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APPENDIX 4D
HALF YEAR REPORT

RENERGEN
FUTURE ENERGY, TODAY

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

Reporting Period	Half year ended 31 August 2021
Previous Period	Half year ended 31 August 2020

RESULTS ANNOUNCEMENT TO THE MARKET

	31 August 2021 Rm	31 August 2020 Rm	Change R	Change %	Up or down
Group revenue	1.2	0.9	0.3	33.3%	Up
Loss after tax attributable to ordinary shareholders	25.2	26.9	(1.7)	6.3%	Down
	Cents	Cents		Change %	
Basic loss per share	21.05	22.90	(1.85)	8.1%	Down
Diluted loss per share	21.05	22.90	(1.85)	8.1%	Down

- The easing of COVID-19 related restrictions during the period resulted in an improvement in sales volumes of compressed natural gas. South Africa was under stricter lock down measures for the greater part of the comparative six month period.
- The loss after tax attributable to ordinary shareholders decreased marginally by R1.7 million as fully set out on page 4.
- As the Group moves closer to commissioning the Virginia Gas Plant ("Plant") we anticipate new revenue streams from sales of liquefied natural gas and helium, and therefore an improvement in the top line over the coming year.

	31 August 2021 Cents	31 August 2020 Cents[1]	Change Cents	Change %	Up or down
Net tangible asset value per share	124.64	102.55	22.09	21.5	Up

- The strengthening of the Rand against the US Dollar had a positive impact on our foreign debt position which improved by R60.5 million[1] relative to the prior comparative period. This was partially offset by an increase of R22.6 million in the Group's remaining liabilities, mainly attributable to an increase in trade and other payables, which at 31 August 2021 were impacted by the deferral of payments to accommodate the re-implementation of our SAP accounting system.
- The advancement of the construction of the Plant and exploration activities, and increases in the deferred tax asset and value added taxes recoverable led to an increase in the Group's asset base by R30.1 million.
- These factors combined primarily account for the overall increase in net asset value per share by 21.5%. The tangible net asset value per share at 31 August 2021 also reflects the impact of the increase in number of issued shares of 5.7 million shares.

[1] – The analysis contained in this paragraph compares the net tangible asset value ("NTAV") at 31 August 2021 to the NTAV at 31 August 2020, whereas the analysis provided on page 5 compares the NTAV at 31 August 2021 to the NTAV at 28 February 2021.

PRELIMINARY FINAL FINANCIAL STATEMENTS

Please refer to pages 6 to 20 of this report for the condensed consolidated financial statements of Renergen for the half year ended 31 August 2021 which include the following:

- Condensed consolidated reviewed statement of profit or loss and other comprehensive income;
- Condensed consolidated reviewed statement of financial position;
- Condensed consolidated reviewed statement of changes in equity;
- Condensed consolidated reviewed statement of cash flows; and
- Notes to the condensed consolidated reviewed interim financial statements.

The basis of preparation of the condensed consolidated financial statements for the half year is outlined in note 1 contained therein on page 11.

Mazars, the Group's independent auditors, have reviewed the condensed consolidated financial statements for the half year ended 31 August 2021 and have expressed an unmodified review conclusion thereon. A copy of the auditor's review report is available electronically on the Company's website www.renergen.co.za, together with the financial information identified in the auditor's report. The auditor's review report does not necessarily report on all the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review conclusion together with the accompanying financial information from the Company's website. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Company's auditor.

OTHER DISCLOSURE REQUIREMENTS

Dividend or distribution reinvestment plans
Renergen did not declare dividends during half year ended 31 August 2021 (Aug 2020: nil).

Entities over which control has been gained or lost during the year
There was no acquisition or loss of controlling interest during the half year ended 31 August 2021.

Details of associates and joint ventures
The Group does not have associates or joint ventures.

