



ANNUAL REPORT 2026



Africa Clean Energy Solutions Limited

Level 3, Alexander House

35 Cybercity

Ebene 72201

Mauritius

www.acesrenewables.com



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OUR MISSION

The Group develops, owns and operates clean energy power plants throughout Africa.

We strive to become a significant independent provider of clean energy; and at the same time make a positive impact on people's lives.

In pursuance of our mission, offering a sustainable return to our investors.

CHAIRMAN'S MESSAGE

Chairman's Message

Dear Shareholders,

I am humbled and privileged to present the Annual Report of Africa Clean Energy Solutions (ACES) Renewables Group for the financial year ended 30 June 2026. The year has been one of consolidation and preparation: the Group has moved its flagship projects from development into the final stages before financial close, and has restructured its funding plan into two clearly defined phases.

Navigating challenges

Demand for renewable generation across Africa remains strong. The need for clean energy has become even more important in view of the continued turmoil in the Middle East and the uncertainty prevailing across the globe. South Africa's political settlement has continued to

support investor confidence, although grid capacity remains the binding constraint on new development. In Zambia, the need for new capacity is acute and our project has progressed accordingly to meet the increased demand. Against this backdrop, the Board's principal focus during the year has been to secure the equity required to take our shovel-ready projects to financial close.

Strengthening the pipeline

The Group now carries a defined portfolio of six projects totalling 321 MW across South Africa and Zambia, with expected project internal rates of return between 14.6% and 22.5% in US dollar terms. These projects are no longer in early-stage prospects but rather have evolved into an advanced stage with each project being allocated its own land, offtake and with regulatory permits substantially advanced. Each projects carries a dated financial close in the Group financial model.

Financial position and outlook

The Group recorded a consolidated loss of **USD 772,597** for the year, reflecting the continued investment and commitment of the Group into the different projects. This demonstrates the strong confidence and certainty that the investment incurred will results in positive income once that the financial close is achieved. The Board's forecasts shows that as from financial year 2027, the financial position moves from a negative position into positive territory with forecast revenue of US\$10.65 million in the finance year ending June 2027.

The forecasted positive outlook rests on three main assumptions. First, the Phase 1 equity subscription of US\$30 million. Secondly the realisation of the project-level debt facilities under negotiation, and lastly the timely financial close of the Cullinan, Ravenna and Zambian projects. The Board commitment to shareholders is that the first



assumption is central to the achievement of the positive outlook. The Board's and management's focus throughout the year has been to ensure that all required documentation is up to date, ensuring due diligence, legal readiness and finally making sure that the projects are progressing towards Financial Close.

Governance and people

The Group has continued to strengthen its technical and legal capability in support of the pipeline. Governance remains central to how we operate, and the Board continues to prioritise transparency, compliance and long-term stakeholder value.

Commitment to growth

ACES is not only building a portfolio of clean energy assets but also developing a business model which is can easily be replicated across multiple African jurisdictions. With the funding plan now clearly defined and the projects at the point of close, the Group is positioned for a decisive year and poised for growth.

Sincerely,

Chairman of the Board
Africa Clean Energy Solutions (ACES) Renewables Group

CHIEF EXECUTIVE OFFICER'S REPORT

1. Global and regional context

Africa. Demand for renewable generation across the continent remains exceptionally strong, with Zambia and the DRC facing urgent needs for new capacity. ACES' focus on Africa continues to position the Group well against that demand.

South Africa. Political stability has continued to support investor confidence. Grid capacity remains the principal constraint on development, and securing and preserving grid allocation has been a central part of our project management during the year.

Global. Policy divergence between major markets continues to shape capital flows into renewables. Our response has been to concentrate on projects with secured land, confirmed grid access and committed offtake, rather than on breadth of pipeline.

2. Leadership and strategic focus

I assumed the role of Chief Executive Officer on **25 March 2026**. My focus since then has been on two things: bringing the Phase 1 projects to financial close, and securing the equity and debt required to fund the Group's share of them.



3. Development division

The Group's portfolio is now organised into two funding phases. Phase 1 comprises the Cullinan 130 MW, Ravenna 10 MW and Zambia 31 MW projects, requiring US\$38.47 million of ACES equity. Phase 2 comprises the Cullinan 60 MW, Zambia 30 MW and Ravenna 60 MW projects, requiring a further US\$41.2 million. Total ACES equity commitment across the portfolio is US\$79.7 million.

3.1 South Africa — Cullinan Solar (130 MW and 60 MW)

The Cullinan project is developed on land leased from Afrimat in the Tshwane Municipality, Gauteng. The 130 MW Phase 1 tranche carries an ACES equity share of 95%, an ACES equity commitment of US\$29.34 million and a project IRR of 15.0% in US dollars, with financial close modelled for March 2027. A further 60 MW tranche sits in Phase 2 at 100% ACES equity, US\$15.40 million and an IRR of 14.6%, with financial close modelled for Dec 2027. Permitting and offtake status at the date of this report:

The permits for Phase 1 Cullinan are all in place, except for the final servitude for the 11Km overhead line, expected end Oct. Off Taker are secured and the ESKOM budget quote is the next and final phase before FC.

An 80% debt term sheet has been received from Standard Bank for the project. Current status: **FC will start once the budget quote is issued taking the timeline to March 2027.**

3.2 South Africa — Ravenna Solar (10 MW and 60 MW)

The Ravenna 10 MW project is located on land leased from private landowners in Benoni, City of Ekurhuleni, Gauteng, with a power purchase agreement agreed with the City of Ekurhuleni. ACES' equity share has increased to 75%, against a US\$2.90 million equity commitment and a project IRR of 16.2%. Financial close is modelled for November 2026, making it the Group's first project to close. A 60 MW Ravenna tranche is carried in Phase 2 at 95% ACES equity and US\$19.9 million. Current permitting and PPA status: **Phase 1 is 100% shovel ready and has started with financial closure (FC) Phase 2 is currently awaiting subdivision and then will proceed to FC.**

3.3 Zambia — Solar (31 MW and 30 MW)

The Zambian portfolio now comprises a 31 MW Phase 1 project and a 30 MW Phase 2 project, at 80% ACES equity in each case. Phase 1 carries a total project cost of US\$28.9 million, an ACES equity commitment of US\$6.22 million and a project IRR of 15.4%, with financial close modelled for March 2027. Phase 2 carries US\$27.2 million of project cost, US\$5.86 million of ACES equity and a 15.5% IRR, closing 2nd Quarter 2027. Land is secured and an offtake agreement is in place. Debt is to be provided through Stanbic Zambia. Current status: **Phase I final permits are expected end Sept 26, taking the project to FC March 2027, Phase 2 permits are underway and expected in November 2027.**



3.4 East Africa and other opportunities

The Group retains its interests in the Uganda (Unergy) hybrid solar and battery project, the Uganda hydro opportunity together with the partnership with SIAL Energy. None of these is included in the Group financial model and none contributes to the forecasts in this report. Current status of each: **Unergy is waiting for the permit to start development on the solar /BESS project, SIAL has projects currently in final development stage and ACES has started with the DD phase on some of these developed projects.**

4. Solar rooftop division

The rooftop business continues to provide operations, maintenance and service income under multi-year contracts. Trading conditions have remained subdued in the absence of load-shedding. Current position and outcome of the strategy review: **The group has been installing BESS in some of the current client solar projects and have proposals under negotiations for installation before June 27.**

5. Fundraising and financial situation

The Group's capital plan is now structured in two phases:

- **Phase 1 — US\$30 million** subscription for new ACES shares, funding the Group's equity in the Cullinan 130 MW, Ravenna 10 MW and Zambia 31 MW projects.

- **Phase 2 — US\$25 million** subscription, funding the Cullinan 60 MW, Zambia 30 MW and Ravenna 60 MW projects.

Status of the Phase 1 subscription at the date of this report: **The group is currently in due diligent phase with one investor for the first raise, a second equity investor is preparing a term sheet, expected by end Sept for the phase 1 raise. Then at project dilution investment we in discussion with three funders to take up shares in projects, with one already signed SPA.**

6. Outlook

With a defined 321 MW portfolio, dated financial closes across all six projects and a two-phase funding plan, the year to June 2027 is the year in which the Group converts development effort into fee income and long-term contracted revenue. The Group financial model forecasts revenue of US\$10.65 million for the year. Delivering it depends on the Phase 1 subscription, SPA revenue, rooftop income, management fees and holding the financial close dates.

Signed by:

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David Kruger
Chief Executive Officer

PROJECTS



All figures below are drawn from the Group financial model dated 9 September 2026. Project cost is total project cost net of recoverable VAT; equity is the ACES share only. Rand amounts are converted at R17.00 to the US dollar.

Project	Capacity	ACES share	Project cost (US\$m)	ACES equity (US\$m)	IRR (US\$)	Financial close
Cullinan Solar, South Africa	130 MW	95%	114.0	29.34	15.0%	March 2027
Ravenna Solar, South Africa	10 MW	75%	12.1	2.90	16.2%	November 2026
Zambia Solar	31 MW	80%	28.9	6.22	15.4%	March 2027
Zambia Solar (Phase 2)	30 MW	80%	27.2	5.86	15.5%	November 2027
Cullinan Solar (Phase 2)	60 MW	100%	54.0	15.40	14.6%	Dec 2027
Ravenna Solar (Phase 2)	60 MW	95%	52	19.9	22.5%	Nov 2027

- Phase 1 total ACES equity: **US\$38,465,121** · Phase 2 total ACES equity: **US\$41,232,173** · Portfolio total: **US\$79,697,294**.
- Total portfolio capacity: **321 MW** across six projects in two countries.



INVESTORS

The Group's business model remains positioned to benefit from Africa's increasing demand for renewable energy, with project-level IRRs between 14.6% and 22.5% in US dollar terms and a forecast Group IRR of 21.3%.

Investment highlights

- **Defined portfolio.** 321 MW across six projects, each with a dated financial close in the Group financial model.
- **Attractive returns.** Project IRRs of 14.6% to 22.5% in US dollars; forecast Group IRR of 21.3%.
- **Near-term fee income.** US\$10.06 million of development and upfront fees forecast in the year to June 2027, and US\$7.14 million in the following year.
- **Structured funding plan.** US\$30 million Phase 1 and US\$25 million Phase 2, each tied to a defined set of projects.
- **Institutional debt support.** An 80% debt term sheet signed with Standard Bank for Cullinan and a letter of interest from Stanbic Zambia.
- **Risk mitigation.** MIGA (World Bank) cover for political and transfer risk on non-South African projects.
- **Exit optionality.** SEM listing, further equity raises, project-level sell-downs and industry consolidation.

HUMAN RESOURCES

The Group has continued to build the technical and legal capability required to deliver the pipeline.

Appointments, departures and headcount for the year: **Lender legal and technical engagements have been concluded.**



REVIEW OF RESULTS

Financial performance

For the year ended 30 June 2026 the Group reported a consolidated loss of **USD 772 597**. Cash and cash equivalents at 30 June 2026 were **USD 79 962**. EBITDA was negative, **reflecting the cost of carrying six projects through development ahead of financial close.**

Revenue in 2027 and 2028 is weighted towards one-off development and upfront fees on financial close; from 2029 onwards, it is increasingly driven by contracted dividend flows from the operating projects, which is why the profile dips before compounding.

Liquidity

That figure assumes receipt of the US\$30 million Phase 1 subscription within the year, The Board regards completion of the Phase 1 subscription, rooftop income, management fees and SPA revenue as the Group's principal near-term financial priority.

Projects advanced during the year

- Ravenna Solar, South Africa (10 MW) — financial close modelled for November 2026, IRR 16.2%.
- Zambia Solar (31 MW) — financial close modelled for March 2027, IRR 15.4%.
- Cullinan Solar, South Africa (130 MW) — financial close modelled for March 2027, IRR 15.0%.

Completed rooftop projects in previous years continue to demonstrate the Group's technical and operational capability. Improving the last year forecast from R750 000 quarterly to achieving R5 000 000 quarterly.

The Directors are satisfied that the strategy adopted in prior years — concentrating capital and management effort on a defined set of shovel-ready projects rather than broadening the pipeline — is now at the point of conversion, and that the coming financial year will demonstrate it.



Africa Clean Energy Solutions Limited

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

General Information

Directors

Johan David Kruger
 Toorisha Nakey-Kurnauth
 Laura Charlotte Marie Payet
 (Appointed 1 August 2025)
 Rajendra Kumar Ujoodha (Appointed 1 August 2025)
 Antoine Kon-Kam King (Resigned 15 October 2025)
 Frans Visscher (Deceased 28 March 2026)

Registered Office

Intercontinental Trust Limited
 Level 3, Alexander House
 35 Cybercity
 Ebène,
 72201
 Mauritius

Company Secretary

Intercontinental Trust Limited
 Level 3, Alexander House
 35 Cybercity
 Ebène,
 72201
 Mauritius

Auditors

MOORE (Mauritius) LLP
 Level 6, Block C
 Nexera Lot 7
 Côte d'Or Technopole, Moka
 Republic of Mauritius

Preparer

The financial statements were internally compiled by:
 Lettie Tshwenyane- Finance Manager

Bankers

AfrAsia Bank Limited
 Bowen Square
 10, Dr Ferriere Street Port Louis
 Mauritius

Capitec Bank Limited
 142 West Street
 Sandown
 Johannesburg
 South Africa

SEM authorised representative
 and SEM sponsor:

Perigeum Capital Ltd
 Level 3, Alexander House
 35 Cybercity
 Ebène, 72201
 Mauritius



Africa Clean Energy Solutions Limited

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

General Information

Legal adviser

C&A Law
Level 1 Alexander House
35 Cybercity
Ebène, 72201
Mauritius

CMS South Africa
82 Maude Street
Sandton
0196
South Africa



Africa Clean Energy Solutions Limited

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

Director's Report

Commentary of the directors

The directors are pleased to present their report together with the audited financial statements of Africa Clean Energy Solutions Limited ("the Company" or "ACES Renewables") and its subsidiaries (collectively "the Group") for the year ended 30 June 2026.

Incorporation

Africa Clean Energy Solutions Limited, referred to as the "Company", was incorporated in the Republic of Mauritius on 8 December 2017 under the Companies Act 2001 as a private company limited by shares. The Company has, by special resolution, converted itself into a public company on 7 March 2018. The Company holds a Global Business Licence issued by the Financial Services Commission. On 31 May 2019, the Company was listed on the Stock Exchange of Mauritius Limited.

Principal Activity

The ACES Renewables Group continues to focus on the development, financing, construction, and operation of renewable energy projects across Africa, with a primary focus on solar photovoltaic projects in South Africa, Zambia, Uganda, and Kenya. The Group's cash flow forecasts for July 2026 to June 2027 demonstrate positive liquidity, with strong projected cash balances by June 2027. A strong project pipeline, with strong development fees expected from shovel-ready projects. Active equity raising, including a USD 33.5 million share subscription by WIA Global Ltd for 33.5 million shares in ACES, and further direct equity proposals are under review.

The subsidiaries are namely:

Name	% Effective Holding		Country of incorporation and operation
	Direct	Indirect	
Africa Clean Energy Solutions (ACES) Limited	100	–	England
Tana Biomass Generation Limited	–	70	Kenya
Tana Solar Limited	–	70	Kenya
VFU – Clean Energy Limited	–	80	Zambia
SACE Projects Proprietary Limited	56.6	–	South Africa
SA Clean Energy Finance (Pty) Ltd	100	–	South Africa
Unergy Limited	–	75	Uganda
Ravenna Energy (Pty) Ltd	–	42.45	South Africa
Cullinan Energy (Pty) Ltd	–	53.77	South Africa

**Key projects progressed during the year include:**

The Group's project portfolio includes Cullinan Solar in South Africa, a 130 MW project in which ACES holds a 95% interest. The estimated project cost is approximately US\$114.0 million, with ACES equity of US\$29.34 million and a projected IRR of 15.0%. Financial close is expected in March 2027. Ravenna Solar in South Africa is a 10 MW project in which ACES holds a 75% interest. It has an estimated project cost of approximately US\$12.1 million, ACES equity of US\$2.90 million and a projected IRR of 16.2%, with financial close expected in November 2026. The first phase of Zambia Solar is a 31 MW project in which ACES holds an 80% interest, with an estimated project cost of US\$28.9 million, ACES equity of US\$6.22 million and a projected IRR of 15.4%. Financial close is expected in March 2027. Zambia Solar Phase 2 is a 30 MW project in which ACES holds an 80% interest, with an estimated project cost of US\$27.2 million, ACES equity of US\$5.86 million and a projected IRR of 15.5%. Financial close is expected in November 2027. Cullinan Solar Phase 2 is a 60 MW project wholly owned by ACES, with an estimated project cost of approximately US\$54.0 million, ACES equity of US\$15.40 million and a projected IRR of 14.6%. Financial close is expected in December 2027. Ravenna Solar Phase 2 is a 60 MW project in which ACES holds a 95% interest. The project cost remains to be confirmed, while ACES equity is estimated at US\$19.94 million and the projected IRR is 22.5%. Financial close is expected in November 2027.

Review and Dividend

The results of the Company for the year ended 30 June 2026 are as shown in the statement of profit or loss and other comprehensive income.

The company is not yet in a positive cash flow position to declare dividends, therefore the directors did not approve any payment of dividend for the year under review.

Auditors

MOORE (Mauritius) LLP, were appointed as auditors for the 2026 audit and are the current auditors of the group of companies.



Africa Clean Energy Solutions Limited

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

Corporate Governance Report

Corporate information

Africa Clean Energy Solutions Limited (the “Company” or “ACES Renewables”) was incorporated in Mauritius on 8 December 2017 and holds a Global Business Licence issued by the Financial Services Commission (the “FSC”). The Company is listed on the Official Market of the Stock Exchange of Mauritius Limited (SEM) since 31 May 2019.

Africa Clean Energy Solutions Limited, through its subsidiary companies, is a Renewable Energy Group and Independent Power Producer which focuses on the African continent where there is a compelling case for power generation. ACES Renewables focuses on developing, financing, building and owning projects for long term cash flow in USD. The Company is currently targeting growth in Kenya, South Africa, Uganda, Zambia and other business friendly jurisdictions. ACES Renewables is becoming a utility, operating renewable energy plants in Africa. ACES Renewables objective is to own and operate the projects in various countries and generate cash flow.

