Engineering, procurement, and construction
ERM	Enterprise Risk Management
Exco	Executive Committee
FEED	Front End Engineering and Design
GETSC	Governance, Ethics, Transformation, Social and Compensation Committee
GJ	Gigajoules
Governing Body	Means the Board, as per King IV™
GRI	Global Reporting Initiatives
Group	Refers to Renergen and its subsidiaries
GHG	Greenhouse gas
HDSA	Historically Disadvantaged South Africans
He	Helium
IDC	Industrial Development Corporation
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council's International <IR> Framework
INED	Independent Non-executive Director
IRBA	Independent Regulatory Board for Auditors
IT	Information technology
JSE	Johannesburg Stock Exchange
Kg	Kilogram
King IV™	King IV™ Report on Corporate Governance for South Africa
LNG	Liquefied naturawl gas. A gas which has been cooled to liquid form for ease and safety of non-pressurised storage or transport
LHe	Liquid Helium
LPG	Liquid petroleum gas
LTIFR	Lost Time Injury Frequency Rate
LTI	A lost time injury (LTI) is an injury sustained on the job by an employee that results in the loss of productive work time
Mcf	Mcf is a unit of measurement for natural gas that equals 1,032 cubic feet, according to the U.S. Energy Information Administration. One Mcf is equal to approximately 1 million British Thermal Units (BTUs)
Midstream	Midstream involves the transportation (by pipeline, rail, ship, oil tanker or truck), storage, and sale marketing of crude or refined petroleum products
MRI	Magnetic Resonance Imaging
NED	Non-executive Director
NG	Natural gas
PASA	Petroleum Agency of South Africa
Probable	Probable reserves, 50% certainty of commercial extraction
Proven	Proved reserves, 90% certainty of commercial extraction
R	South African Rand
RoD	Record of Decision
ROI	Return on Investment
SAICA	The South African Institute of Chartered Accountants
scf	Standard cubic feet
SENS	Stock Exchange News Service
SPAC	Special purpose acquisition company
Tetra4	A subsidiary of Renergen
UNGC	United Nations Global Compact
Upstream	The upstream part of the gas industry refers to searching for potential underground or underwater crude oil and natural gas fields and drilling/operating the wells that bring the crude oil and/or raw natural gas to the surface
US dollar	United States dollar ($)
WHO	World Health Organisation
Windfall	Windfall Energy Proprietary Limited

Corporate Information

Renergen Limited

Date of incorporation: 30 September 2014
Place of incorporation: South Africa

South African Company Registration Number: 2014/195093/06
JSE Share Code: REN
ISIN: ZAE 000 202610
Listing Date: 9 June 2015
Renergen Limited LEI: 378900B1512179F35A69
Australian Business Number (ABN): 93 998 352 675
ASX Share Code: RLT
Listing Date: 6 June 2019
A2X Share Code: REN
Listing Date: 27 November 2019
Renergen USA Inc. (Registration number 6968959)
Tetra4

Company Secretary and Registered Address

Acorim Proprietary Limited
(Registration number 2014/195093/06)
13th Floor, Illovo Point, 68 Melville Road, Illovo, Sandton, 2196, South Africa
Postnet Suite 610, Private Bag x10030, Randburg, 2125, South Africa

Designated Adviser

PSG Capital
(Registration number 2006/015817/07)
1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch, 7600
PO Box 7403, Stellenbosch, 7599

Auditors

BDO SOUTH AFRICA INCORPORATED
Practice number 905526
Wanderers Office Park, 52 Corlette Drive, Illovo, 2196
Private Bag X28 Benmore 2010

Renergen Registered Office In Australia
Norton Rose Fulbright Australia, Level 15, RACV Tower,
485 Bourke Street, Melbourne, Australia
+61 3 8686 6000

Renergen Registered Office In South Africa
Sandton Gate, 2nd Floor, 25 Minerva Ave, Glenadrienne,
Sandton, 2196, Gauteng, South Africa

Transfer Secretaries

Computershare Investor Services Proprietary Limited (South Africa)
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue, Rosebank, South Africa
Private Bag X9000, Saxonwold, 2132
+27 11 370 5000

Computershare Investor Services Limited (Australia)
Level 11, 172 St Georges Terrace, Perth, WA 6000, Australia
GPO Box D182, Perth, WA 6840
+61 3 8686 6000

www.renergen.co.za

RENERGEN

FUTURE ENERGY, TODAY

RENERGEN.CO.ZA