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

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CONDENSED CONSOLIDATED REVIEWED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2021

RESULTS COMMENTARY

The past six months were especially crucial in our development into a leading clean energy producer as we now near the commissioning of the Virginia Gas Plant ("Plant"). Our focus during this period was to ensure the execution of our key strategic priorities – first, to meet our commissioning date for the Plant; second, to secure adequate off-take agreements for the helium and liquefied natural gas ("LNG") from the Plant once commissioned; third, to advance our exploration activities; and lastly, to finalise the field testing of the CryoVacc™ vaccine storage units and establish the operational components to support the business. We are fortunate that the Covid-19 third wave in South Africa which occurred during much of the half year did not significantly impact our strategic intent. We are delighted with what we achieved during the past six months and key developments during this period are summarised below:

- Signed a 5 year take or pay LNG supply agreement with Consol Glass (28% of the anticipated Phase 1 production)
- 10-15 year USD based helium off-take agreements secured with major helium distributors (Linde Inc., iSi Automotive, Messer LLC and Helium24 LLC) for 65% of the anticipated Phase 2 production on take-or-pay basis
- 5 out of 6 successful wells drilled, significantly higher than previously recorded
    - Exceptional helium concentrations of over 3% and 4% in two new wells - MDR1 and P007
    - 1.9% helium surprise in well P012
    - Evander helium discovery of 1.1%
    - Gas odour detected on R2D2 drilling
- Completion of construction of gas gathering pipeline
- Commencement of reserve update for the Group's exploration assets
- Commencement of manufacturing of Cryo-Vacc™ cases
- 4.5% decrease in other operating expenses
- Successful capital raise of R109.9 million through the issuance of 5.7 million shares
- Positive impact of strengthening of the Rand against the US Dollar on the Group's foreign debt position which decreased by R16.5 million when compared to 28 February 2021
- R129.3 million investment in the Plant and exploration activities
- Improvement in the Group's net asset value by R82.9 million

Operations review

Virginia Gas Plant

The construction of the Plant remained on track despite the lock down restrictions in place as a result of the third wave. To this end, we managed to complete the construction of the gas gathering pipeline in the second quarter and now await the installation of plant utilities as we approach the much anticipated commissioning of the Plant in December 2021.

Our drilling campaigns for wells MDR1, R2D2, P007, P010 and P012 also achieved excellent results with an overall success rate of 4 out of the 5 wells drilled, which is significantly higher than previously recorded by the Group. The wells were selected for the first time using a combination of modelled faults and fractures and proved exceptional helium concentrations significantly above the global average with wildcard well P007 achieving the highest level at 4.38%, MDR12 at 3.18%, P012 at 1.9% and gas detection in well R2D2.

Alongside our efforts to finalise the construction of the Plant we also prioritised securing off-take agreements for both phases of the Virginia Gas Project.

Phase 1: Secured a 5 year agreement for the supply of LNG to Consol Glass representing approximately 28% of LNG production. This is in addition to the helium off-take agreements in place for all of Phase 1's production from this facility.

Phase 2: We concluded several agreements spanning 10 to 15 years with major players for 65% of the helium production from Phase 2. The Company has also concluded a potential forward sale of helium to Argonon Helium US Incorporated for up to 20 years for 100 000 MCF of helium over the duration of the agreement. The value is capped at $25 000 000 and a portion of funds from pre-sale, should they be made, will be used to accelerate Phase 2 drilling at the Virginia Gas Project without need for equity issue.

Once in production, our customer base will include Consol Glass as an off-taker of LNG from Phase 1, the first industrial LNG deal of the Group. The Group will also supply Linde Inc., Messer LLC, Helium24 LLC, iSi Automotive and potentially Argonon with helium from the Phase 2 production. The significance of these off-take agreements cannot be overestimated taking into consideration the extent to which our investment in the Plant has been de-risked to date.

Post-period, the final drawdown on the DFC loan facility provides the necessary funding to complete the construction of the Plant. A reserve update has also since commenced with the assistance of MHA Petroleum Consultants LLC.