The Board of Directors of the Company recognises that The National Code of Corporate Governance for Mauritius (2016) (the “Code”) is regarded as best practice and therefore uses its best endeavours to ensure that the principles of good corporate governance, as applicable in Mauritius, are fully adhered to and form an integral part of the way in which the Company’s business is conducted. The Company seeks to adopt the best practices of corporate governance set out in the National Committee on Corporate Governance (“NCCG”) Corporate Governance Scorecard for Mauritius (2021).

Corporate governance is a system of structuring, operating and controlling a company and involves a set of relationships between all the company’s stakeholders. Sound principles of corporate governance are essential to ensure fairness, integrity, transparency and to achieve a high level of stakeholders’ trust and confidence in the organisation.

During the financial year ended 30 June 2026, the Board has reviewed the Company's governance practices against the Code's eight Principles. This report outlines the governance framework, compliance status with each Principle, and reasons for any non-compliance. The Board confirms that the Company materially applied the principles throughout the financial year, except for principle 2, 3, 5 and 7.

APPLICATION OF THE CODE OF CORPORATE GOVERNANCE

The Board assessed its corporate governance in terms of the eight corporate governance principles:

PRINCIPLE 1: GOVERNANCE STRUCTURE

“All organisations should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly identified.”

The Board is ultimately accountable and responsible for the performance and affairs of the Company, whilst meeting the appropriate interests of its shareholders and stakeholders. To achieve this, the Board is responsible for establishing the objectives of the Company and setting a philosophy for investments, performance and ethical standards. In addition, the Board ensures that the Company complies with the relevant rules and regulations. Quarterly board meetings are held every year.

Key Governance Functions of the Board

The Company operates under a clearly defined governance framework that establishes distinct delegations of authority and responsibility, while preserving the Board's overarching oversight over its Committees and Management. The Board bears ultimate accountability for the Company's performance and affairs.

The Board's principal functions include, without limitation:

- Providing strategic direction to the CEO and senior Management;
- Assuming leadership of the Company and ensuring compliance with all applicable legal and regulatory requirements;
- Monitoring the effectiveness of governance practices and implementing enhancements as necessary;
- Reviewing and, where appropriate, approving risk policies, financial statements, annual budgets, business plans, and committee reports;
- Overseeing the conduct of the Company's business to ascertain that it is properly managed at all levels; and
- Ensuring that adequate control systems are in place to prevent misconduct or irregularities.

The Board acknowledges that it should lead and control the organisation and be collectively responsible for its long-term success, reputation and governance. In so doing, the Board assumes responsibility for meeting all regulatory and legal requirements.

The Board is responsible and accountable for all decisions of the Company where the duties of the directors are carried out in line with the Mauritian Companies Act 2001. The Company has delegated the day-to-day administrative functions to its Management Company and Company Secretary.

The Board is governed by its constitution which sets out the powers and duties of the directors, proceedings, operation and governance of the Board as well as the rules and regulations which it needs to abide along with other local laws and regulations.

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONTINUED)

It has also adopted a board charter which sets out the composition, responsibilities, duties, procedures, powers, authority and accountability of the Board of Directors of ACES Renewables ensuring that the company's governance processes and structures comply with the Mauritius Code of Corporate Governance and international best practice. The board charter is reviewed on an annual basis. The Company also adopted a Code of Ethics at the board meeting held on 30 September 2019.

Code of Ethics

The Company is committed to the highest standards of conduct in its day-to-day operations and has in place a Code of Ethics, also reviewed annually by the Corporate Governance Committee. The core principles and values adopted by the Board and management include honesty, impartiality, transparency, integrity, confidentiality, shareholder value creation, and customer service excellence.

The Code of Ethics is approved by the Board and applies to all directors, officers and employees of the Company and of its subsidiaries. A copy of the Code is issued to each director and employee on appointment, as part of the induction pack, and each new joiner is required to confirm in writing that they have read, understood and will abide by it. The Code is reinforced through the terms of engagement of employees and, where relevant, through the terms and conditions of the service agreements entered into with the Company's key service providers and contractors, which are reviewed by the Board.

Responsibility for embedding the Code in day-to-day conduct rests with management at Company, project and subsidiary level. Directors and employees are required to reconfirm their adherence to the Code annually and to disclose any conflict of interest as and when it arises. Any suspected breach is reported to the Corporate Governance Committee and, where material, escalated to the Board. The Code is reviewed annually by the Corporate Governance Committee and any amendment is recommended to the Board for approval and communicated to all levels of the organisation.

The Company's organisational chart is commensurate with the sophistication and scale of the organisation. The Company has four directors in appointment.

The Board is satisfied that it has suitably discharged its responsibilities for the year under review, in respect of corporate governance.

The Company is committed to providing shareholders and its stakeholders with timely and relevant information. The Company has designed a website which can be accessed at www.acesrenewables.com. The website provides access to information about the Company as well as investor relation information. The Board Charter of the Company is published on the Company's website, together with the Company's annual and quarterly financial statements and its corporate announcements.

Role of the Chairperson, Chief Executive Officer, Non-Executive and Independent Directors

The Board is headed by the Chairperson, Mr. Rajendra Kumar Ujoodha is, an independent non-executive director. The role and function of the Chairperson is to preside over meetings of directors and to ensure that appropriate time is spent on the key issues facing the Company. The Chairperson ensures that:

- The Board meetings are chaired in an effective manner;
- Minutes of Board and Committee meetings are kept;
- The Committees function properly;
- The performance of the Board members is evaluated every year and they address any problems;
- Internal disputes and conflicts of interest concerning individual Board members and the possible resignation of such members as a result thereof are addressed; and
- The Board has proper contact with the executive members.



PRINCIPLE 1: GOVERNANCE STRUCTURE (CONTINUED)

Role of the Chairperson, Chief Executive Officer, Non-Executive and Independent Directors (Continued)

Given that the Chairperson has no directorship in other listed companies, he has sufficient time devoted to the Company. The Chairperson ensures that the corporate strategy and the related execution are aligned with operational efficiencies. He is also responsible for ensuring that the Directors receive accurate, timely and clear information and he encourages the active participation of all Board members in discussions and decisions. With his experience and strong knowledge of the Company, the Chairman is in an excellent position to oversee the affairs of the Company while ensuring that value is being created for all stakeholders.

The roles of the Chairman and Chief Executive Officer are separate and each of them has clearly defined responsibilities. These ensure a proper balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Non-executive and independent directors play a vital role in facilitating the exercise of independent and objective judgement on corporate affairs and to ensure that constructive discussion takes place on key issues. All directors are bound by fiduciary duties and duties of care and skill.

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES

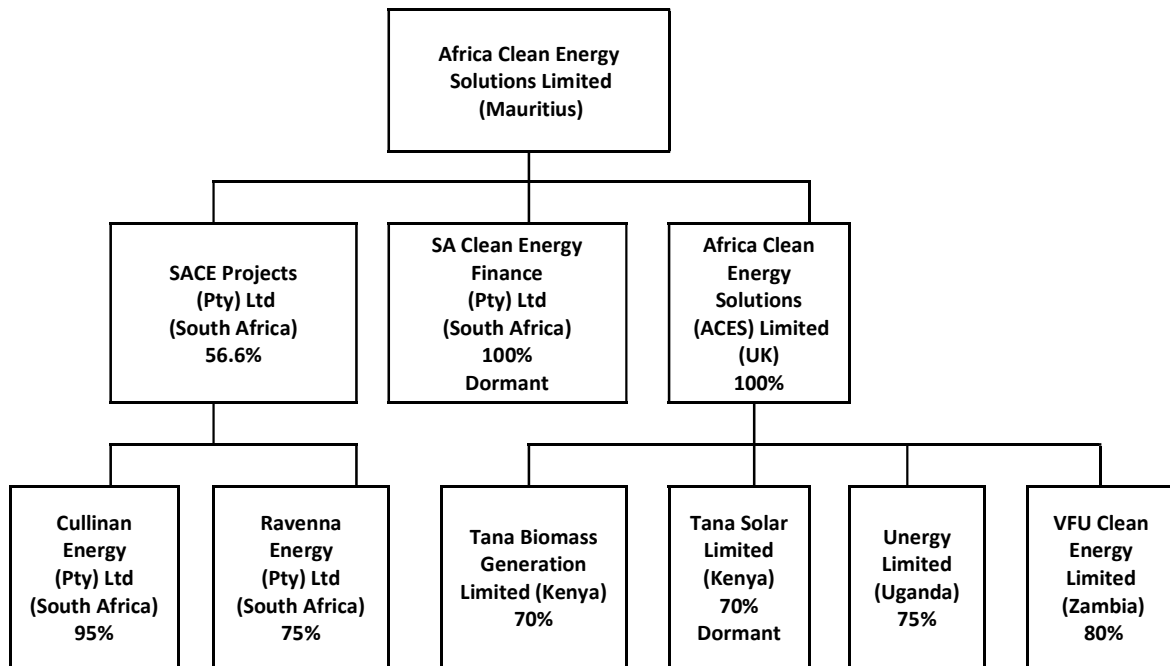
Board Composition

The Board has a unitary structure and comprises of one executive director, one non-executive director and two independent non-executive directors. The independence of the non-executive members is determined as per the Code. The roles of the Chairman and the CEO are separate to ensure balance of power and authority. There are currently three resident directors from Mauritius and two female directors on the Board. Board appointments are made upon recommendation of the Corporate Governance committee, which is responsible for the nominations and appointments. Board appointments are done through a transparent selection process, which ensures the right balance of skills, experience and competencies in order to achieve the objectives of the Company. Given the current geographical spread of the markets, the size and activity of the Company, the Board is of the view that it is of sufficient size and balanced.

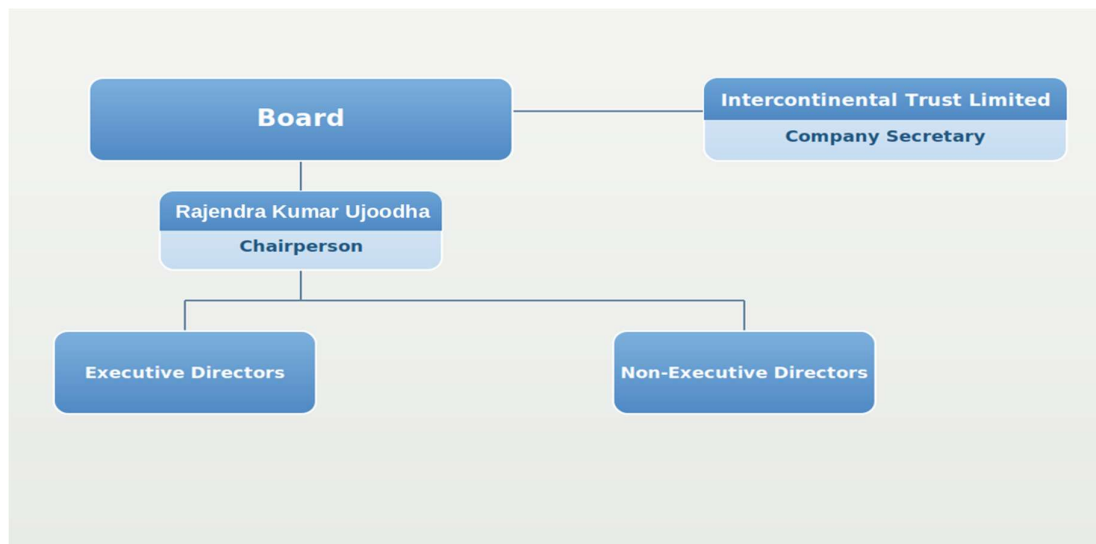
The Company's Chief Executive Officer, Mr Frans Visscher, passed away and the office of Chief Executive Officer is presently vacant. Pending the appointment of a successor, responsibility for the day-to-day management of the Company is discharged by the Executive Director and Chief Operational Officer, working with the Company Secretary and administrator and under the direct oversight of the Board. The Corporate Governance Committee has been mandated to identify suitable candidates for appointment to the Board and, in due course, to the office of Chief Executive Officer. The Board is satisfied that, given the size and current level of activity of the Company, the Board and its Committees remain properly constituted in the interim.

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

SHAREHOLDERS Holding Structure



Organisational Chart





PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

Shareholders (Continued)

Description of Subsidiaries’ and Associates’ Activities

Name of subsidiary or associated company	Activity
Africa Clean Energy Solutions (ACES) Limited	Provision of clean energy through its subsidiaries
Tana Biomass Generation Limited	Generating, operating and owning renewable energy power plants in Kenya
Tana Solar Limited	Dormant
Unergy Limited	Generating, operating and owning renewable energy power plants in Uganda
VFU–Clean Energy Limited	Developing renewable energy project
SACE Projects (Pty) Ltd	Generating, operating and owning renewable energy power plants, and installing roof top solar solutions in South Africa
SA Clean Energy Finance (Pty) Ltd	Dormant
Ravenna Energy (Pty) Ltd	Developing renewable energy projects
Cullinan Energy (Pty) Ltd	Developing renewable energy projects

Common Directors

Mr. Johan David Kruger is a common director in the following subsidiary companies:

Johan David Kruger
Africa Clean Energy Solutions (ACES) Limited
Tana Biomass Generation Limited
Tana Solar Limited
VFU–Clean Energy Limited
SACE Projects (Pty) Ltd
Unergy Limited
Cullinan Energy (Pty) Ltd
Ravenna Energy (Pty) Ltd

Substantial shareholders

The following shareholders held more than 5% of the stated capital of the Company as at 30 June 2026:

Name of shareholder	Number of ordinary shares	% Holding
ITL Trustees Ltd as trustee of the Nemesis Trust	5,385,531	16.89%
ITL Trustees Ltd as trustee of the Topolino Trust	6,294,537	19.73%
ITL Trustees Ltd as trustee of the Wenda Trust	4,639,922	14.54%
South Africa Clean Energy Solutions Limited	2,000,000	6.27%

Shareholders’ Agreement affecting governance of the Company by the Board

During the year under review, the Company has not entered into any Shareholders’ Agreement.

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)
The Board of Directors and Structure

Name & Date of Appointment	Gender	Country of Residence	Designation	Directorship in other listed companies
Johan David Kruger (8 December 2017)	M	South Africa	Executive Director and Chief Operational Officer	None
Toorisha Nakey-Kurnauth (8 December 2017)	F	Mauritius	Non-Executive Director	None
Rajendra Kumar Ujoodha (1 st August 2025)	M	Mauritius	Independent Non – Executive Director	None
Laura Charlotte Marie Payet (1 st August 2025)	F	Mauritius	Independent Non – Executive Director	None

The committees are as follows:

Sub-committee	Members appointed
Audit and Risk Committee	• Mrs. Laura Charlotte Marie Payet (Independent Non – Executive director & Chairman) • Mrs. Toorisha Nakey-Kurnauth (Non-Executive Director)
Investment Committee	• Mr. Johan David Kruger (Executive Director & Chairman) • Mrs. Toorisha Nakey-Kurnauth (Non-Executive Director)
Corporate Governance Committee	• Mr. Rajendra Kumar Ujoodha (Independent Non-Executive Director & Chairman) • Mrs. Laura Charlotte Marie Payet (Independent Non-Executive Director) • Mrs. Toorisha Nakey Kurnauth (Non-Executive Director)

The names of all directors, their profile and their categorisation as well as their directorship details in listed companies are provided thereafter.



PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

Directors Profile

JOHAN DAVID KRUGER

(South African, Executive Director)

Mr. Kruger co-founded South Africa Clean Energy Solutions Limited in 2007 to take advantage of the growing renewable energy market. In 2017 the Group was restructured, and ACES Renewables was formed in Mauritius. ACES Renewables became the holding company.

Mr. Kruger previously managed a successful commercial property development company in South Africa. Mr. Kruger is responsible for the negotiations of the Group business partners in Africa, including negotiations with government. He has more than 17 years of experience in the renewable energy industry and has concluded numerous projects in Africa, was part of the listing team, as well as the commissioning of two solar plants in Namibia.

TOORISHA NAKEY-KURNAUTH

B.Sc (Hons)

(Mauritian, Non-executive Director)

Toorisha joined Intercontinental Trust Limited ("ITL") in the year 2008 and is currently Senior Manager in Onelink Ltd. She oversees the operation of the listing team as well as a portfolio of local clients including Public Interest Entities. She advises clients on incorporation of companies, attends board meeting and provides guidance to the board with regards to company secretarial and corporate governance matters. She also ensures compliance with ongoing obligations in relation to regulatory matters and is the direct point of contact for clients.

She worked in the Fund administration department for five years where she gained extensive experience by administering fund structures as well as other special licence companies. She advised clients on the fund structures, reviewed fund documents and was also involved in fund accounting.

Over the years, Toorisha has gained experience to manage people and to service clients. She has attended several seminars, conferences and workshops in relation to leadership, presentation skills, company secretarial matters, AML/CFT and compliance with ongoing SEM obligations and Code of Corporate Governance. She also acts as director on various Global Business Companies including listed entities and Money Laundering Reporting Officer and Compliance Officer for several companies under her administration. Toorisha has also served as the Vice President Membership for the Imperium Toastmaster Club.

Toorisha graduated from the University of Mauritius with a B.Sc (Hons) in Finance with Law.

Laura Charlotte Marie Payet

(French, Independent Non-Executive Director)

Mrs. Laura Charlotte Marie Payet is the Chief Financial Officer of Corexsolar International Group, overseeing financial strategy, accounting, project structuring, and stakeholder engagement across Mauritius, La Réunion, and Mayotte. She has over 12 years of experience in corporate finance and sustainable investment, including senior roles at Natixis, where she structured green and sustainability-linked financings for major corporates and funds in the energy and real estate sectors. She holds a Master in Finance from the University of Paris-Dauphine, a Specialized Master from ESSEC Business School in Financial Techniques, and ESG certifications from CFA and AMF. Ms. Payet has also contributed to initiatives promoting diversity, mentoring, and sustainable development.



PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

Directors Profile

Rajendra Kumar Ujoodha

(Mauritian, Independent Non-Executive Director)

Mr. Rajendra Kumar Ujoodha is an accomplished business leader with extensive experience across Africa, Europe, and the Indian Ocean. He has held several senior executive and non-executive roles, including Chief Executive Officer of Air Mauritius, where he successfully led a major transformation programme and delivered record operating profits. He also served in leadership positions at British American Tobacco, managing operations and regulatory affairs across multiple African countries, and later as CEO and Director of Avenport Investment Corporation.

Mr. Ujoodha has been a board member of numerous institutions, including the International Air Transport Association (IATA), Airports of Mauritius, and the National Committee on Corporate Governance, and is a Fellow of both the Mauritius Institute of Directors and the Chartered Institute of Logistics and Transport. His achievements have been recognized nationally with the Grand Officer of the Star and Key of the Indian Ocean (G.O.S.K.), one of Mauritius' highest honors.

Board Meetings

The Board meetings are held once each quarter and at any additional times as the Company requires. Decisions taken between meetings are confirmed by way of resolutions in writing, agreed and signed by all directors then entitled to receive notice.

The Board meetings are conducted in accordance with the Company's Constitution and the Mauritius Companies Act 2001 and are convened by giving appropriate notice to the directors. Detailed agenda, as determined by the Chairman, together with other supporting documents are circularised in advance to the directors to enable them to participate meaningfully in the decision-making process and make informed deliberations at Board meetings. In order to address specific urgent business needs, meetings are at times called at shorter notice. Furthermore, the directors have the right to request independent professional advice at the Company's expense.

A quorum of three (3) directors is currently required for a Board Meeting of the Company and in case of equality of votes, the Chairman does not have a casting vote.

A director of the Company who has declared his/her interest shall not vote on any matter relating to a transaction or proposed transaction in which he/she is interested and shall not be counted in the quorum present for the purpose of that decision.

A list of directors' interests is maintained by the Company Secretary and is available to shareholders upon request to the Company Secretary. The directors confirm that the list is correct at each quarterly Board meeting.

During the year under review, the Board met four (4) times. Decisions were also taken by way of resolutions in writing, agreed and signed by all directors then entitled to receive notice of the meeting.

The minutes of the proceedings of each Board meeting are recorded by the Company Secretary, Intercontinental Trust Limited and are entered in the Minutes Book of the Company. The minutes of each Board meeting are submitted for confirmation at the next meeting and these are then signed by the Chairman.

Board Committees

The audit and risk committee, investment committee and corporate governance committee have been set up to assist the Board in the effective performance of its duties. All the committees are governed by their charters which have been approved by the board of directors and the charters will be made available on the website of the Company. As the focal point, the Board is ultimately responsible and accountable for the performance and affairs of the Company. Committees are a mechanism for assisting the Board and its directors in discharging their duties through a more comprehensive evaluation of specific issues. Delegating authority to Board committees or management does not in any way absolve the Board of its duties and responsibilities.

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

Investment Committee

The Investment Committee is a committee of the Board of Directors of the Company established to assist the Board in discharging its responsibilities as follows:

- The Committee shall set investment policies, subject to approval of the Board and guidelines;
- The Committee shall review and make recommendations to the Board regarding:
 - the investment policies and guidelines, their implementation, and compliance with those policies and guidelines
 - advising the Operations team, who manage the day to day operations, on debt and/or loan structures;
 - risk management with regard to investment activities.
- The Committee shall review the performance of the local Project Managers, and shall in appropriate circumstances recommend to the Board the termination of the services of the Project Managers, and the appointment of any other external managers, in conjunction with the Operations team.
- The Committee shall help the Board to ensure that responsible investment is practiced by the Company to promote good governance and creation of value by the projects and countries in which the Company invests.
- The Committee will set the direction for how responsible investing will be approached and conducted by the Company. The Committee shall therefore assist the Board in approving a policy that articulates the Company's direction on responsible investment. This policy should provide for the adoption of a recognised responsible Investment code, principles and practices.
- The Committee shall assist the Board in holding any outsourced service providers accountable for complying with the responsible investment principles incorporated in the Company's Investment Principles. To give effect to this, the Committee will from time to time consider reports from the outsourced providers regarding their compliance with the responsible Investment Principles.

The Committee shall meet as and when there are investment opportunities to be discussed. The Committee's responsibilities and duties are governed by the Investment Committee charter that was approved by the Board and which will be reviewed at least each year. The Committee shall provide feedback to the Board following all meetings.

Audit and Risk Committee

The Audit and Risk Committee is a committee of the Board of Directors of the Company established to assist the Board in discharging its responsibilities as follows:

- The Committee shall review the quality and integrity of the financial statements of the Company, including its annual and interim reports and any formal announcement relating to the Company's financial performance;
- The Committee shall report to the Board on significant financial reporting issues and judgements which these financial statements contain having regard to matters communicated to the Committee by the auditor;
- The Committee shall review and challenge where necessary:
 - Any changes to significant accounting or significant adjustments resulting from the audit;
 - compliance with accounting standards, local and international, compliance with stock exchange and legal requirements;
 - methods used to account for significant or unusual transactions where different approaches are possible;
 - whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements taking into account the views of the external auditor;
 - the basis on which the Company has been determined a going concern;

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

Audit and Risk Committee (Continued)

- capital adequacy and internal controls;
- compliance with the financial conditions of any loan covenants.
- The Committee shall be responsible for monitoring and evaluating the operational, financial and strategic risk of the Company.

The Committee shall meet at least four times a year. The Committee's responsibilities and duties are governed by the Audit Committee charter that was approved by the Board and which will be reviewed at least each year. The Committee provides feedback to the Board following all meetings.

Corporate Governance Committee

The Corporate Governance committee is a committee of the Board of Directors of the Company established to assist the Board in discharging its responsibilities as follows:

- To determine, develop and recommend to the Board the company's general policy on Corporate Governance in accordance with the Code of Corporate of Mauritius;
- To ensure that the reporting requirements on Corporate Governance, on an ongoing basis, are in accordance with the principles of the Code;
- To ensure that an adequate process is in place for the Board;
- To monitor the ethical conduct of the Company, its executives and senior officials;
- To review and recommend the implementation of structures and procedures to facilitate the Board's independence from management;
- To give recommendations on any potential conflict of interest or questionable situation of a material nature;
- To develop Charters for any new Committees established by the Board and review the Charters of each existing Committee and recommend any amendments or elimination to the Charters or Committees;
- To review all related party transactions and situations involving Board members and refer where appropriate to the Board or the shareholders general meeting;
- To regularly review the structure, size and composition (including skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
- To give consideration to succession planning for directors and senior executives, taking into account the challenges and opportunities facing the Company, and future expertise needed;
- To make recommendations for membership of the Audit and Risk Committee and Investment Committee, and any other Board Committees as appropriate in consultation with the Chairperson of those Committees to the Board;
- To make recommendations for the re-election, by shareholders, of directors or the retirement by rotation, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board;
- To within the terms of the agreed Remuneration Policy and in consultation with the Chairperson and or/the CEO, determine specific remuneration packages of the Board and senior management, including bonuses, incentive payments and share options or other share awards;

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

Corporate Governance Committee (Continued)

- To ensure the objective of the Remuneration Policy shall be to attract, retain and motivate executive management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The Remuneration Policy should have regard to the risk appetite of the Company and alignment to the Company's long term strategic goals;
- To review the on-going appropriateness and relevance of the Remuneration Policy.

The Committee shall meet at least once a year. The Committee's responsibilities and duties are governed by Corporate Governance Committee charter that was approved by the Board and which will be reviewed at least each year. The Committee provides feedback to the Board following all meetings.

Board Attendance at meetings

The Board meets as and when required to discuss routine and other significant matters to ensure that the directors maintain overall control and supervision of the Company's affairs.

The following table gives the record of attendance at Board meetings and Committee meetings of the Company for the year under review:

	Board Meeting	Audit and Risk Committee	Corporate Governance Committee	Investment Committee
Johan David Kruger	4/4	N/A	N/A	4/4
Rajendra Kumar Ujoodha	4/4	N/A	4/4	N/A
Laura Charlotte Marie Payet	4/4	4/4	N/A	N/A
Toorisha Nakey-Kurnauth	4/4	4/4	N/A	4/4

Contracts of Significance

During the year under review, there was no contract of significance to which the Company was a party and in which a director of the Company was materially interested either directly or indirectly, except as disclosed otherwise.

Directors' interest in the share capital of the Company as at 30 June 2026

Dealing in the Company's securities by directors is regulated and monitored as required by the SEM listing rules. The directors follow the principles of the model code on securities transactions by directors as detailed in Appendix 6 of the SEM Listing Rules.

Directors shall act in the best interest of the Company and its business, taking into consideration the interests of the stakeholders. The directors shall consider addressing any conflicts of interest issues between the Company and members of the Board. Any conflict of interest or potential conflict of interest shall be reported to the Chairperson of the Board and all relevant information shall be provided. A register of directors' interests is maintained by the Company Secretary. The interests' register is available to shareholders upon written request to the Company Secretary.



PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

Directors' interest in the share capital of the Company as at 30 June 2026 (Continued)

The directors' interests in the shares of the Company as at 30 June 2026 are as follows:

Directors	Direct Holding	Indirect Holding	Total Shares Held
Rajendra Kumar Ujoodha	-	-	-
Johan David Kruger	5	6,294,537	6,294,542
Laura Charlotte Marie Payet	-	-	-
Toorisha Nakey-Kurnauth	-	-	-

As per the SEM approval letter, the shareholders of ACES Renewables whose names appear in the share register as at 28 May 2019 are not allowed to dispose during the first two years of listing, of more than 10% of their initial shareholding in the Company.

Company Secretary

Intercontinental Trust Limited (ITL) is a suitably qualified, experienced and competent company secretary that is appropriately empowered to fulfil duties and provide assistance to the Board.

The Company Secretary is responsible to the Board for ensuring that procedures and regulations are complied with and that directors are conversant with their duties and responsibilities. The Company Secretary provides the Board as a whole and directors individually with detailed guidance on the discharging of their responsibilities in the best interest of the Company.

The Board has considered the competence, qualifications and experience of the company secretary, and deemed it fit to continue in the role as company secretary for the Company.

The Company Secretary also acts as Secretary to the different board committees.

The Company Secretary is subject to annual evaluation by the Board.

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

Director Appointment Procedures

The Board, through the Corporate Governance Committee, follows a rigorous, formal and transparent procedure to select and appoint new directors. The Corporate Governance Committee leads the process according to the Company's Constitution and makes recommendations to the Board.

Shareholders are ultimately responsible for electing or removing Board members upon recommendation of the Corporate Governance Committee. The directors have been appointed by the Board and submitted themselves for re-appointment at the Annual Meeting. Board members are selected to achieve a mix of skills and knowledge appropriate to the Company's business.

Succession Planning

The directors identified that suitable succession plans should be put in place in order to ensure progressive refreshing of the board. The Board is of the view that given the nature of the business, it is not imperative to have individuals with specific skills. Therefore, it should not be an issue to find new members to replace existing ones, if required.

Board orientation and Induction

The Company has put in place procedures to ensure that newly appointed directors receive an induction upon joining the Board to familiarise them with the Company's operations, senior management and its business environment and to induct them in their fiduciary duties and responsibilities.

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES (CONTINUED)

The Chairperson arranges for a meeting with any new director to brief on the company's activities and governance requirements and expectations. All new directors participate in an induction and orientation process. The Corporate Governance Committee assumes the responsibilities for succession planning and shall make recommendation to the Board accordingly. The Board shall review the professional development and ongoing education of directors as from the next financial year.

Professional Development and Training

Directors are encouraged to keep themselves up to date with the latest workplace trends and professional development. The Board conducts annual reviews to identify areas where the Board members require further training or education.

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

The directors of the Company are aware of their duties under the Companies Act 2001 and the Constitution of the Company and exercise sufficient care, diligence and skills for the good conduct of the business. The Board meets regularly (frequency depending on nature of business and operations) to discuss and approve the Company's operational, regulatory and compliance matters. The directors are provided appropriate notice and materials to help them in their decision-making.

Directors' interests

Directors inform the Company as soon as they become aware that they have an interest in a transaction. The Company Secretary keeps a register of directors' interests and ensures that the register is updated regularly. The interest register is available to the shareholders of the Company upon request to the Company Secretary.

Directors' Remuneration

Non-Executive directors	Directors Remuneration (USD)
Rajendra Kumar Ujoodha	USD 13 750
Laura Marie Charlotte Payet	USD 11 000
Toorisha Nakey Kurnauth*	-
Antoine Kon-Kam King**	USD 4,000

*Mrs. Toorisha Nakey Kurnauth's remuneration is incorporated into the Company's fees to Intercontinental Trust Limited, the Company Secretary

**Mr Antoine Kon-Kam King on 15 October 2025

The salaries of the executive directors during the year are as follows:

Executive directors	Salary (USD)
Johan David Kruger	USD 162 000
Frans Visscher	USD 90 000

*Mr Frans Visscher passed away on 28 March 2026.

The directors have not received remuneration in the form of share options or bonuses associated with the Company's performance. The director fees for the non-executive are included in the fees paid to the Company Secretary, i.e. Intercontinental Trust Ltd.

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

Directors' Remuneration (Continued)

Remuneration Philosophy

In relation to Remuneration the Corporate Governance Committee shall:

- Within the terms of the agreed Remuneration Policy and in consultation with the Chairperson and or/the CEO, determine specific remuneration packages of the Board and senior management, including bonuses, incentive payments and share options or other share awards.
- Ensure the objective of the Remuneration Policy shall be to attract, retain and motivate executive management of the quality required to run the Group successfully without paying more than is necessary, having regard to views of shareholders and other stakeholders. The Remuneration Policy should have regard to the risk appetite of the Group and alignment to the Group's long term strategic goals.
- Review the on-going appropriateness and relevance of the Remuneration Policy.
- Oversee any major changes in employee benefits structures throughout the Group.
- Agree the policy for authorising claims for expenses from the directors.

Employee Share Option Plan

The Company has adopted an employee share option scheme on 8th December 2023. To date no options have been granted to any employee or directors.

Related Party Transactions

The related party transactions have been set out in note 30 of these financial statements.

Board Evaluation and development

The Corporate Governance Committee conducted an evaluation exercise of the Board, the individual directors, the Chairperson and the Audit Committee and the results were presented and discussed at the board meeting held on 13th February 2026. The Company Secretary used the survey method to conduct the evaluation process. Necessary measures will be taken based on the results of the evaluation.

The outcome of the evaluation was positive overall. The principal strengths identified were the range of experience and sector knowledge of the directors, the constructive and open nature of Board discussion, the clear separation of the roles of Chairperson and executive management, and the quality and timeliness of the Board papers prepared by the Company Secretary. The areas identified for improvement were the strengthening of the Company's succession planning arrangements, the appointment of an additional director so as to enable the Audit and Risk Committee to comprise at least three members, and the further development of the Board's oversight of information technology and cyber risk. An action plan has been agreed in respect of these matters and progress against it is monitored by the Corporate Governance Committee.

The directors forming part of the Board of the Company, especially those who are members of Board Committees, have been appointed in the light of their wide range of skills and competence acquired through several years of working experience and professional background.

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

Directors' ethics and code of conduct

The Board of Directors is mindful of the interest of other stakeholders such as suppliers, clients and the public at large when running its operations and is committed to high standards of integrity and ethical conduct in dealing with them.

Furthermore, the Company and its employees must, at all times, comply with all applicable laws and regulations. The Company will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery. The Company does not permit any activity that fails to stand the closest possible public scrutiny.

All business conduct should be above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing the Company's operations. Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their superior, who, if necessary, should seek the advice of someone at the highest level of the Company's hierarchy.

The Company is committed to the highest standards of integrity and ethical conduct when dealing with all its stakeholders. This commitment, which is actively endorsed by the Board, is based on a fundamental belief that business should be conducted honestly, fairly and legally. Given the size and activity of the Company, it does not have a significant footprint with regards to environmental, health and safety and social issues. No reporting is therefore required.

Information policy

The Board is ultimately responsible for information and technology ("IT") governance. The Board relies on the IT framework of the different service providers. The Company does not maintain its own information technology infrastructure: its information systems, data storage and communications are provided by the Company Secretary and administrator, Intercontinental Trust Limited, and by the service providers and operators engaged at project and subsidiary level.

The Board discharges its responsibility for the governance of information, information technology and information security by satisfying itself, through the Audit and Risk Committee, that each of these service providers maintains an appropriate control framework, including user access controls, data back-up and recovery arrangements, business continuity and disaster recovery planning, and cyber-security controls. In forming that conclusion the Board relies on the regulatory licensing and supervisory status of those providers, on the internal control and assurance reporting which they make available, and on the contractual obligations as to confidentiality, data security and continuity of service contained in their service agreements. Information technology and cyber risk is recorded in the Company's risk register and is reviewed by the Audit and Risk Committee as part of its periodic review of risk. No material information technology failure, loss of data or cyber-security incident was reported to the Board during the year under review.

The Company Secretary ensures that the correct information flows within the Board and provides accurate, timely and clear information to the Board as and when required. The Directors ensure strict confidentiality with respect to information obtained while exercising their duties. The Company Secretary keeps all records of the Company and has proper information technology policies in place. Accordingly, the Company places reliance on the controls implemented by the Company Secretary and deems that it is not necessary for the Company to have its own frameworks. Therefore, there is no cost associated to any expenditure by the Company on information technology.

The Directors ensure strict confidentiality with respect to information obtained and shared while exercising their duties.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

Risk management is the discipline by which risks are identified, assessed and prioritised. It is essential to understand the multiple dimensions of risks in order to manage them effectively, with the aim of increasing shareholder value.

The directors are responsible for maintaining an effective system of internal control and risk management. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company.

Day to day activities are undertaken by the Secretary, ITL, which needs to ensure that the necessary structures, processes and methods for identifying and monitoring any risks are in place. Hence, the Company relies on the internal controls of ITL which is subject to an internal control review and reporting by external auditors. On a yearly basis, an ISAE 3402 Type II Audit is conducted and the latest report was issued on 21 May 2026.

The directors make an assessment of the Company's ability to continue as a going concern and same is disclosed in the financial statements every year.

Risk management is an integral part of the Company's strategic management and is the mechanism through which risks associated with the Company's activities are addressed. The key objectives of the risk management system include:

- the identification, assessment and mitigation of risks on a timely basis;
- the provision of timely information on risk situations and appropriate risk responses;
- the identification of potential opportunities which would result in increasing firm value; and
- the installation of a culture of risk management throughout the Company.

