

Unreviewed interim consolidated financial statements

for the six months ended 31 August 2024

The operations of the Group during the six months ended 31 August 2024 (“H1 2025”) primarily centred on the following:

- the expansion of the customer base and the optimisation of the supply chain with respect to the Group’s fuel wholesaling operations;
- business development activities to secure opportunities to trade higher-margin crude oil products to support the wholesaling operations; and
- The finalisation and publication of outstanding financial results to secure the lifting of the suspension in trade of the Company’s shares on the JSE.

Key outcomes and developments during H1 2025 are highlighted below:

- Revenue of R2.9 million (2023: R24.9 million), a decrease of 88% or R22.0 million due to lower traded volumes during the period under review;
- an increase in other operating costs by R8.8 million to R21.2 million (2023: R12.4 million) primarily due to foreign exchange losses totalling R8.4 million;
- overall, a loss after taxation of R17.0 million (2023: R8.2 million) primarily reflecting the impact of lower revenue and higher operating costs;
- completion of the acquisition of the Alrode Depot in May 2024; and
- post-period lifting of suspension in trading of the Company’s shares on the Johannesburg Stock Exchange (“JSE”) on 30 September 2024.

REVENUE AND GROSS PROFIT CONTRIBUTION

The six-month period under review was particularly challenging for the Group since it re-entered the fuel trading market in December 2022. Particularly, in the first quarter of the financial year, the Group lost a key sales employee and faced increased competition in the market which led to a significant loss in its customer base. Revenue for H1 2025 was therefore markedly lower by 88% at R2.9 million compared to R24.9 million in the prior comparative period. The gross profit contribution of R0.2 million (2023: R0.5 million) reflects the positive effect of the Group trading higher-margin products during H1 2025 compared to the prior comparative period, albeit at lower volumes – gross profit margins of approximately 7% and 2% comparably. Given these developments and in pursuit of the execution of the Group’s overall strategy, various business development initiatives are under way to secure new customers and opportunities to trade higher-margin products to support the fuel wholesaling operations.

OTHER OPERATING COSTS

Cost containment continues to be a key focus area for the Group. During H1 2025 the Group’s other operating costs increased by R8.8 million to R21.2 million (2023: R12.4 million) mainly due to the impact of unrealised foreign exchange losses totalling R8.4 million arising from the translation of US dollar (“US\$”) denominated financial assets. During the period under review the Rand/US\$ exchange rate appreciated from R19.20/US\$1 at the end of February 2024 to R17.80/US\$1 at the end of H1 2025. Broadly, costs from the Group’s other operating activities did not materially change despite increases in business development activities, headcount and financial reporting and audits covering multiple periods.

PUBLICATION OF OUTSTANDING FINANCIAL RESULTS

During H1 2025 significant effort went into finalising all outstanding financial reporting. During the period under review the Company published the following financial results and reports:

- interim results for the six months ended 31 August 2022 (published in April 2024);
- annual results for the year ended 28 February 2023 (published in April 2024);
- interim results for the six months ended 31 August 2023 (published in June 2024);
- annual results for the year ended 29 February 2024 (published in August 2024);
- the corporate governance and material risks report for the year ended 28 February 2023 (published in April 2024); and
- the integrated annual report for the year ended 29 February 2024 (“2024 IAR”) (published in August 2024).

We are pleased that the Company is now up to date with respect to the publication of financial results as required by the JSE Listings Requirements.

POST-PERIOD DEVELOPMENTS

LIFTING OF SUSPENSION IN TRADE OF THE COMPANY’S SHARES ON THE JSE

On 30 September 2024 the Company’s shares resumed trading on the JSE following the lifting of the suspension which commenced in October 2020.

GOING CONCERN

The Board has performed an assessment of the Group’s operations relative to available cash resources, has considered the information provided in note 14 and has concluded that the Group is a going concern. The unreviewed interim consolidated financial statements presented have therefore been prepared on a going concern basis.

LITIGATION UPDATE

There were no material developments during H1 2025 relating to the litigation matter disclosed in the 2024 IAR.

CHANGE IN DIRECTORATE

There was no change in directorate during the period under review and up until the date of this report.