Evander

Our exploration activities progressed satisfactorily with the discovery of potential gas flow in a previously drilled well which proved a helium concentration of 1.1%.

CryoVacc™

The CryoVacc™ business remains an exciting prospect for the Group. We invested approximately R6.0 million during the half year in the research and development of vaccine storage units. We have now commenced the manufacture of these units which will soon be brought to market after having undergone both laboratory testing and successful field testing. To date we have moved in excess of 250 000 doses of vaccines through field testing, and anticipate this to increase in the near term.

Financial review

Financial performance

The Group generated a loss of R25.2 million compared to R26.9 million during the prior comparative period. The major contributors to the reduction in the loss for the period are a reduction in foreign exchange losses by R8.0 million[1] and an increase in the deferred tax credit by R0.4 million, offset by:

- An increase in our employee costs of R1.7 million due to an increase in headcount attributable to the increased operational requirements over the past year as we gear up for LNG and liquid helium operations;
- An increase in IT costs by R1.8 million arising from improved IT infrastructure to facilitate work from home arrangements due to the pandemic and to support increased business requirements;

[1] – The Group held higher US Dollar denominated cash balances in the prior comparative period on which foreign exchange losses amounting to R8.0 million were recognised. Foreign exchange differences in the current period are minimal due to lower US Dollar cash balances held by the Group.

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- An increase in marketing and advertising costs by R1.2 million comprising branding costs, CryoVacc™ advertisements and investor relations costs; and
- A net increase in the remaining cost base by R2.0 million which includes HSE costs, professional fees, office expenses, share-based payments expenses, depreciation, recruitment costs and insurance.

Overall, other operating costs decreased by 4.5% and comprise mainly of employee costs, IT costs, marketing costs and professional fees which account for 76% of the other operating cost base (excluding depreciation) at 31 August 2021.

Financial position

The Group's net asset value increased by R82.9 million during the half year which is a 40.2% improvement compared to 28 February 2021. This was aided in part by:

- Our investment in completing the construction of the gas pipeline at the Plant which resulted in a net increase in property, plant and equipment of R100.0 million, after taking into account depreciation, capitalised borrowing costs and foreign exchange gains (see note 4);
- An increase in intangible assets of R23.7 million, after taking into account amortisation, arising from drilling and exploration activities during the period (see note 5);
- An increase in the deferred tax asset by R2.1 million due to the losses incurred for the period;
- An improvement in borrowings by R14.9 million arising from the net of foreign exchange gains (R16.5 million) attributable to the strengthening of the Rand against the US Dollar recognised on the DFC loan and imputed interest of R1.6 million on the local Molopo loan (see note 9);
- A decrease of R1.5 million in lease liabilities attributable to payments made during the period for the rental of the office building and motor vehicles;
- An increase of R0.2 million in restricted cash balances;
- A net increase in working capital components by R20.2 million as outlined below:
  - An increase in trade and other receivables totalling R31.9 million mainly from an increase in VAT recoverable on the importation of equipment acquired for the Plant (see note 7);
  - An increase of R1.2 million in inventory of vaccine storage units. The manufacturing of these units commenced during the period under review (see note 6);
  - An increase of R12.9 million in trade and other payables impacted in part by the deferral of payments to accommodate the re-implementation of our SAP accounting system (see note 10); and
- Offset by the net utilisation of cash and cash equivalents totalling R79.7 million (including effects of exchange rate changes) on the Group's operating, investing and financing activities as outlined below. As a result of the decrease in cash balances, the Group recorded lower interest income during the period which decreased by R0.5 million.

Our financing activities during the period included a capital raise of R109.9 million which we completed in June 2021 on the Johannesburg and Australian stock exchanges (see note 8). These funds are earmarked for the completion of the construction of the Plant, exploration activities in Evander and our other business development initiatives. We also repaid R13.8 million to the DFC for interest and fees incurred during the period.