Internal audit

The Board does not consider that the Company needs to have an internal audit function given the size and nature of its business. Internal audit work will be outsourced to external audit firms on an ad hoc basis should the Audit Committee deem it necessary.

In the absence of a dedicated internal audit function, the assurance which would ordinarily be provided by internal audit is obtained through a combination of measures. Management is responsible for the design and operation of the Company's internal controls and reports on them to the Audit and Risk Committee. The Company Secretary and administrator maintains a compliance monitoring plan which includes sample testing of the Company's policies, procedures and controls, and reports the results of that testing to the Board; the internal control environment of the administrator is itself subject to independent review and reporting under an annual ISAE 3402 Type II engagement. The external auditors report to the Audit and Risk Committee on any internal control weakness identified in the course of their audit, and the Committee monitors the remediation of those matters. The Audit and Risk Committee further reviews the Company's risk register and the effectiveness of the internal control environment at its meetings, and may commission an external firm to carry out a specific internal audit assignment where it considers that a matter warrants independent review. This area of non-application of the Code is disclosed in the Statement of Compliance.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Internal control and risk management

The Company recognises that proper risk management and internal control help organisations understand the risks they are exposed to, put controls in place to counter threats, and effectively pursue their objectives. They are therefore an important aspect of an organisation's governance, management and operations.

The Board has delegated to the Audit and Risk Committee (AC) its overall responsibility to translate its vision on risks management. In relation to Internal Control, the Audit and Risk Committee will:

1. Review the adequacy of the Company's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems;
2. Review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns about possible wrongdoing in financial reporting or other matters;
3. Review the Company's procedures and controls for detecting fraud and the prevention of bribery;
4. Review significant transactions not directly related to the Company's normal business as the Committee might deem appropriate;
5. Review and investigate cases of employee conflicts of interest, misconduct, fraud, bribery or any other unethical activity by employees or the Company;
6. Safeguard Company's assets against unauthorised use or disposal.

The Company applied the above mentioned internal controls during the financial year ended 30 June 2026.

Data Protection

The Company places strong emphasis on the confidentiality, integrity, and availability of information and complies in all material respects with the Data Protection Act 2017. A Data Protection Officer has been appointed and duly registered with the Data Protection Office. The Company maintains a robust framework for safeguarding sensitive and confidential information. The Board prioritises transparency and lawful disclosure, ensuring that clients and stakeholders are kept informed of matters affecting the Company. No data protection breaches were reported during the year under review. The Board is satisfied that personal data processed by the Company, including personal data processed on its behalf by its service providers, is subject to appropriate contractual, organisational and technical safeguards.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

The financial risks to which the Company is exposed to are disclosed in note 5.

Risk Category	Risk Description	Risk Mitigation
Capital and Investment Risk	The development of renewable projects through its subsidiary companies carry the investment risk of a loss of capital and there can be no assurance that the Company will not incur losses. Returns generated from the investments may not adequately compensate shareholders for the business and financial risks assumed. Many unforeseeable events, including actions by various government agencies and domestic and international economic and political developments may cause sharp market fluctuations which could adversely affect the Group's portfolios and performance both in the short and longer terms.	A comprehensive due diligence is conducted prior to investment in order to identify and potentially reduce the risk factor.
Energy, technology, location and infrastructure risks	In regard to the Biogas Project, the major risks are the quality and certainty of the feedstock.	In this regard, management has adopted a "ring fenced" strategy in terms of which the operating company will control the production of the feedstock and ensure that the project has enough buffer feedstock for a period of not less than six months. By providing the land to the farmer, the feedstock is exclusively provided to the project.
	With regard to the infrastructure, the major risks are transmission, connection and infrastructure equipment.	All transmission, connection and infrastructure requirements are addressed prior to the commencement of the project. This is identified in the feasibility study of the project. A transmission agreement is then signed with all the responsibilities and financial commitments allocated and accepted by the parties.
	Irradiation of the sun whose yield fluctuates from country to country and is also location specific in term of the best yield generated from the sun.	In reducing this risk, equipment is used to determine the best yield and location for the solar project.

Currency Risk	The Company invests in other jurisdictions other than Mauritius. For those investors whose base or home currency is not the same as the relevant foreign currency, there is a risk of currency loss if the USD depreciates against the investors' base currency.	The investments will be denominated predominantly in USD, and each project predominantly generates income in USD, thereby reducing currency risk.
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PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Risk Category	Risk Description	Risk Mitigation
Global Political, Economic and Financial Risk	As the Company invests in African countries, it could be exposed to adverse political, economic, environmental, social and financial events. The value of the investments could decline as a result of economic developments such as poor or negative economic growth, poor balance of payments data, high interest rates or rising consumer price inflation. A similar situation would prevail due to political instability in certain jurisdictions.	The Company will take reasonable steps to mitigate these risks, including political risk and other insurance cover.
Liquidity risk	The nature of the business of the Company is to invest and own a project until maturity of the contract. Although a market exists for such assets, it is dependent on the investors' appetite for a project of clean energy in a particular market. The cash flow from its projects (although in USD) tends to become positive some three to five years after final commencement date of the project. A value of a project increases significantly from the commencement date of operation, which should flow through to the share price of the Company. However the subsidiary company may not be able to sell a project if it is required to do so or to realize what it perceives to be fair value in the event of a sale.	The Company identifies the cash flow needs of a project in advance and provides a facility to meet future cash flow shortages. In addition the Company takes out MIGA and appropriate insurance policies to cover political and commercial risk to prevent a project cash flow shortage.

Leverage and financing risk	Although it is the intention not to leverage the Company above the 25% level, the underlying projects could have the effect that the Company may pledge its shares held in a particular SPV in order to raise funds for investment purposes. While leverage presents opportunities for increasing the total return of the Company, it has the effect of potentially increasing losses as well. Based on the debt to equity of 75:25% at the project level and 25:75% at the Company level, the consolidated level of gearing will not exceed 81.25%.	Based on the debt to equity of 75:25% at the project level and 25:75% at the Company level, the consolidated level of gearing will not exceed 81.25%.
Operational risk	As the Company's strategy is to own and operate its clean energy operations, operational risk needs to be aggressively managed. Operational failures could result in financial loss for the Company.	The Company takes out appropriate insurance cover and relies on the guarantees of the EPC and O&M providers.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Stakeholder risk	As the Company's main investment focus is in African countries, its stakeholder relationships need to be carefully managed in order to create the required value for all participants in projects and to manage contracts efficiently. Stakeholder relations could severely impact the viability and profitability of a project, if not managed appropriately.	The Company has created a detailed stakeholder risk assessment which is incorporated in its risk register.
Failure to integrate new acquisitions	Part of the Company's strategy is to make selective investments into renewable energy service providers. Successful integration of these businesses is affected by factors including the ability to integrate these acquisitions and to leverage off the existing human resource capital in the Company.	Prior to an acquisition a detailed due diligence is undertaken, including but not limited to the integration process.
Stock market risk	ACES Renewables share price/ market capitalisation value is subject to market changes and could decrease or increase in price based on the movement in global and local stock markets.	Movements in equity markets are outside the Company's control. The Board limits the impact of share price volatility by maintaining timely and transparent communication with shareholders and the market, and by focusing on the delivery of long-term contracted USD cash flows so that the value of the Company is underpinned by the performance of its assets. The share price, market capitalisation and net asset value per share are monitored on an ongoing basis.

In addition to the above, the Company relies on the Investment Committee which reviews all investments and acts as an additional layer in the investment decision process. The Board believes that this mitigates the risk associated with the business activity of the Company. The Company Secretary conducts regular file reviews on the Company.

The Board has established and maintains an effective compliance monitoring plan, policies, procedures and controls, as may be appropriate and effective to review its obligations under the Laws, the Rules and regulations, having full regard to the risk complexity and diversity of its clients and services. The Board has effective responsibility for compliance with the Rules, the Law and any other rules made under the Law.

The Board ensures that there are effective and appropriate policies, procedures and controls in place which allow the board to meet their obligations, with particular regard to the nature, size and complexity of the business and includes a requirement for sample testing of the policies and procedures to ensure that they are robust. When a review of compliance is discussed by the Board, at appropriate intervals, the necessary action is taken to remedy any identified deficiencies and to provide adequate resources to ensure that these are subject to regular monitoring and testing, as required.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Whistleblowing procedure

Having due regards to its size, the Board does not consider the need to have a whistleblowing procedure. It shall consider the merits of implementing a whistleblowing policy if the circumstances of the Company changes. Notwithstanding the above, employees, contractors and other stakeholders may raise any concern regarding possible wrongdoing in financial reporting or in other matters directly with the Chairperson of the Audit and Risk Committee or with the Company Secretary, and the Audit and Risk Committee reviews the adequacy and security of those arrangements. No such concern was raised during the year under review.

PRINCIPLE 6: REPORTING WITH INTEGRITY

The directors are responsible for preparing the audited financial statements of the Company that fairly present the state of affairs and financial position of the Company on a yearly basis in accordance with applicable law and regulations.

The Company recognises the importance of being a responsible corporate citizen and operating in a socially responsible manner. In so doing, the Company takes into consideration the economic, environmental, ethical, social, and health factors affecting the communities in which it operates. The Company has taken all measures to reduce any negative social and environmental impact of its operations. Further, the Board is committed to ethical behaviour in all its transactions.

The Company is committed to the general rules and regulations governing the health, safety and environmental issue. The Company has a high standard for environmental and social risk management and as such, invests only where environmental and social risks are considered and appropriately mitigated. The Company is committed to minimising any adverse effect of its operations on the health and safety of its employees and the community in which it operates.

The financial statements are prepared under IFRS, which is a generally accepted accounting principle by the FSC. A corporate governance report is included in the audited financial statements. The financial statements of the Company for the year ended 30 June 2026 will be filed with the FSC within the 6 months deadline, that is, 31st December 2026, after the Board's approval.

The quarterly unaudited financial statements of the Company have been released on the SEM website within 45 days from the closing date of each quarter and published on the Company's website. Since the Company has been deregistered as a Reporting Issuer, there is no requirement to file the quarterly unaudited financial statements with the Financial Services Commission in



Mauritius.

The Company made no charitable or political donations during the year under review. There are no clauses of the Company's Constitution deemed material enough for separate disclosure.

Health, Safety, Social and Environmental Policies

The Company is committed to fostering a safe and hazard-free working environment for all employees across the Group. It has established and implemented social, safety, health, and environmental policies and practices that comply, in all material respects, with the Occupational Safety and Health Act 2005 and other applicable statutory and regulatory requirements.

In its employment practices, the Company upholds social harmony through non-discriminatory recruitment and promotion policies, underpinned by transparent and merit-based processes.

Given the nature of its operations, the Company has adopted an eco-friendly strategy and culture to ensure that its activities do not have a significant adverse impact on the environment. Its day-to-day operations are conducted in alignment with green, environmentally sustainable, and energy-efficient principles to the greatest extent practicable.

PRINCIPLE 6: REPORTING WITH INTEGRITY (CONTINUED)

The Company's projects are developed, constructed and operated by its subsidiaries and their contractors in accordance with the environmental, health, safety and social requirements applicable in each host jurisdiction, and with the environmental and social standards required by the development finance institutions and lenders which fund those projects. Compliance with those requirements is a continuing obligation under the Company's project agreements and is monitored at subsidiary level, with

material matters escalated to the Board. No material environmental incident, occupational health and safety incident or related regulatory sanction was reported to the Board during the year under review. The Board is satisfied, on the basis of the reporting which it receives from management and from the operators of the Company's projects, that the conclusions expressed above are properly supported.

Donations

No political donations were made during the year under review.

PRINCIPLE 7: AUDIT

MOORE (Mauritius) LLP has been appointed as auditors of the Company for the financial year under review. The auditors presented their report and the audit process to the Audit Committee. The Audit Committee has satisfied itself that the external auditors are independent, experienced in the audit of companies in the same line of business and have the necessary resources to undertake audits of such companies. The audit committee has discussed the accounting principles with the auditors. MOORE (Mauritius) LLP will be considered for re-appointment at the annual meeting of shareholders.

The Audit and Risk Committee met with the external auditor, without management being present, in July 2026.

The Audit and Risk committee will oversee the relationship with the external auditor including:

1. Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements, including the provision of any non-audit services;
2. Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the organisation, other than in the ordinary course of business, which could adversely affect the auditor's independence and objectivity.

A key factor that may impair auditors' independence is a lack of control over non-audit services provided by the external auditors.

In essence, the external auditors' independence is deemed to be impaired if the auditors provide a service which:

- results in auditing of own work by the auditors;
- results in the auditors acting as a manager or employee of the Company;
- puts the auditors in the role of advocate for the Company; or
- creates a mutuality of interest between the auditors and the Company.

The Company addresses this issue through three primary measures, namely:

- disclosure of the extent and nature of non-audit services;
- the prohibition of selected services;
- prior approval by the audit committee of non-audit services.

PRINCIPLE 7: AUDIT (CONTINUED)

Other safeguards encapsulated in the policy include:

- the external auditors are required to assess periodically, in their professional judgement, whether they are independent of the Company;
- the audit committee ensures that the scope of the auditors' work is sufficient and that the auditors are fairly remunerated;
- the audit committee has primary responsibility for making recommendations to the Board on the appointment, reappointment and removal of the external auditors.

The audit committee approved the external auditors' terms of engagement, scope of work, the annual audit and the applicable levels of materiality. Based on written reports submitted, the committee reviewed, with the external auditors, the findings of their work and confirmed that all significant matters had been satisfactorily resolved. The audit committee has satisfied itself as to the suitability of the external auditors for reappointment for the ensuing year.

Given the size, complexity and nature of the business, the Board is of the view that the Company does not need an internal audit function and hence no internal audit committee has been set up. The Board relies on the system of internal controls developed jointly by the company secretary and its advisor as well as the external audit that is conducted annually.

Auditors' Remuneration

The fees payable (exclusive of VAT) to the auditors of the Company for audit services are as follows:

	2026 USD	2025 USD
Audit fees	43 900	35 000
At 30 June	43 900	35 000

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board of Directors places great importance on clear disclosure, open and transparent channel of communication with all its



shareholders. It endeavours to keep them regularly informed on matters pertaining to and affecting the Company.

Through the Company's website namely www.acesrenewables.com, information is provided to all stakeholders on the activities of the Company. The policies and documents required by the Code will be made available on the website when releasing the annual report.

The annual meeting of the shareholders of the Company will be held by 31st December 2026. Shareholders are strongly encouraged to attend the Company's Annual Meeting, which provides an opportunity for the latter to raise and discuss matters with the Board relating to the Company's performance and also to keep abreast of the overall strategy and goals.

The Chairperson, the Executive Director and other Board members assist at the Annual Meeting and invite Shareholders to put questions on different aspects of the Company's activities and directions the business will take in the future.

The Annual Report, including the Notice of the Annual Meeting of shareholders, is sent to each shareholder of the Company and published on the Company website at least 21 days before the meeting. The Company also makes regular filings with the Registrar of Companies and Financial Services Commission in Mauritius to ensure that the Company is up to date with its filings.

The net asset value per share of the Company as at 30 June 2026 was (USD 0.0315). The Company will regularly engage with its shareholders through the publication of its announcements, roadshows, at the annual general meeting and by holding meetings.

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY) STAKEHOLDERS (CONTINUED)

Dividend Policy

The Company intends to pay dividends to shareholders when it has surplus cash to do so. However, as the objective of the Company is long-term capital growth, there may be periods in respect of which dividends may be low or not paid at all. The amount of any dividend will be at the complete discretion of the board and will depend on a number of factors, including expectation of future earnings, capital requirements, financial conditions, future prospects, laws relating to dividends and other factors that the board deems relevant.

Notwithstanding the above, and subject to the SEM Rules, the Company in a general meeting may declare dividends but may not declare a larger dividend than that declared by the directors.

No dividend shall be declared and paid except out of retained earnings and unless the directors determine that immediately after the payment of the dividend:

- (i) The Company will be able to satisfy the solvency test in accordance with Section 6 of the Mauritius Companies Act; and
- (ii) The realisable value of the assets of the Company will not be less than the sum of its total liabilities, other than deferred taxes, as shown in the books of account, and its capital.

No dividend has been declared for the year under review.

No shares of the Company are currently in issue with a fixed date on which entitlement to dividends arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.



Africa Clean Energy Solutions Limited

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

Corporate Governance Report

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS(CONTINUED)

Time Table of Important Events

Month	Events
September 2026	Publication of abridged audited financial statements for the year ended 30 June 2026
December 2026	Annual General Meeting
June 2027	Financial year end



Corporate Governance Report

Africa Clean Energy Solutions Limited STATEMENT OF COMPLIANCE (Section 75 (3) of the Financial Reporting Act)

Name of Company: Africa Clean Energy Solutions Limited

Reporting Period: Financial year ended 30 June 2026

We, the undersigned being the directors of Africa Clean Energy Solutions Limited, the "Company", confirm that, to the best of our knowledge, the Company has partially complied with the Code. Due to the size, structure and nature of the business of the Company, many of the criteria stipulated in the Code are not deemed to be relevant to the Company and the reasons have been provided below:

	Areas of non-application of the Code	Explanation for non-application
Principle 2	Board committees	The audit and risk committee currently constitute of only 2 members. The Company is in the process of identifying a suitable candidate to be appointed to the Board and the latter can form part of the above-mentioned committee.
Principle 3	Succession planning	The Board is of the view that given the nature of the business, it is not imperative to have individuals with specific skills. Therefore, it should not be an issue to find new members to replace existing ones, when required.
Principle 5	Whistleblowing procedure	Having due regards to its size, the Board does not consider the need to have a whistleblowing procedure. It shall consider the merits of implementing a whistleblowing policy if the circumstances of the Company changes.
Principle 7	Internal audit	The Board does not consider that the Company needs to have an internal audit function given the size and nature of its business. Internal audit work will be outsourced to external audit firms on an ad hoc basis should the Audit Committee deem it necessary.