OUTLOOK

In the coming months the following matters will be at the top of our agenda:

- growing the fuel wholesale operations;
- advancing the trading and fuel storage business development initiatives; and
- enhancing strategic partnerships in the industry.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Unreviewed Six months to 31 August 2024 R'000	Unreviewed Six months to 31 August 2023 R'000
Revenue	3	2 887	24 875
Cost of sales		(2 662)	(24 366)
Gross profit		225	509
Other income		2 754	2 400
Decrease/(increase) in impairment losses on financial assets		393	(326)
Other operating costs	3	(21 173)	(12 354)
Loss from operations		(17 801)	(9 771)
Finance income		838	1 657
Finance costs		(38)	(53)
Loss before taxation		(17 001)	(8 167)
Taxation		–	–
Loss for the period		(17 001)	(8 167)
Other comprehensive income/(loss):			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations ¹		8 012	(2 140)
Other comprehensive income/(loss) for the period		8 012	(2 140)
Total comprehensive loss for the period		(8 989)	(10 307)
Loss attributable to:			
Equity holders of the Company		(17 001)	(8 167)
Loss for the period		(17 001)	(8 167)
Total comprehensive loss attributable to:			
Equity holders of the Company		(8 989)	(10 307)
Total comprehensive loss for the period		(8 989)	(10 307)
Loss per share			
Basic and diluted (cents)	4	(1.54)	(0.74)

¹ This component of other comprehensive income does not attract taxation.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Unreviewed As at 31 August 2024 R'000	Audited As at 29 February 2024 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	4 300	595
Right-of-use assets		242	984
Intangible assets		40	60
Total non-current assets		4 582	1 639
Current assets			
Inventories		1 089	389
Trade and other receivables	6	4 048	7 400
Cash and cash equivalents	7	18 369	31 838
Total current assets		23 506	39 627
Total assets		28 088	41 266
EQUITY AND LIABILITIES			
Shareholders' equity			
Stated capital	8	1 668 354	1 668 354
Reserves		25 426	17 414
Accumulated loss		(1 668 867)	(1 651 866)
Total equity attributable to equity holders of the Company		24 913	33 902
LIABILITIES			
Non-current liabilities			
Lease liabilities		–	166
Total non-current liabilities		–	166
Current liabilities			
Borrowings		1 129	1 219
Lease liabilities		297	916
Trade and other payables	9	1 749	5 063
Total current liabilities		3 175	7 198
Total liabilities		3 175	7 364
Total equity and liabilities		28 088	41 266

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital (Note 8) R'000	Foreign currency translation reserve R'000	Share-based payment reserve R'000	Total reserves R'000	Accumulated loss R'000	Total equity attributable to equity holders of the Company R'000
For the six months ended 31 August 2023						
Unreviewed						
Balance at 28 February 2023	1 668 354	11 483	10 493	21 976	(1 632 864)	57 466
Changes in equity:						
Loss for the period	–	–	–	–	(8 167)	(8 167)
Other comprehensive loss for the period	–	(2 140)	–	(2 140)	–	(2 140)
Total comprehensive loss for the period	–	(2 140)	–	(2 140)	(8 167)	(10 307)
Balance at 31 August 2023	1 668 354	9 343	10 493	19 836	(1 641 031)	47 159
For the six months ended 29 February 2024						
Unreviewed						
Balance at 31 August 2023	1 668 354	9 343	10 493	19 836	(1 641 031)	47 159
Changes in equity:						
Loss for the period	–	–	–	–	(10 835)	(10 835)
Other comprehensive loss for the period	–	(2 422)	–	(2 422)	–	(2 422)
Total comprehensive loss for the period	–	(2 422)	–	(2 422)	(10 835)	(13 257)
Balance at 29 February 2024	1 668 354	6 921	10 493	17 414	(1 651 866)	33 902
For the six months ended 31 August 2024						
Unreviewed						
Balance at 29 February 2024	1 668 354	6 921	10 493	17 414	(1 651 866)	33 902
Changes in equity:						
Loss for the period	–	–	–	–	(17 001)	(17 001)
Other comprehensive income for the period	–	8 012	–	8 012	–	8 012
Total comprehensive loss for the period	–	8 012	–	8 012	(17 001)	(8 989)
Balance at 31 August 2024	1 668 354	14 933	10 493	25 426	(1 668 867)	24 913

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Unreviewed Six months to 31 August 2024 R'000	Unreviewed Six months to 31 August 2023 R'000
Cash flows from operating activities			
Cash used in operations		(9 839)	(8 364)
Finance income received		838	1 657
Finance costs paid		(38)	(53)
Net cash used in operating activities		(9 039)	(6 760)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(3 955)	(312)
Net cash used in investing activities		(3 955)	(312)
Cash flows from financing activities			
Repayments of loan from joint venture		(124)	(128)
Repayments of lease liabilities		(351)	(257)
Net cash used in financing activities		(475)	(385)
Total movement in cash and cash equivalents for the period		(13 469)	(7 457)
Cash and cash equivalents at the beginning of the period		31 838	54 129
Cash and cash equivalents at the end of the period	7	18 369	46 672

SELECTED NOTES TO THE UNREVIEWED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 31 August 2024

NATURE OF OPERATIONS

Efora Energy Limited is a company incorporated in South Africa and is listed on the Johannesburg Stock Exchange ("JSE"). The Company is a wholesaler of petroleum products, mainly diesel and illuminated paraffin, to commercial customers in South Africa. It is further exploring other midstream and downstream opportunities in line with the change in its strategy to complement its existing operations. The focus of the Group is on delivering energy for the African continent by using Africa's own resources to meet the significant growth in demand expected over the next decade.