The Group's investing and operating activities are outlined in the cash flow statement presented on page 10 and comprise mainly of additions to property, plant and equipment and intangible assets and expenditure on operating costs.

Changes to the Board

On 31 March 2021 Fulufhedzani Ravele resigned with immediate effect from her position as Chief Financial Officer of the Company. On 1 May 2021 Brian Harvey was appointed as the new Chief Financial Officer of Renergen.

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Outlook

The coming months will be both exciting and busy as we move to commission the Plant in December 2021 and thereafter commence our supply of LNG to Consol Gas as the first commercially available LNG in South Africa. We will also be quite focussed on our CryoVacc™ business as we take our product to the market, first to DPLaser and other potential customers in the pipeline.

We highly anticipate the updated reserve report for our exploration assets given the favourable exploration outcomes at Evander during the period. The reserve evaluation should be completed in Q4 of the financial year.

South Africa remains an exciting landscape given the increased demand for clean energy. We intend to maximise our first mover competitive advantage to meet the increasing local LNG and helium demand.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Condensed Consolidated Statement of Financial Position of the Group as at 31 August 2021 is set out below:

R'000	Notes	Reviewed 31 August 2021	Audited 28 February 2021
ASSETS			
NON-CURRENT ASSETS		**751 477**	**625 576**
Property, plant and equipment	4	575 591	475 558
Intangible assets	5	135 821	112 155
Deferred taxation		37 132	34 976
Restricted cash - long term		2 933	2 887
CURRENT ASSETS		**108 333**	**154 786**
Inventories	6	1 194	-
Trade and other receivables	7	39 713	7 769
Restricted cash - short term		16 247	16 139
Cash and cash equivalents		51 179	130 878
TOTAL ASSETS		**859 810**	**780 362**
EQUITY AND LIABILITIES			
EQUITY		**289 302**	**206 408**
Stated capital	8	560 509	453 078
Share based payments reserve		9 130	8 500
Revaluation reserve		598	598
Accumulated loss		(280 935)	(255 768)
LIABILITIES			
NON-CURRENT LIABILITIES		**509 489**	**541 476**
Borrowings	9	503 585	534 293
Lease liabilities		1 904	3 183
Provisions - long term		4 000	4 000
CURRENT LIABILITIES		**61 019**	**32 478**
Borrowings	9	15 790	-
Trade and other payables	10	40 273	27 291
Lease liabilities - current		2 776	3 007
Provisions - short term		2 180	2 180
TOTAL LIABILITIES		**570 508**	**573 954**
TOTAL EQUITY AND LIABILITIES		**859 810**	**780 362**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

The Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income of the Group for the half year ended 31 August 2021 is set out below:

R'000	Notes	Reviewed 31 August 2021	Reviewed 31 August 2020
Revenue	11	1 249	910
Cost of sales		(1 606)	(1 322)
Gross loss		**(357)**	**(412)**
Other operating income		102	184
Share-based payments expense		(630)	(972)
Other operating expenses		(24 526)	(25 675)
Operating loss		**(25 411)**	**(26 875)**
Interest income		21	553
Interest expense and imputed interest		(1 933)	(2 289)
Loss before taxation		**(27 323)**	**(28 611)**
Taxation		2 156	1 720
Total comprehensive loss for the period		**(25 167)**	**(26 891)**
LOSS PER SHARE			
Basic and diluted (cents)	12	(21.05)	(22.90)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The Condensed Consolidated Statement of Changes in Equity of the Group for the half year ended 31 August 2021 is set out below:

R'000	Notes	Share capital	Share-based payment reserve	Revaluation reserve	Accumulated loss	Total equity attributable to equity holders of the Company
		Reviewed				
For the six months ended 31 August 2021						
Balance at 28 February 2021[1]		453 078	8 500	598	(255 768)	206 408
Issue of shares	8	109 874	-	-	-	109 874
Share issue costs	8	(2 443)	-	-	-	(2 443)
Share based payments expense		-	630	-	-	630
Total comprehensive loss for the year		-	-	-	(25 167)	(25 167)
Balance at 31 August 2021		**560 509**	**9 130**	**598**	(280 935)	**289 302**
For the six months ended 31 August 2020						
Balance at 29 February 2020[1]		452 254	7 526	598	(213 148)	247 230
Share based payments expense		-	972	-	-	972
Total comprehensive loss for the year		-	-	-	(26 891)	(26 891)
Balance at 31 August 2020		**452 254**	**8 498**	**598**	**(240 039)**	**221 311**

[1] – Audited for the relevant financial year

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

The Condensed Consolidated Statement of Cash Flows of the Group for the half year ended 31 August 2021 is set out below:

R'000	Notes	Reviewed 31 August 2021	Reviewed 31 August 2020
Cash flows used in operating activities		**(42 647)**	**(16 599)**
Cash used in operations	13	(42 355)	(16 989)
Interest received		21	553
Interest paid		(313)	(163)
Cash flows used in investing activities		**(129 305)**	**(84 012)**
Investment in property, plant and equipment	4	(105 472)	(62 022)
Investment in intangible assets	5	(23 833)	(11 672)
Purchase of options		-	(16 197)
Proceeds on exercise of options		-	5 879
Cash flows from financing activities		**92 144**	**207 737**
Proceeds on share issue	8	109 874	-
Share issue costs	8	(2 443)	-
Proceeds from borrowings		-	216 282
Repayments of borrowings		(13 777)	-
Funding of DFC debt service reserve account		-	(7 256)
Lease liability payments		(1 510)	(1 289)
TOTAL CASH MOVEMENT FOR THE PERIOD		**(79 808)**	**107 126**
Cash and cash equivalents at 28/29 February		130 878	140 972
Effects of exchange rate changes on cash and cash equivalents		109	2 632
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**51 179**	**250 730**

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The reviewed condensed consolidated interim financial statements for the six months ended 31 August 2021 have been prepared and presented in accordance with the requirements of the JSE Limited ("JSE Listings Requirements") and ASX Limited ("ASX Listing Requirements), as well as the requirements of the South African Companies Act 71 of 2008, as amended. The JSE Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements issued by the Financial Reporting Standards Council, and to also as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of the condensed consolidated interim financial statements are in terms of IFRS.

The directors take full responsibility for the preparation of the condensed consolidated reviewed interim financial statements. These condensed consolidated reviewed interim financial statements have been prepared on a going concern basis. The consolidated annual financial statements are presented in South African Rand which is the Company's functional and presentation currency. All monetary information is rounded to the nearest thousand (R'000).

These condensed consolidated interim financial statements have been reviewed by the Company's auditors and were prepared under the supervision of the Chief Financial Officer, Mr Brian Harvey CA(SA).

2. Auditors' review

Mazars, the Group's independent auditors, have reviewed the condensed consolidated interim financial statements for the six month period ended 31 August 2021 and have expressed an unmodified review conclusion thereon. A copy of the auditor's review report is available on the Company's website www.renergen.co.za and at the Company's registered address together with the financial information identified in the auditor's report. The auditor's review report does not necessarily report on all the information contained in these interim financial statements. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review report together with the accompanying financial information from the Company's website.

3. Changes in accounting policies

The accounting policies assumptions adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's consolidated annual financial statements for the prior period.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