Signé par :

Laura Payet

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Laura Charlotte Marie Payet

Date

Signed by:

Rajendra Kumar Ujoodha

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Rajendra Kumar Ujoodha

Date

Africa Clean Energy Solutions Limited

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

Directors' Responsibilities and Approval

The directors are required by the Mauritius Companies Act 2001 & Financial Reporting Act 2004 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. These consolidated and separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®) and it is their responsibility to ensure that the consolidated and separate annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the consolidated and separate statement of financial position, results of operations and business of the group, and explain the transactions and financial position of the business of the group at the end of the financial year. The consolidated and separate annual financial statements are based upon appropriate accounting policies consistently applied throughout the group and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors 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 clearly 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 in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the group is 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 it 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 control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the group will not be a going concern in the foreseeable future. The consolidated and separate annual financial statements support the viability of the group.

The consolidated and separate financial statements have been audited by the independent auditing firm, MOORE (Mauritius) LLP, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 44 to 48.

The consolidated and separate financial statements set out on pages 49 to 124 which have been prepared on the going concern basis, were approved by the directors and were signed on 29 September 2026 on their behalf by:

Directors responsibilities

The directors, which are represented by the board, hereby acknowledge, report and disclose, the following, as required in terms of the Report of Corporate Governance for Mauritius (hereinafter referred to as "RCGM").

The directors acknowledge their responsibilities regarding the following in respect of an internal control system as set out in paragraph 5.4.1 of the RCGM:

- to set appropriate policies to provide reasonable assurance that the control objectives are attained;
- ensure that the system of internal control is functioning effectively and that the system manages risk;
- design, implementation and monitoring of the internal control system; and
- to ensure that, as part of its internal control procedure, the company has an effective mechanism in place which facilitates and encourages the reporting of any lack of, or breach of internal controls and any unethical or irregular behaviour concerning the company.

Africa Clean Energy Solutions Limited

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

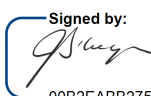
Directors' Responsibilities and Approval

Directors disclosure statement

The directors who are members of the board of directors at the time of approving the Consolidated and Separate Financial Statements are presented in the Director's Report. Having made enquiries of fellow Directors and of the Company's independent external auditors, each of these Directors confirm that:

- a) to the best of each Director's knowledge and belief there is no information relevant to the preparation of their report to which the Company's auditors are unaware; and
- b) each Director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

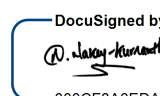
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Africa Clean Energy Solutions Limited

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2026

Secretary's Certificate under Section 166(D) of the Mauritius Companies Act 2001

We confirm that, based on the records and information made available to us by the directors and members of the Company, the Company has filed with the Registrar of Companies, for the year ended 30 June 2026, all such returns as are required of the company under the Mauritian Companies Act 2001.

DocuSigned by:

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Intercontinental Trust Limited

Company Secretary

29 September 2026

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF****AFRICA CLEAN ENERGY SOLUTIONS LIMITED****Report on the Audit of the Financial Statements*****Opinion***

We have audited the financial statements of **Africa Clean Energy Solutions Limited** ("the Company") and its subsidiaries ("the Group") set out on pages 49 to 125, which comprise the statements of financial position as at 30 June 2026 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements give a true and fair view of the financial position of the Group and Company as at 30 June 2026 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 31 of the financial statements, which indicates that the Group and the Company incurred a net loss of USD 772,597 (2025: USD 42,296) and a profit of USD 125,438 (2025: USD 166,256) respectively for the year ended 30 June 2026. In addition, as of that date, the Group and the Company had net current liabilities of USD 2,683,030 (2025: USD 1,620,903) and USD 2,358,096 (2025: USD 2,037,125) respectively. These events or conditions, along with other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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 described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

AFRICA CLEAN ENERGY SOLUTIONS LIMITED

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

<i>Key Audit matter</i>	<i>Audit Response</i>
At 30 June 2026, loans to related entities in the Company's separate financial statements amounted to USD 4.3m. Loans to related entities are measured at amortised cost less expected credit loss allowance in accordance with IFRS 9 Financial Instruments ("IFRS 9"). IFRS 9 requires the Company to recognise expected credit losses (ECL) on financial assets measured at amortised cost, which involves significant judgment and estimates to be made by the Company. The determination of ECL on loans to related parties which are not credit impaired involves the highest level of management judgment, thus requiring greater audit attention. Specific areas of judgement and estimation uncertainty include: • Complexity of the ECL model involving a number of critical assumptions in the determination of probabilities of default (PD), loss given default (LGD) and Exposure at default (EAD). • Use of forward-looking information to determine the likelihood of future losses being incurred. • Qualitative adjustments made to model driven ECL results raised to address model limitations, emerging risks and trends in underlying portfolios which are inherently judgemental. Given the inherent risk associated and the significance of the amount of the loan to related entities on the Company's total assets, this audit area is considered as a significant key audit matter.	Our audit procedures included the following: • We carried out discussions with management to understand the process around the ECL calculation. • Agreeing loan balances with related parties to financial statements under our audit scope and confirmations. • Reviewing the ECL methodology for compliance with IFRS 9 principles and best practice. • Independently reviewing and reperforming the ECL model calculations for accuracy and consistency of management's methodology. • Discussed with management over future prospects of the subsidiaries' business with respect to quoted projects in pipeline. • Reviewed the completeness and adequacy of the disclosures in the financial statements for compliance with IFRS 7 Financial Instruments: Disclosures.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report including the Chairman's Message, Chief Executive Officer's Report and Business Overview, Projects, Investors, Human Resources, Review of Results, General Information, Directors' Commentary, Corporate Governance Report, Statement of Compliance, Statement of Directors' Responsibilities and Secretary's Certificate but 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 express an audit opinion or any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

AFRICA CLEAN ENERGY SOLUTIONS LIMITED

Report on the Audit of the Financial Statements (Cont'd)

Other Information (Cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

AFRICA CLEAN ENERGY SOLUTIONS LIMITED

Report on the Audit of the Financial Statements (Cont'd)

Auditor's responsibilities for the audit of the financial statements (Cont'd)

- 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 and 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 auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, 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.

Other matter

This report is made solely to the Company's members and its subsidiary, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF****AFRICA CLEAN ENERGY SOLUTIONS LIMITED****Report on the Audit of the Financial Statements (Cont'd)*****Report on other legal and regulatory requirements****Mauritius Companies Act 2001*

We have no relationship with or interests in the Group and the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.



MOORE (Mauritius) LLP
Chartered Accountants



Shweta Moheeput, BSc, FCA,
Licensed by FRC

MOKA
REPUBLIC OF MAURITIUS

DATE: 29 SEPTEMBER 2026

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Statements of Financial Position

Figures in US\$	Notes	Group 2026	Group 2025	Company 2026	Company 2025
Assets					
Non-current assets					
Property, plant and equipment	6	668,014	486,565	-	-
Investments in subsidiaries	7	-	-	37,937	37,937
Deferred tax assets	8	9,411	-	-	-
Loans to related entities	9	167,371	156,226	4,308,968	3,862,559
Total non-current assets		844,796	642,791	4,346,905	3,900,496
Current assets					
Inventories	10	15,638	16,472	-	-
Trade receivables	11	250,334	1,294	-	-
Other receivables	12	27,705	44,200	22,589	28,821
Other loans and receivables	13	-	405,677	-	-
Cash and cash equivalents	14	79,962	309,412	61,350	98,524
Total current assets		373,639	777,055	83,939	127,345
Total assets		1,218,435	1,419,846	4,430,844	4,027,841
Equity and liabilities					
Equity					
Stated capital	15	4,466,553	4,466,553	4,466,553	4,466,553
Accumulated loss		(5,452,928)	(5,035,913)	(2,477,744)	(2,603,182)
Foreign currency translation reserve	15.2	(20,397)	67,456	-	-
Total equity attributable to owners of the parent		(1,006,772)	(501,904)	1,988,809	1,863,371
Non-controlling interests		(1,870,236)	(1,445,354)	-	-
Total equity		(2,877,008)	(1,947,258)	1,988,809	1,863,371
Liabilities					
Non-current liabilities					
Deferred tax liabilities	8	-	18,265	-	-
Amounts payable to third parties	16	128,865	70,003	-	-
Lease liabilities	17	48,551	75,137	-	-
Amounts payable to related parties	18	861,358	805,741	-	-
Total non-current liabilities		1,038,774	969,146	-	-
Current liabilities					
Accruals and other payables	19	2,812,578	2,246,587	2,359,602	2,146,754
Lease liabilities	17	33,171	24,032	-	-
Amounts payable to related parties	18	210,920	127,339	82,433	17,716
Total current liabilities		3,056,669	2,397,958	2,442,035	2,164,470
Total liabilities		4,095,443	3,367,104	2,442,035	2,164,470
Total equity and liabilities		1,218,435	1,419,846	4,430,844	4,027,841



Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Statements of Financial Position

Figures in US\$	Notes	Group 2026	Group 2025	Company 2026	Company 2025
Number of shares in issue		31,911,472	31,411,472		
Net asset value per share		(0.0315)	(0.0160)		

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Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Statements of Profit or Loss and Other Comprehensive Income

Figures in US\$	Notes	Group 2026	Group 2025	Company 2026	Company 2025
Revenue	21	1,017,977	50,645	199,830	463,194
Interest revenue	21	16,848	14,626	316,131	297,215
Total revenue		1,034,825	65,271	515,961	760,409
Other income	23	6,319	858,853	-	-
Cost of sales	22	(606,790)	(15,219)	-	-
Audit and accounting fees	24.1	(88,632)	(55,817)	(53,025)	(41,129)
Directors fees		(280,750)	(386,332)	(280,750)	(386,332)
Salaries and wages		(309,614)	(265,328)	(55,380)	(62,655)
Professional fees	24.2	(130,093)	(54,302)	(130,093)	(54,302)
Consulting fees		(6,802)	(38,253)	(4,240)	(35,000)
Provision / (reversal) of ECL loss allowance	26.1	(429,272)	(33,336)	9,735	(19,568)
Other operating expenses	25	(116,450)	(115,755)	(17,763)	(49,355)
Finance costs	27.1	(21,325)	(41,089)	(5,264)	(1,301)
Other gains / (losses)	27.2	148,109	58,564	146,257	55,489
(Loss) / profit before tax		(800,475)	(22,743)	125,438	166,256
Income tax credit / (expense)	28	27,878	(19,553)	-	-
(Loss) / profit for the year		(772,597)	(42,296)	125,438	166,256
(Loss) / profit for the year attributable to:					
Owners of parent		(417,015)	65,766	125,438	166,256
Non-controlling interest		(355,582)	(108,062)	-	-
		(772,597)	(42,296)	125,438	166,256
Other comprehensive income net of tax					
Components of other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translation					
Other comprehensive (loss) for the year		(157,153)	(51,221)	-	-
Total other comprehensive loss net of tax		(157,153)	(51,221)	-	-
Total comprehensive income		(929,750)	(93,517)	125,438	166,256
Comprehensive income attributable to:					
Comprehensive income, attributable to owners of parent		(504,868)	33,831	125,438	166,256
Comprehensive income, attributable to non-controlling interests		(424,882)	(127,348)	-	-
		(929,750)	(93,517)	125,438	166,256
Number of shares/ weighted average number of shares in issue					
		31,911,472	31,411,472		
Basic (loss) / profit per share		(0.0131)	0.0021		

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026



Statements of Changes in Equity - Group

Figures in US\$	Issued capital	Foreign currency translation reserve *	Accumulated loss	Attributable to owners of the parent	Non-controlling interests	Total
Balance at 1 July 2024	3,766,053	99,391	(5,101,679)	(1,236,235)	(1,318,006)	(2,554,241)
Changes in equity						
Loss for the year	-	-	65,766	65,766	(108,062)	(42,296)
Other comprehensive income	-	(31,935)	-	(31,935)	(19,286)	(51,221)
Total comprehensive income for the year	-	(31,935)	65,766	33,831	(127,348)	(93,517)
Issue of shares (Note 15)	700,500	-	-	700,500	-	700,500
Balance at 30 June 2025	4,466,553	67,456	(5,035,913)	(501,904)	(1,445,354)	(1,947,258)
Balance at 1 July 2025	4,466,553	67,456	(5,035,913)	(501,904)	(1,445,354)	(1,947,258)
Changes in equity						
Loss for the year	-	-	(417,015)	(417,015)	(355,582)	(772,597)
Other comprehensive income	-	(87,853)	-	(87,853)	(69,300)	(157,153)
Total comprehensive income for the year	-	(87,853)	(417,015)	(504,868)	(424,882)	(929,750)
Balance at 30 June 2026	4,466,553	(20,397)	(5,452,928)	(1,006,772)	(1,870,236)	(2,877,008)

* The foreign currency translation reserve consists of foreign currency differences arising from the translation of the financial statements of the foreign operations.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Statements of Changes in Equity - Company

Figures in US\$	Issued capital	Accumulated loss	Total
Balance at 1 July 2024	3,766,053	(2,769,438)	996,615
Changes in equity			
Profit for the year	-	166,256	166,256
Total comprehensive income	-	166,256	166,256
Issue of equity (Note 15)	700,500	-	700,500
Balance at 30 June 2025	4,466,553	(2,603,182)	1,863,371
Balance at 1 July 2025	4,466,553	(2,603,182)	1,863,371
Changes in equity			
Profit for the year	-	125,438	125,438
Total comprehensive income	-	125,438	125,438
Balance at 30 June 2026	4,466,553	(2,477,744)	1,988,809

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Statements of Cash Flows

Figures in US\$	Notes	Group 2026	Group 2025	Company 2026	Company 2025
Cash flows from / (used in) operations					
(Loss) / profit before taxation		(800,475)	(22,743)	125,438	166,256
Adjustments to reconcile (loss) / profit					
Interest income	21	(16,848)	(14,626)	(316,131)	(297,215)
Interest expense	27.1	8,473	26,549	5,264	1,301
Interest expense on lease liability	27.1	12,852	14,540	-	-
Depreciation and amortisation	6	29,638	26,059	-	-
Foreign exchange gains/(losses)		(150,517)	(64,574)	(148,642)	(61,499)
Impairment / (Reversal)		429,272	33,336	(9,735)	19,568
<i>Changes in working capital</i>					
Decrease/(increase) in trade receivables		(243,407)	21,858	6,232	(493)
Increase in trade and other payables		552,733	7,623	219,776	2,229
Adjustments for decrease / (increase) in inventories		834	(2,223)	-	-
Net cash flows (used in) / from operations		(177,445)	25,799	(117,798)	(169,853)
Interest received		6,592	3,864	261	525
Income taxes paid		-	(1,288)	-	-
Net cash flows (used in) / from operating activities		(170,853)	28,375	(117,537)	(169,328)
Cash flows (used in) / from investing activities					
Purchase of property, plant and equipment	6	(194,509)	(219,350)	-	-
Loans granted to related parties		-	(414,754)	(94,428)	(473,377)
Proceeds of cash advances and loans made to related party		-	-	258,718	223,151
Capitalisation of management fees to loan receivable		-	-	(199,863)	(463,171)
Decrease in loan receivable due to expenses paid on behalf by related party		-	-	189,873	246,205
Increase in loan receivable due to expenses paid on behalf by related party		-	-	(125,067)	-
Cash flows (used in) / from investing activities		(194,509)	(634,104)	29,233	(467,192)
Cash flows from financing activities					
Repayments of loans		(114,692)	(3,853)	-	-
Proceeds from issuing shares		-	700,500	-	700,500
Payment of principal portion of lease liabilities		(38,142)	(33,609)	-	-
Additional loans obtained from related parties		178,647	81,624	53,273	-
Additional loans obtained from third parties		52,809	-	-	-
Cash flows from financing activities		78,622	744,662	53,273	700,500
Net (decrease) / increase in cash and cash equivalents before effect of exchange rate changes		(286,740)	138,933	(35,031)	63,980
Effect of exchange rate changes		57,290	9,855	(2,143)	(577)
Net (decrease) / increase in cash and cash equivalents		(229,450)	148,788	(37,174)	63,403



Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Statements of Cash Flows

Figures in US\$	Notes	Group 2026	Group 2025	Company 2026	Company 2025
Cash and cash equivalents at beginning of the year		309,412	160,624	98,524	35,121
Cash and cash equivalents at end of the year	14	<u>79,962</u>	<u>309,412</u>	<u>61,350</u>	<u>98,524</u>

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Accounting Policies

Figures in US\$

1. General information

Africa Clean Energy Solutions Limited (the Company) was incorporated in the Republic of Mauritius on 8 December 2017 under the Mauritian Companies Act 2001 as a private company limited by shares. The Company has, by special resolution, converted itself into a public company on 7 March 2018. The Company holds a Global Business Licence issued by the Financial Services Commission.

The Company, through its subsidiary companies, is a clean energy solutions provider. The Company is listed on the Official Market of the Stock Exchange of Mauritius Ltd ("SEM") as from 31 May 2019. The Company is regulated by the Financial Services Commission in Mauritius.

2. Basis of preparation and summary of material accounting policy information

The financial statements of Africa Clean Energy Solutions Limited company and group comply with the Mauritian Companies Act 2001 and have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and are prepared on the going concern basis. The financial statements are prepared in United States Dollars, which is the Company's functional and presentation currency. The financial statements include the consolidated financial statements of the holding company and its subsidiaries (the Group) and the separate financial statements of the holding company (the Company).

The preparation of financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in note 3.

The financial statements are prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Accounting Policies

Figures in US\$

Basis of preparation and summary of material accounting policy information continued...

2.1 Basis for consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies in line with the Group's accounting policies. All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Accounting Policies

Figures in US\$

Basis of preparation and summary of material accounting policy information continued...

Basis for consolidation continued...

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, Financial Instruments, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.1.2. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Accounting Policies

Figures in US\$

Basis of preparation and summary of material accounting policy information continued...

Basis for consolidation continued...

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Transactions eliminated on consolidation

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.1.3. Investment in subsidiary companies

Subsidiaries are all entities (including structured entities) over which the company has control. The company controls an entity when the company 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. Subsidiaries are fully consolidated from the date on which control is transferred to the company. They are deconsolidated from the date that control ceases.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Accounting Policies

Figures in US\$

Basis of preparation and summary of material accounting policy information continued...

Basis for consolidation continued...

The company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The company recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Any impairment and proportionate provision are recognised when the net asset value is negative.