1 BASIS OF PREPARATION

The unreviewed interim consolidated financial statements of the Company for the six months ended 31 August 2024, have been prepared in accordance with the framework concepts, the recognition and measurement criteria of IFRS Accounting Standards and interpretations as issued by the IFRIC Interpretations Committee, and in accordance with and containing the information required by the International Accounting Standard 34 – Interim Financial Reporting as issued by the International Accounting Standards Board, the South African Financial Reporting Requirements, the JSE Listings Requirements and the requirements of the Companies Act of 2008, as amended. The unreviewed interim consolidated financial statements have been prepared on the historical cost basis, unless stated otherwise.

These unreviewed interim consolidated financial statements have been prepared on a going concern basis after taking into account the matters in note 14. All monetary information is presented in South African Rand which is the Company's functional and presentation currency, and is rounded to the nearest thousand, unless stated otherwise.

PRINCIPAL ACCOUNTING POLICIES

The same accounting policies and methods of computation have been followed in the preparation of these unreviewed interim consolidated financial statements as those applied in the preparation of the Group's annual financial statements for the year ended 29 February 2024 which are available on the Company's website www.eforaenergy.com. Standards and interpretations which came into effect during the period under review were either not relevant to the Group or did not have a material impact.

2 PREPARATION OF THE UNREVIEWED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Directors take full responsibility for the preparation of these unreviewed interim consolidated financial statements for the six months ended 31 August 2024. The unreviewed interim consolidated financial statements have been prepared under the supervision of Ms Tariro Gadzikwa, CA (SA).



3 SEGMENTAL REPORTING

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 by geographical locations. The Group's externally reportable operating segments are shown below.

Head office activities include the general management, financing and administration of the Group.

There are no differences from the last audited annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

	DRC R'000	South Africa R'000	Head office R'000	Eliminations R'000	Consolidated R'000
For the six months ended 31 August 2024					
Revenue					
External customers	–	2 887	–	–	2 887
Total revenue¹	–	2 887	–	–	2 887
Cost of sales ¹	–	(2 662)	–	–	(2 662)
Gross profit	–	225	–	–	225
Other income	–	(871)	3 625	–	2 754
VAT recovery	–	–	2 631	–	2 631
Insurance recoveries	–	60	–	–	60
Management fees	–	(954)	994	–	40
Rent received	–	23	–	–	23
Decrease in impairment losses on financial assets	–	–	4 682	(4 289)	393
Other operating costs	(68)	(747)	(20 358)	–	(21 173)
Net foreign exchange losses	–	–	(8 420)	–	(8 420)
Depreciation and amortisation	–	(188)	(390)	–	(578)
Employee benefit expense	–	–	(4 896)	–	(4 896)
Consulting	–	(98)	(3 771)	–	(3 869)
Corporate costs	–	–	(1 110)	–	(1 110)
Other ²	(68)	(461)	(1 771)	–	(2 300)
Finance income	–	2	836	–	838
Finance costs	–	(17)	(21)	–	(38)
Loss for the period	(68)	(1 408)	(11 236)	(4 289)	(17 001)
Segment assets – non-current	–	69	10 307	(5 794)	4 582
– current	48	4 531	18 927	–	23 506
Segment liabilities – non-current	(99 361)	(10 773)	(318)	110 452	–
– current	(726)	(131)	(2 318)	–	(3 175)

¹ There were no inter-segment revenue or cost of sales transactions during the period.

² Mainly attributable to IT costs, office expenses, insurance, travel and accommodation, auditor's remuneration, repairs and maintenance and subscriptions.