4. Property, plant and equipment

R'000	31 August 2021 Cost or valuation	Accumul-ated deprecia-tion	Net book value	28 February 2021 Cost or valuation	Accumul-ated deprecia-tion	Net book value
Assets under construction	552 599	-	552 599	451 576	-	451 576
Plant and machinery	22 082	(10 515)	11 567	20 714	(9 451)	11 263
Right-of-use assets - motor vehicles	4 526	(1 003)	3 523	4 526	(547)	3 979
Right-of-use assets - head office building	2 243	(792)	1 451	2 243	-	2 243
Land - at revalued amount	3 473	-	3 473	3 473	-	3 473
Motor vehicles	2 119	(2 068)	51	2 095	(2 051)	44
Office building	2 065	(374)	1 691	2 065	(270)	1 795
Furniture and fixtures	1 271	(781)	490	1 206	(679)	527
IT equipment	771	(479)	292	541	(438)	103
Office equipment	208	(145)	63	208	(132)	76
Leasehold improvements:						
Furniture and fixtures	887	(525)	362	887	(450)	437
Office equipment	152	(123)	29	152	(110)	42
Net book value	**592 396**	**(16 805)**	**575 591**	**489 686**	**(14 128)**	**475 558**

The movement in property, plant and equipment for the period under review is outlined below:

R'000	At 28 February 2021	Additions	Depre-ciation	At 31 August 2021
Assets under construction	451 576	101 023	-	552 599
Plant and machinery	11 263	1 368	(1 064)	11 567
Right-of-use assets - motor vehicles	3 979	-	(456)	3 523
Right-of-use asset - head office building	2 243	-	(792)	1 451
Land - at revalued amount	3 473	-	-	3 473
Motor vehicles	44	24	(17)	51
Office building	1 795	-	(104)	1 691
Furniture and fixtures	527	65	(102)	490
IT equipment	103	230	(41)	292
Office equipment	76	-	(13)	63
Leasehold improvements:				
Furniture and fixtures	437	-	(75)	362
Office equipment	42	-	(13)	29
Total	**475 558**	**102 710**	**(2 677)**	**575 591**

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4. Property, plant and equipment (continued)

Reconciliation of additions to exclude the impact of capitalised borrowing costs and foreign exchange differences:

	R'000
Additions as shown above	102 710
Capitalised borrowing costs attributable to the DFC loan	(13 777)
Foreign exchange gains attributable to the DFC loan	16 539
Additions as reflected in the cash flow statement	**105 472**

5. Intangible assets

	31 August 2021			28 February 2021		
R'000	Cost or valuation	Accumul-ated amort-isation	Net book value	Cost or valuation	Accumul-ated amort-isation	Net book value
Exploration and development costs	126 966	(32)	126 934	109 026	(32)	108 994
Computer software	3 312	(606)	2 706	3 303	(439)	2 864
Other intangible assets	6 181	-	6 181	297	-	297
Net book value	**136 459**	**(638)**	**135 821**	**112 626**	**(471)**	**112 155**

The movement in intangible assets for the period under review is outlined below:

R'000	At 28 February 2021	Additions	Amort-isation	At 31 August 2021
Exploration and development costs	108 994	17 940	-	126 934
Computer software	2 864	9	(167)	2 706
Other intangible assets	297	5 884	-	6 181
Total	**112 155**	**23 833**	**(167)**	**135 821**

Additions to other intangible assets during the period comprise development costs for the CryoVacc™ vaccine storage units. No amortisation is recorded as the units were brought into use in the June 2021.

6. Inventories

R'000	31 August 2021	28 February 2021
Finished goods	1 194	-
	1 194	**-**

Inventories comprises vaccine storage units for the CryoVacc™ business. The manufacturing of these units commenced during the period under review.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

7. Trade and other receivables

R'000	31 August 2021	28 February 2021
Financial instruments:	**665**	**2 450**
Trade receivables	567	2 312
Other receivables	98	138
Non-financial instruments:	**39 048**	**5 319**
Value-added tax	38 970	5 139
Prepayments	78	180
	39 713	7 769

Trade receivables at 28 February 2021 included debit balances reclassified from trade payables amounting to R2.1 million relating to advance payments made to suppliers.

The increase in VAT receivable is attributable to VAT to be recovered on the importation of equipment for the Virginia Gas Plant.