On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the consolidated statement of profit or loss and other comprehensive income.

In the Company's separate financial statements, investments in subsidiary companies are carried at cost less impairment.

2.2 Property, plant and equipment

Definition

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one period.

Recognition

Property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

The cost of an item of property, plant and equipment includes:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Subsequent measurement - Cost model

After initial recognition, property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation of an asset commences when it is available for use, and ceases at the earlier of the date that the asset is classified as held for sale, or the date that the asset is derecognised.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Accounting Policies

Figures in US\$

Basis of preparation and summary of material accounting policy information continued...

Property, plant and equipment continued...

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.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The depreciable amount of an asset is determined after deducting its residual value.

Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

The measurement base, useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

Asset class	Useful life / depreciation rate	Depreciation method
Land		Over lease period
Leasehold improvements	5 years	Straight line
Fixtures and fittings	5 years	Straight line
Office equipment	5 years	Straight line
Computer equipment	3 years	Straight line
Construction in progress	-	Not depreciated
Tools and equipment	5 years	Straight line

Impairments

The entity tests for impairment of other assets where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life. Except for goodwill which is subject to annual impairment review.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are included in profit or loss when the compensation becomes receivable.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Gains are classified as other gains on the face of the statements of profit or loss and other comprehensive income.

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2.3 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

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Financial instruments continued...

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL. Specifically, investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

(iii) Financial assets at fair value through other comprehensive income (FVTOCI)

The Group has some investments in unlisted entities which are not accounted for as subsidiaries, associates or joint ventures. For those investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve (fair value reserve). Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments' carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

(iv) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on loans receivable from related parties. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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Financial instruments continued...

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- 1) The financial instrument has a low risk of default,
- 2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- 3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract. The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

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Financial instruments continued...

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit risk rating grade of the Group and Company:

Category	Description	Basis for recognising expected credit loss
Performing	The counterparty has low risk of default and does not have any past due amounts.	12-months ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in the credit risk since initial recognition.	Life time-ECL not credit impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Life time-ECL credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off.

Credit impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- i significant financial difficulty of the issuer or the borrower;
- ii a breach of contract, such as a default or past due event (see (ii) above);
- iii the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- iv it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- v the disappearance of an active market for that financial asset because of financial difficulties.

Write off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner

Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only 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 entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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Financial instruments continued...

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Financial liabilities

Financial liabilities

The financial liabilities at amortised cost, including borrowings and other payables, are initially measured at fair value, net of transaction costs.

The financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The liability component of convertible loan is recognised at fair value. The equity component is recognised initially at the difference between the fair value of the instrument as a whole and the fair value of the liability component. Subsequent to initial recognition, the liability component is measured at amortised cost using the effective interest method. The equity component is not re-measured subsequent to initial recognition except on conversion or expiry.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses

Classification and recognition

Classification of a financial instrument, or its component parts takes place on initial recognition. Each instrument is classified as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

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Financial instruments continued...

Financial assets classification

The group classifies financial assets into the following categories:

- Financial assets subsequently measured at fair value through profit or loss
- Financial assets subsequently measured at fair value through other comprehensive income (OCI)
- Financial assets subsequently measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

Financial liabilities classification

The group classifies financial liabilities into the following categories:

- Financial liabilities subsequently measured at amortised cost
- Financial liabilities subsequently measured at fair value through profit or loss

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Recognition

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sell the asset.

Initial measurement

Financial assets

When a financial asset is recognised initially, it is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial liabilities

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

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Financial instruments continued...

Subsequent measurement

Financial assets

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. Debt instruments are subsequently measured at:

- Amortised cost: assets held only for collection of principal and interest payments
 - Interest income is included in finance income using the effective interest rate method.
 - Any gain or loss on derecognition is recognised in profit or loss and presented in other gains / (losses) together with foreign exchange gains and losses.
 - Impairment losses are presented as a separate line item in the statement of profit or loss.
 - The company's financial assets at amortised cost includes trade receivables, and loans to associates and directors included under other non-current financial assets.
- Fair value through OCI: assets held only for collection of principal and interest payments and for selling the financial assets
 - Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.
 - When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses).
 - Interest income from these financial assets is included in finance income using the effective interest rate method.
 - Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
 - The company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.
 - The company elected to classify irrevocably its non-listed equity investments under this category.
- Fair value through profit or loss: assets that do not meet the criteria for amortised cost or fair value through OCI
 - A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains / (losses) in the period in which it arises.
 - The company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in OCI.
 - This category includes derivative instruments and listed equity investments which the company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

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Financial instruments continued...

Equity instruments

All equity investments are subsequently measured at fair value.

- Fair value through OCI: elected to present fair value gains and losses on equity investments in OCI
 - There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.
 - Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.
 - Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.
- Fair value through profit or loss: assets that do not meet the criteria for amortised cost or fair value through OCI
 - Changes in the fair value are recognised in other gains / (losses) in the statement of profit or loss as applicable.

Financial liabilities

- Fair value through profit or loss: financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss
 - Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
 - This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.
 - Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
 - Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.
 - Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The company has not designated any financial liability as at fair value through profit or loss.
- Amortised cost: Loans and borrowings
 - After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.
 - Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.
 - Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.
 - The effective interest rate amortisation is included as finance costs in the statement of profit or loss.
 - This category generally applies to interest-bearing loans and borrowings.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when it is transferred and the transfer qualifies for derecognition.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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Financial instruments continued...

Impairment of financial assets

A forward looking allowance for expected credit losses is recognised for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The impairment methodology applied depends on whether there has been a significant increase in credit risk:

- For credit exposures with no significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit loss).
- For credit exposures with significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit loss).

For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the low credit risk simplification is applied. At every reporting date, the company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. The internal credit rating of the debt instrument is reassessed during this evaluation. It is also considered whether there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The company's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the XXX Credit Rating Agency and, therefore, are considered to be low credit risk investments. It is the company's policy to measure expected credit losses on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss. The company uses the ratings from the XXX Credit Rating Agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate expected credit losses.

The company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest rate method, less allowance for expected credit losses. For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Cash and cash equivalents

Cash and cash equivalents include cash at bank, cash in hand and cash in transit.

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Financial instruments continued...

Trade and other payables

Trade payables are initially measured at fair value plus direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

2.4 Borrowings

Borrowings are classified as current liabilities unless the Company and Group have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

2.5 Stated capital

Stated capital comprises ordinary shares.

2.6 Inventory

Recognition

Inventories are recognised as an asset when

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the inventories can be measured reliably.

Measurement

Inventories are measured at the lower of cost and net realisable value using the first-in-first-out formula. The same cost formula is used for all inventories having a similar nature and use.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

2.7 Non-current assets or disposal groups classified as held for sale or distribution to owners

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset or disposal group, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset or disposal group is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

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Non-current assets or disposal groups classified as held for sale or distribution to owners continued...

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

2.8 Leases as lessee

Identification of a lease

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still or now contains a lease.

Where a contract contains a lease, each lease component with the contract is accounted for separately from the non-lease components. The consideration is then allocated to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components are determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. If an observable stand-alone price is not readily available, an estimate of the stand-alone price is made, maximising the use of observable information in each case. All non-lease components are accounted for in accordance with whatever other policy is applicable to them.

Lease term

The lease term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

The assessment of the reasonable certainty of the exercising of options to extend the lease or not exercising of options to terminate the lease is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the group's control and it affects the reasonable certainty assumptions.

The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

Recognition

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial performance within a classification relevant to the underlying asset, and not as a separate line item.

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Basis of preparation and summary of material accounting policy information continued...

Leases as lessee continued...

Measurement

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The obligation for those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Where a lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects a purchase option will be exercised, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The group tests for impairment where there is an indication that a right-of-use asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of a right-of-use asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined, else it is based on the relevant group entity's incremental borrowing rate. The following lease payments are included where they are not paid at the commencement date:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if there is reasonably certainty that the option will be exercised; and
- payments of penalties for terminating the lease, if the lease term reflects the exercising an option to terminate the lease.

Subsequently, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate described above, or if applicable the revised discount rate described below.

Profit or loss for the year will include the interest expense on the lease liability, and the variable costs not included in the measurement of the lease liability are included in the year in which the event of condition that triggers the payment of the variable costs occurs.

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Basis of preparation and summary of material accounting policy information continued...

2.9 Segmental policies

A segment is a distinguishable component that is engaged in providing services (business segment) or in providing services within a particular economic environment (geographic segment), which is subject to risks and returns that are different from those of other segments. The Group and Company's primary segment is based on business segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the board. The board reviews the Group's and Company's internal reporting in order to assess performance. Management has determined the operating segments based on these reports.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of the Group's and Company's revenue and expenses that can be allocated on a reasonable basis to a segment. Segmental assets comprise those assets that are directly attributable to the segment or can be allocated to the segment on a reasonable

2.10 Related parties

For the purposes of these consolidated financial statements, parties are considered to be related to the Group if they have the ability, directly or indirectly, to control or jointly-control the Group or exercise significant influence over the Group in making financial and operating decisions, or vice-versa, or where the Group is subject to common control or common significant influence or where the party is a member of the key management personnel of the Group. Related parties may be individuals or other entities.

2.11 Expense recognition

Expenses are accounted for in the profit or loss on the accrual basis.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash at bank, cash in hand and cash in transit.

2.13 Foreign currencies translation

Functional and presentation currency

The financial statements are presented in USD which is the Group's and the Company's functional and presentation currency

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit or loss statement within 'Other (losses)/gains – net'.

Changes in the fair value of monetary financial assets and liabilities are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

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Basis of preparation and summary of material accounting policy information continued...

Related parties continued...

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

Foreign currency translations

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

Group companies

The results and financial position of all the group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate at each reporting date.

2.14 IFRS 15 Revenue from Contracts with Customers and other revenue

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

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Basis of preparation and summary of material accounting policy information continued...

Related parties continued...

At the inception of a contract, the goods or services promised in the contract are assessed and a performance obligation is identified for each promise to transfer to the customer either:

- a good or service that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer. Revenue is recognised when or as the performance obligation is satisfied by transferring a promised good or service to a customer. Assets are transferred when or as the customer obtains control of that asset.

Measurement

When a performance obligation is satisfied, revenue is recognised as the amount of the transaction price that is allocated to the performance obligation, but excluding estimates of variable consideration that are constrained and any amounts collected on behalf of third parties. The transaction price may include fixed amounts, variable amounts, or both.

The company allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for transferring the promised goods or services to the customer.

The company recognises as an asset the incremental costs of obtaining a contract with a customer if the company expects to recover those costs.

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the company recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the company can specifically identify (for example, costs relating to services to be provided under renewal of an existing contract or costs of designing an asset to be transferred under a specific contract that has not yet been approved);
- the costs generate or enhance resources of the company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Other revenue

Other revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue is recognised in profit or loss as follows:

- Dividend income – when the shareholder's right to receive payment is established
- Interest income – is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance)
- Admin and management fees – recognised when the control of the services is transferred to the counterparty at an amount that reflects the condition to which the company expects to be entitled in exchange for those services

3. Critical accounting estimates and judgements

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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Critical accounting estimates and judgements continued...

In the process of applying the Company's accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

The following are the key assumptions and judgements concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1 Critical accounting estimates and assumptions

3.1.1 Going concern

The Group and the Company Directors have made an assessment of their ability to continue as a going concern and is satisfied that the Group and the Company have the resources to continue in business for the next 12 months.

Project Pipeline and Development Fees

The Group is advancing several renewable projects, including:

- Cullinan Energy, South Africa (130 MW): Financial closure expected by March 2027, generating significant development fees and long-term contracted revenues in terms of the equity holding in the project over 20 years.
- Ravenna South Africa (10 MW) Ekurhuleni Solar Project :Targeted for financial closure by March 2027.
- Zambia (31 MW) Solar: Financial closure targeted for November2026.

Debt Funding

- Standard Bank has issued an 80% debt term sheet for the Cullinan, Ravenna and Zambia phase 1 projects.
- Stanbic Zambia has issued a letter of interest to finance the Zambian project debt.
- The Group financial model assumes project-level debt is drawn at each project's financial close.

Equity Funding

- The Group is in advanced discussion on a US\$30 million Phase 1 subscription for new ACES shares, with a couple investors and currently in due diligence phase.
- On the basis of the Group financial model dated 9 September 2026, the valuation of ACES at a 12% discount rate is US\$105,600,960, in each case comprising the portfolio net present value plus a US\$15,000,000 structure and platform premium. The forecast Group internal rate of return is 19.2%.

3.1.2 Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is 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 (Note 29).

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction.

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Critical accounting estimates and judgements continued...

Taxation continued...

To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

3.1.3 Impairment of non-financial assets

Plant and equipment, investment in associates and joint ventures, and investment in subsidiaries are assessed whenever there is an impairment indication. An impairment loss is recognised if the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units) (Note 6 and 7).

3.1.4 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables included in note 9 and details in note 13.

3.1.5 Revenue from contracts with customers

Performance obligations that are satisfied over time

Revenue from installation services is recognised over time as the work is performed, because the customer receives and consumes the benefits of the services as they are provided. Revenue is measured by reference to progress towards completion of the installation.

3.1.6 Control over subsidiaries

Management applies judgement in assessing whether the Company controls or exercises significant influence on investees (Note7).

4. New Standards and Interpretations

Standards and interpretations effective and adopted in the current year but with no material effect on the financial statements

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year. The expected impact of these amendments on the Company's financial statements is not material.

Standard/amendment	Effective date: Years beginning on or after	Standards/ Interpretations amended
Lack of exchangeability -Amendments to IAS 21	01 January 2025	IAS 21, IFRS 1
Illustrative examples - Disclosures about Uncertainties in the Financial Statements	01 November 2025	IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36, IAS 37
IFRS Practice Statement 1 Management Commentary	23 June 2025	

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New Standards and Interpretations continued...

Standards and interpretations issued but not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2025 or later periods:

Standard/amendment	Effective date: Years beginning on or after	Standards/ Interpretations amended
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	01 January 2026	IFRS 7, IFRS 9, IFRS 19
Contracts referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	01 January 2026	IFRS 7, IFRS 9, IFRS 19
IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	IAS 1 (replaced) and consequential amendments to various IFRS/IAS/IFRICs
Amendments to the Fair Value Option for Investments in Associates and Joint Ventures - Amendments to IAS 28	When the entity first applies IFRS 18	IAS 28
Annual Improvements to IFRS Accounting Standards - Volume 11 The pronouncement comprises the following amendments: • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a 'de facto agent' • IAS 7: Cost method	01 January 2026	IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027	IFRS 1, IFRS 5, IFRS 13, IFRS 17, IFRS 18, IAS 32, IAS 34, IFRIC 14
Translation to a Hyperinflationary Presentation Currency - Amendments to IAS 21	01 January 2027	IFRS 19, IAS 29
IFRS 20 Regulatory Assets and Regulatory Liabilities	01 January 2029	IFRS 14 replaced; consequential amendments to other IFRS Accounting Standards
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Effective date deferred	IFRS 10, IAS 28

The Company is still assessing the impact of the above new standards, amendments to published standards and interpretations on its financial statements. However, the directors do not expect IFRS 18 to have an impact on the Company's reported profit or loss, although the presentation and disclosure of line items in the primary financial statements and notes may change.

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5. Financial Risk Management

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds investment in debt and equity instruments and enters into derivative transactions.

Categories of financial instruments

(a) Categories of financial assets

Financial assets at amortised cost

	Group 2026	Group 2025	Company 2026	Company 2025
Loans to related parties	167,371	156,226	4,308,968	3,862,559
*Trade and other receivables	251,264	2,405	-	-
Other loans and receivables	-	405,677	-	-
Cash and cash equivalents	79,962	309,412	61,350	98,524
	<u>498,597</u>	<u>873,720</u>	<u>4,370,318</u>	<u>3,961,083</u>

(b) Categories of financial liabilities

Financial liabilities at amortised cost

	Group 2026	Group 2025	Company 2026	Company 2025
Amounts payable to related parties	1,072,278	933,080	82,433	17,716
Amounts payable to third parties	128,865	70,003	-	-
Accruals and payables	2,812,578	2,246,587	2,359,602	2,146,754
	<u>4,013,721</u>	<u>3,249,670</u>	<u>2,442,035</u>	<u>2,164,470</u>

*Prepayments for the Group of USD 26,483 (2025: USD 32,106) and for the Company of USD 22,589 (2025: 28,821) and VAT for the Group of USD 292 (2025: USD 10,983) have been excluded from trade and other receivables.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measures and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purpose may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

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Financial Risk Management continued...

(a)

Credit risk is the risk of financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's and the Company's trade and other receivables, loans receivables and cash and cash equivalents. The Group and Company only deposit cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Financial assets exposed to credit risk at year end were as follows:

	Group 2026	Group 2025	Company 2026	Company 2025
Amounts receivable from related parties	167,371	156,226	4,308,968	3,862,559
Trade and other receivables	251,264	2,405	-	-
Other loans and receivables	-	405,677	-	-
Cash and cash equivalents	79,962	309,412	61,350	98,524
	<u>498,597</u>	<u>873,720</u>	<u>4,370,318</u>	<u>3,961,083</u>

The Group only advances funds to creditworthy related parties. Receivables that are past due are related parties where there has been a delay in the project due to circumstances beyond the Groups control. These receivables are reviewed for impairment and recovery. Receivables that are not past due or impaired are related parties with a good collection track records with the Group. Cash and bank balances are held with creditworthy financial institutions.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's approach to managing liquidity is to ensure that they will always have sufficient liquidity to meet their liabilities when they become due without incurring unacceptable losses or risking damage to the Group's and Company's reputation. The Group and the Company have net current liabilities of USD 2,683,030 (2025: USD 1,620,903) and USD 2,358,096 (2025: USD 2,037,125) respectively. The Company being a listed entity, the directors are of the opinion that the financial position of the Group will improve through future capital raise on the market.

The Group monitors its risk of shortage of funds using a liquidity planning tool

The following are the contractual maturities of non-derivative financial liabilities:

At 30 June 2026	On demand	Group			Total
		Within 6 months	Between 7 and 12 months	More than one year	
Accruals and payables	-	-	2,812,578	-	2,812,578
Amounts payable to related parties*	-	-	210,920	861,358	1,072,278
Amounts payable to third parties*	-	-	-	128,865	128,865
Lease liabilities	-	16,585	16,586	48,551	81,722
	-	<u>16,585</u>	<u>3,040,084</u>	<u>1,038,774</u>	<u>4,095,443</u>

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Financial Risk Management continued...