3 SEGMENTAL REPORTING (CONTINUED)

	DRC R'000	South Africa R'000	Head office R'000	Eliminations R'000	Consolidated R'000
For the six months ended 31 August 2023					
Revenue					
External customers	–	24 875	–	–	24 875
Total revenue¹	–	24 875	–	–	24 875
Cost of sales ¹	–	(24 366)	–	–	(24 366)
Gross profit	–	509	–	–	509
Other income	200	(1 466)	2 852	814	2 400
Net foreign exchange gains	–	–	1 304	1 014	2 318
Insurance recoveries	–	–	31	–	31
Management fees	–	(1 466)	1 517	–	51
Other	200	–	–	(200)	–
Increase in impairment losses on financial assets	–	–	(1 964)	1 638	(326)
Other operating costs	(95)	(318)	(12 141)	200	(12 354)
Depreciation and amortisation	–	(9)	(296)	–	(305)
Employee benefit expense	–	–	(4 181)	–	(4 181)
Consulting and business development costs	–	–	(4 125)	–	(4 125)
Corporate costs	–	–	(1 170)	–	(1 170)
Other ²	(95)	(309)	(2 369)	200	(2 573)
Finance income	–	2	1 655	–	1 657
Finance costs	–	(8)	(45)	–	(53)
Loss for the period	105	(1 281)	(9 643)	2 652	(8 167)
Segment assets – non-current	–	699	10 346	(9 238)	1 807
– current	66	11 894	41 063	–	53 023
Segment liabilities – non-current	(104 917)	(12 801)	(616)	117 683	(651)
– current	(702)	(1 589)	(4 729)	–	(7 020)

¹ There were no inter-segment revenue or cost of sales transactions during the period.

² Mainly attributable to corporate costs, IT costs, office expenses, insurance, travel and accommodation, auditor's remuneration, repairs and maintenance and subscriptions.

Revenue

The Group derived revenue from sales of petroleum products to commercial customers. The related revenue is included under the South Africa segment.

Inter-segment revenues when applicable are eliminated upon consolidation and are reflected in the "Eliminations" column.

Revenue from contracts with customers is disaggregated as follows:

	31 August 2024 R'000	31 August 2023 R'000
Diesel	1 912	9 535
Illuminated paraffin	635	12 089
Naphtha	–	3 251
Petrol	340	–
Total	2 887	24 875

The disaggregation of revenue by customer for the period ended 31 August 2024 is as follows:

Customer A : R1.0 million or 33.2%
Customer B : R0.6 million or 22.0%
Customer C : R0.6 million or 22.0%
Customer D : R0.4 million or 14.2%
Other : R0.3 million or 8.6%

Therefore for the period ended 31 August 2024, R2.2 million (or 77.2%) of the Group's revenue depended on the sale of petroleum products to three customers under the South Africa segment. All of the Group's revenue is generated within the South Africa segment.

4 LOSS PER SHARE

		31 August 2024	31 August 2023
Basic and diluted	Cents	(1.54)	(0.74)
Both the basic and diluted loss per share have been calculated using the loss attributable to shareholders of the Company as the numerator. No adjustments to the reported loss were necessary at 31 August 2024 and 31 August 2023.			
Loss attributable to equity holders of the Company for the period	R'000	(17 001)	(8 167)
Weighted average number of ordinary shares used in the calculation of the basic loss per share	000's	1 103 835	1 103 835
Issued shares at the beginning and end of the reporting period	000's	1 103 835	1 103 835
Add: Dilutive share options	000's	–	–
Weighted average number of ordinary shares used in the calculation of the diluted loss per share	000's	1 103 835	1 103 835
Headline loss per share			
Basic and diluted	Cents	(1.54)	(0.74)
		31 August 2024 R'000	31 August 2023 R'000
Reconciliation of headline loss			
Loss attributable to equity holders of the Company		(17 001)	(8 167)
Headline loss for the period		(17 001)	(8 167)

5 PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment increased by R3.7 million during the period under review as a result of the purchase of the Alrode fuel depot ("Alrode Depot") and movable assets for R3.8 million and additions to other asset categories totalling R0.1 million, which were off-set by depreciation amounting to R0.2 million for the period.

Alrode Depot

Details relating to the acquisition of the Alrode Depot are contained in the announcement issued by the Company on 11 January 2024 which is available on the Company's website at <https://www.eforaenergy.com/category-2-acquisition-announcement/>. The acquisition of the depot was completed on 31 May 2024.

6 TRADE AND OTHER RECEIVABLES

	31 August 2024 R'000	29 February 2024 R'000
Prepayments	222	4 132
Other receivables ¹	1 845	1 755
Value-added tax	2 833	2 365
	4 900	8 252
Provision for impairment – other receivables	(852)	(852)
Total	4 048	7 400

¹ Other receivables mainly consist of withholding taxes and a refund owed to Efora Holdings.

A provision for impairment totalling R0.9 million was raised in the prior year against other receivables of the same amount pending the outcome of legal proceedings actioned in January 2024 for the recovery of funds owed to Efora Holdings.