8. Stated capital

Authorised (000's):	31 August 2021	28 February 2021
500 million shares of no par value	500 000	500 000

Reconciliation of number of issued shares (000's):	31 August 2021	28 February 2021
At 1 March	117 508	117 427
Issue of shares	5 632	81
Balance at 31 August/28 February 2021	123 140	117 508

Reconciliation of issued stated capital (R'000):	31 August 2021	28 February 2021
At 1 March	453 078	452 254
Issue of shares - ordinary shares issued for cash	109 874	-
Issue of shares - share incentive scheme, non-cash	-	824
Share issue costs	(2 443)	-
	560 509	453 078

On 25 June 2021, Renergen issued 2 453 328 CDIs at A$1.78 per security on the Australian Securities Exchange and 3 178 459 shares at R19.10 on the Johannesburg Securities Exchange, raising a total equivalent of approximately R109.9 million through the issue of a total of 5 631 787 new shares.

There were no dividends declared during the period (28 February 2021: nil).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

9. Borrowings

The movement in the Group's borrowings for the period under review is outlined below:

R'000	At 28 February 2021	Foreign exchange gains[1]	Imputed interest	At 31 August 2021
Molopo Energy Limited	43 053	-	1 621	44 674
US International Development Finance Corporation (DFC)	491 240	(16 539)	-	474 701
	534 293	(16 539)	1 621	519 375

1 – Foreign exchange gains reflect the impact of the strengthening of the Rand against the US Dollar.

Borrowings amounting to R15.8 million due in August 2022 have been classified as short-term.

The following debt covenants apply to the DFC loan:

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

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

(c) Tetra4 is required to ensure that the debt service reserve account (classified as restricted cash) is funded in the aggregate of all amounts due to the DFC within the next 6 months.

The covenants in a) and b) will apply 18 months after the completion of the construction of the Virginia Gas Plant. The Group has complied with the covenant under c) above for the period 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.

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10. Trade and other payables

R'000	31 August 2021	28 February 2021
Financial instruments:	**36 522**	**23 746**
Trade payables	25 746	3 976
Advance income	1 944	-
Accrued bonus	1 879	5 637
Accrued expenses	6 953	14 133
Non-financial instruments:	**3 751**	**3 545**
Accrued leave pay	3 751	3 486
Value-added tax	-	59
	40 273	27 291

Trade payables at 31 August 2021 were impacted by the re-implementation of the SAP accounting system. These trade payables were settled within three days of the period end.

The advance income was received with respect to sales of vaccine storage units, the manufacturing of which commenced during the period under review.

Accruals at 28 February 2021 included an accrual for gas gathering costs (included in assets under construction note 4) of R10.1 million.

11. Segment analysis

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

Corporate head office

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

Tetra4

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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

11. Segment analysis (continued)

The analysis of reportable segments as at 31 August 2021 is set out below:

R'000	Corporate head office	Tetra4	Total	Eliminations	Consolidated
Revenue	-	1 249	1 249	-	1 249
External[1]	-	1 249	1 249	-	1 249
Loss for the year	(4 268)	(20 899)	(25 167)	-	(25 167)
Total assets	1 135 307	837 471	1 972 778	(1 112 968)	859 810
Total liabilities	(6 336)	(1 051 931)	(1 058 267)	487 759	(570 508)

The analysis of reportable segments as at 31 August 2020 is set out below:

R'000	Corporate head office	Tetra4	Total	Eliminations	Consolidated
Revenue	12 480	910	13 390	(12 480)	910
External[1]	-	910	910	-	910
Inter-segmental[2]	12 480	-	12 480	(12 480)	-
Profit/(loss) for the year	3 707	(30 598)	(26 891)	-	(26 891)
Total assets	1 030 968	809 437	1 840 405	(1 010 743)	829 662
Total liabilities	7 078	987 726	994 804	(386 453)	608 351

[1] – Comprises revenue from a contract with a customer for the sale of compressed natural gas.
2 – Comprised of management fees charged to Tetra4 by Renergen.

The management service arrangement between Renergen and Tetra4 was suspended on 28 February 2021 pending the finalisation of the management restructuring which will allocate the existing management team to the two entities based on their evolving needs, especially with the commissioning of the gas plant expected in the latter part of the year. As such there were no management fees earned during the period.