At 30 June 2026	On demand	Company			Total
		Within 6 months	Between 7 and 12 months	More than one year	
Accruals and payables	-	-	2,359,602	-	2,359,602
Amounts payable to related parties*	-	-	82,433	-	82,433
	-	-	2,442,035	-	2,442,035

At 30 June 2025	On demand	Group			Total
		Within 6 months	Between 7 and 12 months	More than one year	
Accruals and payables	-	97,260	2,149,327	-	2,246,587
Amounts payable to related parties*	-	-	127,339	805,741	933,080
Amounts payable to third parties*	-	-	-	70,003	70,003
Lease liabilities*	-	12,016	12,016	75,137	99,169
	-	109,276	2,288,682	950,881	3,348,839

At 30 June 2025	On demand	Company			Total
		Within 6 months	Between 7 and 12 months	More than one year	
Accruals and payables	-	22,985	2,123,769	-	2,146,754
Amounts payable to related parties*	-	-	17,716	-	17,716
	-	22,985	2,141,485	-	2,164,470

*Amounts payable to related parties, amounts payable to third parties and lease liabilities include future interest costs.

(c) Fair value estimation

Except where otherwise stated, the carrying amount of financial assets and financial liabilities approximates their fair values.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in the market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investment and derivative financial instruments.

(i) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As the Group will invest in African countries, it could be exposed to adverse political, economic, environmental, social and financial events. The value of the financial instruments could decline as a result of high interest rates or rising consumer price inflation. The Group will take reasonable steps to mitigate these risks, using financial instruments like interest rate swaps, options, or forward rate agreements (FRAs) can help offset potential losses from interest rate fluctuations. Although the board accepts that this policy neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments, it considers that it achieves an appropriate balance of exposure to these risks.

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Financial Risk Management continued...

At 30 June 2026, the Group and the Company are exposed to variable interest rate on its loan with related parties. At the reporting date the interest rate profile of the Group's and the Company's interest-bearing financial instruments were:

	Group 2026	Group 2025	Company 2026	Company 2025
Financial assets				
Non- interest bearing	331,226	717,494	61,350	98,524
Variable interest rate instruments	167,371	156,226	4,308,968	3,862,559
	<u>498,597</u>	<u>873,720</u>	<u>4,370,318</u>	<u>3,961,083</u>
Financial Liabilities				
Non- interest bearing	2,812,578	2,246,587	2,359,602	2,146,754
Variable interest rate instruments	1,201,143	1,003,083	82,433	17,716
	<u>4,013,721</u>	<u>3,249,670</u>	<u>2,442,035</u>	<u>2,164,470</u>

Interest rate risk sensitivity analysis

As the inflation rate in the international markets has increased, international federal reserve banks have adopted a more aggressive attitude to interest rate increases in order to arrest the inflation rate.

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date and has taken into account the attitude of the federal reserve banks. A 50 basis point increase or decrease is used on all United States dollar denominated loans, and a 200 basis point increase or decrease is used on all South African Rand denominated loans. This is based on the variation of interest rates between South Africa and United States.

If interest rates had been 50 basis points higher on United States dollar-denominated instruments and 200 basis points higher on South African Rand-denominated instruments, with all other variables held constant, the Group's loss before tax for the year ended 30 June 2026 would have increased by USD 2,119, while the Company's loss before tax would have decreased by USD 21,289. An equivalent decrease in interest rates would have decreased the Group's loss before tax by USD 2,119 and increased the Company's loss before tax by USD 21,289.

(ii) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group will invest in jurisdictions other than Mauritius. The investments will be denominated predominantly in US Dollars, and each project predominantly generates income in US Dollars, thereby reducing currency risk. For those investors whose base or home currency is not the same as the relevant foreign currency, there is a risk of currency losses if the US Dollar depreciates against the investors' base currency.

Foreign currency risk, as defined in IFRS 7, arises as the value of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign exchange risk.

The Group has financial assets and financial liabilities in a currency other than the USD, its reporting currency. The Group is exposed to foreign exchange risk arising due to fluctuations of the USD vis-à-vis the other currency.

Currency profile

Africa Clean Energy Solutions Limited

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Accounting Policies

Figures in US\$

Financial Risk Management continued...

2026

	Group		Company	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
US Dollar (USD)	136,039	2,545,688	1,412,540	2,442,035
South African Rand (ZAR)	362,558	1,549,755	2,957,778	-
	498,597	4,095,443	4,370,318	2,442,035

2025

	Group		Company	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
US Dollar (USD)	211,326	2,253,649	1,312,484	2,164,470
South African Rand (ZAR)	662,394	1,095,190	2,648,599	-
	873,720	3,348,839	3,961,083	2,164,470

At 30 June 2026, had the exchange rate between US Dollar increased or decreased by 10% against the South African Rand with all other variables held constant, there would have been an equal and opposite impact on profit before tax and in net assets attributable to shareholders as follows: (This is based on the historical observations.)

Impact on profit before tax and net assets attributable to shareholders:

	Group		Company	
	2026	2025	2026	2025
	(+/-)	(+/-)	(+/-)	(+/-)
South African Rand	69,110	295,778	33,363	264,860

Capital Risk Management

The Group monitors "adjusted capital" which comprises all components of equity (i.e. share capital, non-controlling interest and accumulated losses).

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. 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. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the debt to adjusted capital ratio. This ratio is calculated as net debt adjusted capital as defined above. Net debt is calculated as total debt (as shown in the consolidated statement of financial position) less cash and cash equivalents.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Accounting Policies

Figures in US\$

Financial Risk Management continued...

Due to recent market uncertainty, the Group's strategy is to preserve a strong cash base and achieve a debt-to-adjusted-capital ratio of approximately 25% (2025: 25%). The objective of this strategy is to secure access to finance at reasonable cost by maintaining a high credit rating. The debt-to-adjusted-capital ratios at 30 June 2026 and at 30 June 2025 were as follows

	Group		Company	
	2026	2025	2026	2025
Loans and borrowings	1,072,278	933,080	82,433	17,716
Lease liabilities	81,722	99,169		
Less: cash and cash equivalents	(79,962)	(309,412)	(61,350)	(98,524)
Net debt	1,074,038	722,837	21,083	(80,808)
Total equity	(2,877,008)	(1,947,258)	1,988,809	1,863,371
Total adjusted capital	(2,877,008)	(1,947,258)	1,988,809	1,863,371
Debt to adjusted capital ratio (%)	N/A	N/A	N/A	N/A

The following are the contractual maturities of the related party loans

	On demand or within a period not exceeding one year	Within a period of more than one year but not exceeding two years	Within a period of more than two years but not exceeding five years	In more than five years	Total
At 30 June 2026					
Group	210,920	861,358			1,072,278
At 30 June 2026					
Company	82,433	-	-	-	82,433
At 30 June 2025					
Group	127,339	805,741			933,080
At 30 June 2025					
Company	17,716	-	-	-	17,716

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026



Notes to the Consolidated and Separate Financial Statements

Figures in US\$

6. Property, plant and equipment

6.1 Balances at year end and movements for the year

	Right of use asset Buildings	Leasehold improvements	Fixtures and fittings	Office equipment	Computer equipment	Plant and equipment under construction	Tools and equipment	Total
Reconciliation for the year ended 30 June 2026 - Group								
Balance at 1 July 2025								
At cost	108,006	3,408	291	10,159	8,337	400,623	6,510	537,334
Accumulated depreciation	(40,682)	(1,299)	(111)	(4,042)	(4,635)	-	-	(50,769)
Carrying amount	67,324	2,109	180	6,117	3,702	400,623	6,510	486,565
Movements for the year ended 30 June 2026								
Additions from acquisitions	459	-	-	-	1,093	192,957	-	194,509
Depreciation and amortisation	(23,085)	(720)	(61)	(2,079)	(2,305)		(1,388)	(29,638)
Increase (decrease) through other changes	4,752	149	12	431	226	10,522	486	16,578
Property, plant and equipment at the end of the year	49,450	1,538	131	4,469	2,716	604,102	5,608	668,014



Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$

Property, plant and equipment continued...

Balances at year end and movements for the year continued...

Closing balance at 30 June 2026

At cost	117,264	3,685	314	10,971	9,970	604,102	5,608	751,914
Accumulated depreciation	(67,814)	(2,147)	(183)	(6,502)	(7,254)	-	-	(83,900)
Carrying amount	49,450	1,538	131	4,469	2,716	604,102	5,608	668,014

	Right of use asset Buildings	Leasehold improvements	Fixtures and fittings	Office equipment	Computer equipment	Plant and equipment under construction	Tools and equipment	Total
Reconciliation for the year ended 30 June 2025 - Group								
Balance at 1 July 2024								
At cost	102,875	3,319	283	9,900	6,098	102,221	-	224,696
Accumulated depreciation	(19,386)	(596)	(52)	(1,974)	(2,943)	-	-	(24,951)
Carrying amount	83,489	2,723	231	7,926	3,155	102,221	-	199,745

Movements for the year ended 30 June 2025

Additions from acquisitions	5,130	89	-	-	2,121	212,011	-	219,351
Acquisitions through business combinations	-	-	-	-	-	-	6,898	6,898
Asset held for sale	-	-	-	-	-	76,213	-	76,213
Interest capitalised	-	-	-	-	-	7,453	-	7,453
Depreciation and amortisation	(21,364)	(670)	(57)	(1,971)	(1,618)	-	(379)	(26,059)
Increase (decrease) through other changes	69	(33)	6	162	44	2,725	(9)	2,964
Property, plant and equipment at the end of the year	67,324	2,109	180	6,117	3,702	400,623	6,510	486,565

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$

Property, plant and equipment continued...

Balances at year end and movements for the year continued...

Closing balance at 30 June 2025

At cost	108,006	3,408	291	10,159	8,337	400,623	6,510	537,334
Derecognition of assets								-
Accumulated impairment								-
Accumulated depreciation	(40,682)	(1,299)	(111)	(4,042)	(4,635)	-	-	(50,769)
Carrying amount	67,324	2,109	180	6,117	3,702	400,623	6,510	486,565

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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Property, plant and equipment continued...

6.2 Plant and equipment under construction

Expenditures recognised in course of construction

Ravenna Project- 10MW solar voltaic plant

Grid Permits	10,371	1,886		
Environmental studies	-	52,831		
Geotech Studies	-	10,828		
Grid Feasibility Studies	1,647	15,795		
Independent energy resource assessment	-	5,527		
Protective clothing	-	59		
Aviation Obstacle Assessments	2,197			
Borrowing Costs	10,990	13,191		

Cullinan Project- 130MW solar voltaic plant

Grid permits, feasibility studies	23,841	159,365		
Environmental studies	9,541	57,183		
Geotech Studies	-	33,049		
Protective clothing	-	4,399	-	-
Stakeholder consultation, advertising, public notices	-	59	-	-
Legal fees	10,778	1,128	-	-
Concept design, civil engineering works, land survey, town planning	14,705	11,562	-	-
Traffic and aviation survey and studies	-	16,589	-	-
Ravenna Project- 10MW solar voltaic plant		17,171	-	-

Zambia (31 MW) Solar

Grid permits, feasibility studies	42,431			
Environmental studies	21,432			
Legal fees	36,664			
Concept design, civil engineering works, land survey, town planning	8,360			
Total	192,957	400,622	-	-

Expenditure recognised during construction relate to development activities that include studies and surveys, design fees, permits, attorneys and consultants costs.

No property, plant and equipment of the Group has been pledged as security.

6.3 Right-of-use assets

Amounts recognised in the statements of financial position

Right-of-use asset buildings	49,450	67,324	-	-
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Amounts recognised in the statements of profit or loss and other comprehensive income

Interest expenses	12,852	14,540	-	-
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Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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7. Investments in subsidiaries

7.1 The amounts included on the statements of financial position comprise the following:

Investments in subsidiaries	-	-	37,937	37,937
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Movement in investments in subsidiaries made up as follows:

	Company	
	2026	2025
At start of the year	37,937	37,943
Impairment losses	-	(6)
At end of the year	37,937	37,937

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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Investments in subsidiaries continued...

7.2 Composition of the group

All subsidiary companies have a year end of 30 June. Further details of the subsidiary companies are as follows:

2026 Name	Class of share	Nature of business	% Holding Direct	% Holding Indirect	% Non- controlling interest	Country of incorporation and operation
Africa Clean Energy Solutions (ACES) Limited	Ordinary	Investment Holding	100%	-	0%	England
SA Clean Energy Finance Proprietary Limited	Ordinary	Renewable Energy	100%	-	0%	South Africa
SACE Projects Proprietary Limited	Ordinary	Renewable Energy	56.60%	-	43.40%	South Africa
Tana Biomass Generation Limited	Ordinary	Renewable Energy	-	70%	30%	Kenya
Tana Solar Limited	Ordinary	Renewable Energy	-	70%	30%	Kenya
Unergy Limited	Ordinary	Renewable Energy	-	75%	25%	Uganda
VFU – Clean Energy Limited	Ordinary	Renewable Energy	-	80%	20%	Zambia
Ravenna Energy Proprietary Limited	Ordinary	Renewable Energy	-	42.45%	57.55%	South Africa
Cullinan Energy Proprietary Limited	Ordinary	Renewable Energy	-	53.77%	46.23%	South Africa

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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Investments in subsidiaries continued...

Composition of the group continued...

2025

Name	Class of share	Nature of business	% Holding Direct	% Holding Indirect	% Non-controlling interest	Country of incorporation and operation
Africa Clean Energy Solutions (ACES) Limited	Ordinary	Investment Holding	100%	-	0%	England
SA Clean Energy Finance Proprietary Limited	Ordinary	Renewable Energy	100%	-	0%	South Africa
SACE Projects Proprietary Limited	Ordinary	Renewable Energy	56.60%	-	43.40%	South Africa
Tana Biomass Generation Limited	Ordinary	Renewable Energy	-	70%	30%	Kenya
Tana Solar Limited	Ordinary	Renewable Energy	-	70%	30%	Kenya
Unergy Limited	Ordinary	Renewable Energy	-	75%	25%	Uganda
VFU – Clean Energy Limited	Ordinary	Renewable Energy	-	70%	30%	Zambia
Ravenna Energy Proprietary Limited	Ordinary	Renewable Energy	-	42.45%	57.55%	South Africa
Cullinan Energy Proprietary Limited	Ordinary	Renewable Energy	-	50.94%	49.06%	South Africa

7.3 Investment in subsidiary

7.3.1 Profit or loss allocated to non-controlling interests and accumulated non-controlling interests of the subsidiary

	Profit or loss 2026	Accumulated NCI 2026	Profit or loss 2025	Accumulated NCI 2025
SACE Projects Proprietary Limited	(325,622)	(1,520,812)	(64,905)	(1,195,190)
Tana Biomass Generation Limited	(21,579)	(79,126)	(19,991)	(57,547)
Unergy Limited	(7,975)	(17,968)	(774)	(9,993)
Victoria Falls University Clean Energy Limited	(405)	(405)	-	-

* Ravenna Energy Proprietary Limited have been consolidated with SACE Projects Proprietary Limited

** Cullinan Energy Proprietary Limited have been consolidated with SACE Projects Proprietary Limited

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$

Investments in subsidiaries continued...

7.3.2 Summarised financial information for subsidiaries with material non-controlling interests before inter-company eliminations

	SACE Projects Proprietary Limited	Tana Biomass Generation Limited	Unergy Limited	Victoria Falls University Clean Energy Limited	Ravenna Energy (Pty) Ltd	Cullinan Energy Proprietary Limited
At 30 June 2026						
Non-current assets	473,394	87,939	-	108,887	134,538	389,835
Current assets	274,405	-	526	1,757	849	785
Non-current liabilities	3,621,630	976,634	168,332	110,911	12,802	397,182
Current liabilities	656,316	6,301	84,902	-	128,864	-
Equity attributable to owners of the company	(1,997,710)	(626,497)	(189,532)	(214)	(2,665)	(3,528)
Non-controlling interest	(1,532,437)	(268,499)	(63,177)	(54)	(3,614)	(3,034)
Revenue	1,059,784	4,296	-	-	-	-
Profit or loss	(742,334)	(71,930)	(31,899)	(2,025)	(3,130)	(3,404)
Other comprehensive income	(158,258)	-	-	-	(402)	(411)
Total comprehensive income	(900,592)	(71,930)	(31,899)	(2,025)	(3,532)	(3,815)
Profit or (loss) attributable to owners of the company	(509,645)	(50,351)	(23,925)	(1,620)	(1,499)	(2,051)
Profit or (loss) attributable to the non-controlling interest	(390,947)	(21,579)	(7,974)	(405)	(2,033)	(1,764)
Cash inflow (outflow) from operating activities	10,538	(4,234)	(20,617)	(1,817)	(3,130)	(3,404)
Cash inflow (outflow) from investing activities	(19,554)	-	-	(108,887)	(34,420)	(89,330)
Cash inflow (outflow) from financing activities	(161,678)	3,967	20,514	110,703	29,971	68,240
Net cash inflow (outflow)	(170,694)	(267)	(103)	(1)	(7,579)	(24,494)

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Figures in US\$

Investments in subsidiaries continued...

Summarised financial information for subsidiaries with material non-controlling interests before inter-company eliminations continued...