7 CASH AND CASH EQUIVALENTS

	31 August 2024 R'000	29 February 2024 R'000
Cash and cash equivalents consist of:		
Cash at banks and on hand	18 278	31 749
Short-term deposits	91	89
Total	18 369	31 838

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. All of the Group's cash is denominated in Rands.

8 STATED CAPITAL

There were no changes to the stated capital during the period under review (February 2024: none).

9 TRADE AND OTHER PAYABLES

	31 August 2024 R'000	29 February 2024 R'000
Trade payables	414	2 203
Accruals	1 142	2 659
Other payables	193	201
Total	1 749	5 063

Trade payables are non-interest bearing and are generally on 30-day terms and are measured at amortised cost.

10 FAIR VALUE MEASUREMENT

The fair values of cash and cash equivalents, trade and other receivables, trade and other payables and borrowings approximate carrying values due to the short-term maturities of these instruments.

11 RELATED PARTIES

	31 August 2024 R'000	31 August 2023 R'000
Key management compensation		
<i>Non-executive directors</i>		
Fees	2 067	1 921
<i>Executive directors</i>		
Salaries	1 363	1 337
<i>Other key management</i>		
Salaries	–	276
Total	3 430	3 534

12 COMMITMENTS AND CONTINGENT LIABILITIES

COMMITMENTS

Capital commitments

The Group did not have any capital commitments as at 31 August 2024 (2023: Rnil).

CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 31 August 2024 (2023: Rnil).

13 DIVIDENDS

The Board has resolved not to declare dividends to shareholders for the period under review.

14 GOING CONCERN

The Group generated losses after tax amounting to R17.0 million for the period ended 31 August 2024. The Group is still ramping up its fuel wholesaling operations and is also in the process of accessing the fuel trading market, targeting higher-margin products. As such, the gross profit generated by the Group did not cover the costs of the Group and, similarly, the investment income generated by the Company did not adequately cover its costs for the period under review. These conditions indicate the existence of a material uncertainty which may cast doubt about the Group's ability to continue as a going concern.

The Group expects cash inflows to be derived from the implementation of a sales plan which will ensure that the Group is adequately funded. Various initiatives of this sales plan include growing sales in the agricultural sector and transporter refuelling market and targeting bulk end users. Management has also considered the following:

- (a) The Group reported an excess of current assets over current liabilities of R20.3 million as at 31 August 2024.
- (b) The liquidity needs of the Group are monitored in various time bands, as well as on the basis of rolling month-to-month projections. Net cash requirements are compared to available cash resources in order to determine headroom or any shortfalls. Management has determined that the available cash resources are expected to be sufficient to meet the Group's operational requirements for the foreseeable future.
- (c) Management prepares annual budgets and longer-term strategic plans, including an assessment of cash flow requirements, and continues to monitor actual performance against budget and plan throughout each reporting period.

CONCLUSION

Whilst the uncertainties highlighted above exist, management has prepared the unreviewed interim consolidated financial statements on a going concern basis as it has considered that it is reasonable to conclude that the Group will have adequate resources to continue in operational existence for the next twelve months. This basis assumes that the Group will be able to discharge obligations as they fall due in the normal course of business during this period.

15 EVENTS AFTER THE REPORTING PERIOD

The following events occurred after the reporting period:

LIFTING OF SUSPENSION IN TRADE

On 30 September 2024 the Company's shares resumed trading on the JSE. The suspension in trade of the Company's shares in October 2020 arose from the late publication of results. As highlighted on page 1 the Company is now fully compliant with its financial reporting obligations.

On behalf of the Board



Vuyo Ngonyama
Chairman

Johannesburg
26 November 2024



Darrin Arendse
Chief Executive Officer (Interim)

CORPORATE INFORMATION

EFORA ENERGY LIMITED

Incorporated in the Republic of South Africa

(Registration number 1993/000460/06)

JSE share code: EEL

ISIN: ZAE000248258

("Efora" or "the Company" or together with its subsidiaries and joint venture "the Group")

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DIRECTORS

Darrin Arendse (Chief Executive Officer – Interim), Vuyo Ngonyama (Chairman)*, Patrick Mngconkola*, Zanele Radebe*, Malande Tonjeni*

* Independent Non-executive Directors

ADVISERS

Company Secretary Fusion Corporate Secretarial Services Proprietary Limited

Transfer Secretaries JSE Investor Services Proprietary Limited

JSE Sponsor PSG Capital

AUDITORS

External Auditors SizweNtsalubaGobodo Grant Thornton Inc.

Internal Auditors BDO Advisory Services Proprietary Limited