12. Loss per share

Loss per share:

Cents	31 August 2021	31 August 2020
Basic and diluted	(21.05)	(22.90)

R'000	31 August 2021	31 August 2020
Loss attributable to equity holders of the Company used in the calculation of the basic and diluted loss per share:	(25 167)	(26 891)

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

12. Loss per share (continued)

000's	31 August 2021	31 August 2020
Weighted average number of ordinary shares used in the calculation of basic loss per share:	119 570	117 427
Issued shares at the beginning of the period	117 508	117 427
Effect of shares issued during the period	2 062	-
Add: Dilutive share options	-	-
Weighted average number of ordinary shares used in the calculation of diluted loss per share	**119 570**	**117 427**

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

Headline loss per share

Cents	31 August 2021	31 August 2020
Basic and diluted	(21.05)	(22.90)

Reconciliation of headline loss:

R'000	31 August 2021	31 August 2020
Loss attributable to equity holders of the Company	(25 167)	(26 891)
Headline loss	**(25 167)**	**(26 891)**

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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

13. Cash used in operations

R'000	31 August 2021	31 August 2020
Loss before taxation	(27 323)	(28 611)
Adjustments for:		
Depreciation and amortisation	2 844	2 705
Interest expense and imputed interest	1 933	2 289
Interest income	(21)	(553)
Share based payments expense	630	972
Net fair value losses on put option contracts	-	8 797
Allocation of restricted cash	(154)	(144)
(Decrease)/increase in bonus accrual	(3 758)	3 034
Increase in leave accrual	266	-
Loss on disposal of vehicle	-	7
Effects of exchange rate changes on cash and cash equivalents	(109)	(2 632)
Changes in working capital:		
Increase in inventories	(1 194)	-
Increase in trade and other receivables	(31 944)	(4 145)
Increase in trade and other payables	16 475	1 292
Cash used in operations	**(42 355)**	**(16 989)**

14. Contingencies

Contingent liabilities

The Group has no contingent liabilities at 31 August 2021 (February 2021: nil).

Commitments

	31 August 2021		
R'000	Spent to date	Contractual commitments	Total approved
Capital equipment	465 187	128 236	593 423
Total	**465 187**	**128 236**	**593 423**

	28 February 2021		
R'000	Spent to date	Contractual commitments	Total approved
Capital equipment	321 600	207 500	529 100
Total	**321 600**	**207 500**	**529 100**

The above board approved capital commitments relate to the construction of the Virginia Gas Plant. When incurred these costs are capitalised under assets under construction within property, plant and equipment. The total budget approved by the board for the Virginia plant is R911.0 million.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

15. Events after the reporting period

Drawdown on DFC loan facility

On 28 September 2021, Tetra4 made a final drawdown of R112.1 million (US$7.5 million) from the DFC loan facility. This additional drawdown incurs interest at 1.24% per annum and its fee and repayment structures are consistent with the terms of the last two drawdown made by Tetra4, as previously disclosed in the annual financial statements for the year ended 28 February 2021. The DFC loan facility is now fully drawn and repayment will commence in August 2022.

16. Going concern

The reviewed condensed consolidated interim financial statements for the six months ended 31 August 2021 have been prepared assuming the Group will continue as a going concern. This contemplates the realisation of assets and settlement of liabilities in the normal course of business during the assessment period. The Directors have reviewed the Group's forecasts for the next twelve months and are satisfied that the Group has adequate financial resources, and access to capital and borrowing facilities to continue operations in the normal course of business for the foreseeable future. In reaching this conclusion the Directors' have also considered developments with COVID-19 and their impact on the operations of the Group.

On behalf of the Board

Brett Kimber **Chairman**	Stefano Marani **Chief Executive Officer**	Brian Harvey **Chief Financial Officer**

Johannesburg
26 October 2021

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