	SACE Projects Proprietary Limited	Tana Biomass Generation Limited	Unergy Limited	*Ravenna Energy (Pty) Ltd	**Cullinan Energy Proprietary Limited
At 30 June 2025					
Non-current assets	486,562	83,643	-	-	-
Current assets	625,695	267	630	-	-
Non-current liabilities	3,403,992	901,282	150,838	-	-
Current liabilities	344,359	5,694	70,601	-	-
Equity attributable to owners of the company	-	-	-	-	-
Non-controlling interest	-	-	-	-	-
Revenue	912,836	4,296	-	-	-
Profit or loss	(149,516)	(66,636)	(3,097)	-	-
Other comprehensive income	(44,427)	-	-	-	-
Total comprehensive income	(193,943)	(66,636)	(3,097)	-	-
Profit or (loss) attributable to owners of the company	(109,752)	(46,645)	(2,323)	-	-
Profit or (loss) attributable to the non-controlling interest	(84,191)	(19,991)	(774)	-	-
Cash inflow (outflow) from operating activities	213,624	(6,443)	(9,783)	-	-
Cash inflow (outflow) from investing activities	(634,608)	-	-	-	-
Cash inflow (outflow) from financing activities	495,042	6,343	9,676	-	-
Net cash inflow (outflow)	74,058	(100)	(107)	-	-

* Ravenna Energy Proprietary Limited have been consolidated with SACE Projects Proprietary Limited

** Cullinan Energy Proprietary Limited have been consolidated with SACE Projects Proprietary Limited



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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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8. Deferred tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Deferred tax assets:

- Deferred tax asset to be recovered within 12 months

9,411	-	-	-
9,411	-	-	-

Deferred tax liabilities:

- Deferred tax liability to be recovered within 12 months

-	(18,265)	-	-
-	(18,265)	-	-

Net deferred tax assets / (liabilities)

9,411	(18,265)	-	-
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Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
9. Loans to related entities				
9.1 Loans to related entities comprise the following balances				
Afrinol Holdings Limited	87,938	70,776	-	-
South Africa Clean Energy Solutions Limited	36,579	33,889	48,492	44,917
R Muchiri	44,559	64,059	43,761	39,977
SACE Projects (Pty) Limited	-	-	2,824,056	2,611,599
Tana Biomass Generation Limited	-	-	769,388	714,612
Africa Clean Energy Solutions (ACES) Limited	-	-	448,135	322,937
Unergy Limited	-	-	165,401	148,085
	169,076	168,724	4,299,233	3,882,127
Impairments (note 9.2)	(1,705)	(12,498)	(8,530)	(19,568)
Reversal of impairments (note 9.2)	-	-	18,265	-
	167,371	156,226	4,308,968	3,862,559

Amounts receivable from related parties comprise loans and interest receivable. The Group and Company does not hold any collateral as security.

The loans of the Group and Company are unsecured and shall bear interest up to 10.50% (2025: up to 10.75%), and the interest on some loans will be repayable quarterly in arrears. The loans of the Group and Company shall be repayable on 1 July 2027 or when the projects reach financial closure (whichever is the latest). Amount receivable from related parties are denominated in USD. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

The Group has considered all loans to be Stage 1 or Stage 2 loans as the credit risk has not increased significantly since initial recognition, hence the loss allowance is measured at 12-month ECL. For each loan, ECL is calculated as the product of Exposure at default (EAD), loss given a default (LGD), probability of default (PD) and discounted based on annual interest rates over the remaining contractual terms. In determining the probability of default, professional judgement has also been used, in addition to assessing the credit risk of the borrowers and the fact that while some loans are due, the projects are delayed due to circumstances beyond the Groups control. To estimate the Probability of Default, the following two approaches were used:

Project Finance Ratings Approach, which considers risk drivers including Country Risk, Environmental Factors, Construction and Development Risk, Market Situation and Strategic Risk, Business and Operating Risk, Security Package and Financial Analysis and Cash Flows.

SME Corporate Ratings Approach (Moody's KMV RiskCalc PD Emerging Markets PD Model), which rely mostly on financial drivers and operating capital. The model rating drivers and outcomes have been aligned to those applied and published by the external credit rating agencies

The LGD has been determined using an Asset Value approach and Moody's KMV Losscalc. The Asset Value approach models the expected asset value at default and then allocates the assets available for distribution to the various security tranches within the entity's capital structure.

The PDs range from 2.5% – 60% and the LGDs is 100%.

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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Loans to related entities continued...

Loans to related entities comprise the following balances continued...

For the year ended 30 June 2026, the Group and Company have assessed the provision for impairment losses relating to amount owed by related parties and impairment was identified at Group amounting to USD 69,607 (2025: USD 67,902) and Company amounting to USD 152,693 (2025: USD 162,433) since "loss given default" was determined at 100%. This assessment is undertaken each financial year through examining the financial position of related parties and the market in which the related parties operate. Amount owned by related parties of the Group as at year end, falls in the category of Doubtful (2025: Doubtful).

9.2 Movements in impairment of loans to related entities are as follows:

At the beginning of the year	(67,902)	(55,404)	(162,433)	(142,865)
Reversal of ECL loss allowance	-	-	18,265	-
Provision of ECL loss allowance	(1,705)	(12,498)	(8,530)	(19,568)
At the end of the year	(69,607)	(67,902)	(152,698)	(162,433)
Write off loan	-	-	-	-
Total impairment and write off	(69,607)	(67,902)	(152,698)	(162,433)

The amount that best represents its maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements (eg netting agreements that do not qualify for offset in accordance with IAS 32); this disclosure is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk.

-	-	-	-
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A description of collateral held as security and other credit enhancements, and their financial effect (eg quantification of the extent to which collateral and other credit enhancements mitigate credit risk) in respect of the amount that best represents the maximum exposure to credit risk (whether disclosed in accordance with (a) or represented by the carrying amount of a financial instrument).

10. Inventories

Inventories comprise:

Finished goods	15,638	16,472	-	-
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Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
11. Trade receivables				
Trade receivables	252,649	542	-	-
Trade receivables impairment	(2,315)	-	-	-
Trade receivables - net	250,334	542	-	-
Sundry debtors	-	752	-	-
Total trade receivables	250,334	1,294	-	-

Once invoice is issued, trade receivables become due in 30 days.

The carrying amount of the receivables approximate its fair value. The Group applies a simplified approach of recognising expected credit losses for trade receivables as these items do not have a significant financing component. Trade receivables at year end were impaired at USD 2,315 (2025: nil).

Provision matrix on trade receivables

As at June 2026	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Trade receivable - Group	252,649	-	-	-	252,649
Loss allowance	(2,315)	-	-	-	(2,315)
Total					250,334
As at June 2025	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Trade receivable - Group	1,294	-	-	-	1,294
Loss allowance	-	-	-	-	-
Total					1,294

12. Other receivables

Other receivables incorporates the following balances:

Prepayments	26,483	32,106	22,589	28,821
Other receivables	930	1,111	-	-
VAT receivable	292	10,983	-	-
	27,705	44,200	22,589	28,821

Prepayments include advance payments for secretarial services, SEM authorised sponsor and listing fees, CDS annual service fee, marketing and advertising expenses, short term rent, utilities and software.

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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13. Other loans and receivables

Other loans and receivables comprise the following balances

Renewable Management Services Proprietary Limited	405,677	427,028	-	-
Other loans and receivables 2	-	-	-	-
	405,677	427,028	-	-
Impairment	(405,677)	(21,351)	-	-
	-	405,677	-	-
Non-current assets	-	-	-	-
Current assets	-	405,677	-	-
	-	405,677	-	-

The balance represented the final consideration receivable from Renewable Management Services Proprietary Limited under a Share Purchase Agreement for a 10% interest in Cullinan Energy Proprietary Limited. The agreement stipulated that, should the purchaser fail to pay the final consideration of USD 405,677, the interest transferred would be reduced from 10% to 5%.

The final consideration was not paid and, in accordance with the agreement, the purchaser's interest was reduced to 5%. As the Group no longer had a contractual right to receive the outstanding amount, the receivable of USD 405,677 was derecognised and written off during the year.

14. Cash and cash equivalents

Cash and cash equivalents included in current assets:

Cash

Balances with banks	79,962	309,412	61,350	98,524
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Cash and cash equivalents include cash on hand and at banks. The Group does not have overdraft facilities. The group earns interest at the respective deposit rates. Included in cash and cash equivalents is USD 18 085 (2025: USD 209 991) denominated in South African rand. The Group banks with financial institutions with a baa3 Moody's (2025: baa3) standalone credit rating. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

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Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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15. Stated capital

15.1 Authorised and issued share capital

Authorised

31 911 472 (2025: 31 411 472) Ordinary shares of no par value

4,466,553	4,466,553	4,466,553	4,466,553
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Issued

31 911 472 (2025: 31 411 472) Ordinary shares of no par value

4,466,553	4,466,553	4,466,553	4,466,553
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	Group and company		Group and company	
	2026	2026	2025	2025
	Number	USD	Number	USD
At start of the year	31,411,472	4,466,553	30,577,544	3,766,053
Issue of shares	500,000	-	833,928	700,500
At end of year	31,911,472	4,466,553	31,411,472	4,466,553

All issued ordinary shares are fully paid. Fully paid ordinary shares are at par value, carry one vote per share and carry a right to dividends.

The Board may issue shares at any time and there is no limit on the number of shares to be issued.

15.2 Foreign currency translation reserve

Foreign currency translation reserve	(20,397)	67,456	-	-
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16. Amounts payable to third parties

Amounts payable to third parties comprise:

Loan Payable- Kloof Holdings	63,700	34,439	-	-
Loan Payable - Piet Morne	65,165	35,564	-	-
	128,865	70,003	-	-

These loans are repayable within 7 (seven) days from when the Project reaches financial close. Due to their short term nature, their carrying amounts approximate their fair value.

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
17. Lease liabilities				
17.1 Lease liabilities comprise:				
The effective interest rate at the end of the reporting date was 13.75% (2025: 13.75%)				
On 1 August 2023, a new lease was entered into with Growthpoint for part of the building 33 Fricker Road, Illovo, Sandton				
Balance at 1 July	99,169	111,402	-	-
Additions for the year	-	-	-	-
Interest expense	12,852	14,540	-	-
Lease payment	(38,142)	(33,609)	-	-
Translation differences	7,843	6,836	-	-
	81,722	99,169	-	-
Non-current liabilities	48,551	75,137	-	-
Current liabilities	33,171	24,032	-	-
	81,722	99,169	-	-
17.2 Amounts recognised in the statements of profit or loss and other comprehensive income				
Depreciation				
Right of use- buildings	23,085	21,364	-	-
17.3 Amounts recognised in the statements of cash flows				
Total cash outflow for leases	(38,142)	(33,609)	-	-
17.4 Other information related to leases				

The lease liabilities relates to the lease of the office building. The net asset value of the right of use asset is USD 49,450 (2025: USD 67 324) (see note 6) . The new lease term commenced on August 2023 and is for 5 years.

The maturity analysis of the lease liabilities is as follows:

Due within one year	42,386	24,032
Due within two to three years	52,764	81,033
Due thereafter	-	18,598
Less future finance charges	(13,428)	(24,494)
Present value of lease obligations	81,722	99,169

In the event that the lease is terminated prior to the expiry date, a portion of the agents commission and installation allowance will be paid back. There were no breaches or defaults on contracts during the current or prior years.

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
18. Amounts payable to related parties				
18.1 Amounts payable to related parties comprises:				
<i>Godwen (Pty) Ltd</i>	682,852	73,304	-	-
This loan does not bear interest.				
<i>C Mbire</i>	75,856	60,649	-	-
This loans bears interest at 3% plus 3 months average SOFR and is repayable at the later of 1 July 2023 or when the project reaches financial closure				
<i>JD Kruger</i>	15,880	10,708	9,321	3,925
This loan does not bear interest.				
<i>MJ Antonie</i>	8,434	8,635	2,550	2,550
This loan does not bear interest.				
<i>A Ally</i>	12,801	11,241	12,801	11,241
This loan bears interest at the South African bank prime overdraft rate and is repayable on demand.				
<i>A Cox</i>	116,043	96,755	-	-
The loan is unsecured, repayable within 7 days that the company receives funds from investors or from the funders of the REMO project and earns interest at prime overdraft rate charged by First national bank in South Africa.				
<i>P Norman</i>	-	591,708	-	-
This loan is unsecured, bears interest at the South African bank prime overdraft rate and is repayable from the proceeds of a development fee due to SACE Projects from the Cullinan Project.				
<i>JD Kruger</i>	102,651	80,080	-	-
This loan bears interest at 15% per annum and is payable within 12 months.				
* <i>F Visscher</i>	57,761	-	57,761	-
This loan bears interest at 15% per annum and is payable within 12 months.				
	1,072,278	933,080	82,433	17,716
Non-current liabilities	861,358	805,741	-	-
Current liabilities	210,920	127,339	82,433	17,716
	1,072,278	933,080	82,433	17,716

* During the year, a director of the company, F Visscher passed away. At the reporting date, the balance of USD 57,761 previously payable to the director, is payable to the director's estate. No amount has been waived or forgiven.

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
Amounts payable to related parties continued...				
18.2 Reconciliation of liabilities arising from financing activities				
Long term borrowings				
Opening balance	933,080	799,171	17,716	14,347
Repayment of loans	(114,692)	(3,853)	-	-
Additional loan obtained	178,647	81,624	53,273	-
Non cash increase in loans	5,397	2,250	5,397	2,249
Non-cash decrease in loans	(6,489)	-	-	-
Non-cash changes – interest accrued	7,553	31,976	5,378	-
Non-cash changes – foreign exchange movement	68,782	21,912	669	1,120
Closing balance	1,072,278	933,080	82,433	17,716
19. Accruals and other payables				
Accruals and other payables comprise:				
* Trade payables	34,130	97,260	24,689	22,985
Deposits received	408,804	-	-	-
** Accrued liabilities	2,291,549	2,086,190	2,277,345	2,075,320
*** Other payables	6,487	7,436	5,989	5,603
Leave pay provision	9,709	9,640	1,065	2,596
Audit fee accrual	56,285	46,050	50,485	40,250
Rounding	40	11	29	-
Value added tax	5,574	-	-	-
Total trade and other payables	2,812,578	2,246,587	2,359,602	2,146,754
* The trade payables payment terms are 30 days after invoice date.				
** <i>Accrued liabilities comprise</i>				
Directors' fees	1,630,250	1,387,994	1,630,250	1,387,994
Directors Salaries-backdated	638,669	638,669	638,669	638,669
Tax authorities, employees taxes,etc	20,628	15,451	6,424	12,634
Consultants fees for taxes, publications	-	3,600	-	3,600
Meetings,other	2,002	29,832	2,002	29,832
Accrued services invoices	-	10,644	-	2,591
	2,291,549	2,086,190	2,277,345	2,075,320
*** <i>Other payables comprise</i>				
Other loans payable	5,989	5,603	5,989	5,603
Deferred income	498	1,833	-	-
	6,487	7,436	5,989	5,603

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Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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20. Financial liabilities

Carrying amount of financial liabilities by category

	Designated at fair value	At amortised cost	Total
Year ended 30 June 2026 - Group			
Amounts payable to third parties (Note 16)	128,865	-	128,865
Amounts payable to related parties (Note 18)	-	1,072,278	1,072,278
Trade and other payables excluding non-financial liabilities (Note 19)	-	2,812,578	2,812,578
	128,865	3,884,856	4,013,721
Year ended 30 June 2025 - Group			
Amounts payable to third parties (Note 16)	70,003	-	70,003
Amounts payable to related parties (Note 18)	-	933,080	933,080
Trade and other payables excluding non-financial liabilities (Note 19)	-	2,246,587	2,246,587
	70,003	3,179,667	3,249,670

21. Revenue

21.1 Revenue comprises:

Rooftop solar installations, operations and maintenance	1,017,977	50,645	-	-
Interest received	16,848	14,626	316,131	297,215
Admin and management fees received	-	-	199,830	463,194
Total revenue	1,034,825	65,271	515,961	760,409

21.2 Sources of revenue

Contracts with customers	1,017,977	50,645	199,830	463,194
Financial instruments	16,848	14,626	316,131	297,215
	1,034,825	65,271	515,961	760,409

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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Revenue continued...

21.3 Disaggregation of revenue from contracts with customers

	Rooftop solar installations, operations and maintenance	Admin and management fees received	Total
Revenue for the year ended 30 June 2026 disaggregated by type of goods or services - Group			
Revenue	1,017,977	-	1,017,977
Revenue per timing of transfer of goods or services			
At a point in time	1,017,977	-	1,017,977
Revenue for the year ended 30 June 2025 disaggregated by type of goods or services - Group			
Revenue	50,645	-	50,645
Revenue per timing of transfer of goods or services			
At a point in time	50,645	-	50,645
Revenue for the year ended 30 June 2026 disaggregated by type of goods or services - Company			
Admin and management fees received	-	199,830	199,830
Revenue per timing of transfer of goods or services			
Over time	-	199,830	199,830
Revenue for the year ended 30 June 2025 disaggregated by type of goods or services - Company			
Admin and management fees received	-	463,194	463,194
Revenue per timing of transfer of goods or services			
Over time	-	463,194	463,194

22. Cost of sales

Cost of sales comprise:

Cost of goods	606,790	15,219	-	-
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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
23. Other income				
Other income comprises:				
Other non-turnover items	6,319	1,271	-	-
Sale of Shares	-	856,977	-	-
Insurance Claim	-	605	-	-
Total other income	6,319	858,853	-	-
24. Audit, accounting and professional expenses				
24.1 Audit and accounting fees comprise:				
Accounting fees	3,412	4,852	2,540	879
Auditors remuneration - Fees	85,220	50,965	50,485	40,250
Total audit and accounting fees	88,632	55,817	53,025	41,129
24.2 Professional fees comprise:				
Secretarial fees	64,000	5,145	64,000	5,145
Consulting fees	5,750	175	5,750	175
CDS annual fees	4,290	4,155	4,290	4,155
SEM representative and listing sponsor fees	30,511	31,114	30,511	31,114
SEM listing fees	13,383	13,713	13,383	13,713
Other Fee	12,159	-	12,159	-
Total professional fees	130,093	54,302	130,093	54,302
25. Other expenses				
Other expenses comprise:				
Advertising	1,715	3,574	1,627	-
Bank charges	3,727	3,194	2,639	2,576
Depreciation	29,638	26,059	-	-
Entertainment	-	-	328	-
Fines and penalties	419	3,398	-	1,390
Insurance	5,135	2,758	-	-
Legal expenses	51	(260)	-	15,849
Other operating expenses	66,295	51,965	5,585	5,527
Repairs and maintenance	1,886	1,054	-	-
Subscriptions	845	511	845	511
Travel - Overseas	6,739	23,502	6,739	23,502
Total other expenses	116,450	115,755	17,763	49,355

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
26. (Loss) / profit before tax				
(Loss) / profit before tax includes the following separately disclosable items				
Other operating expenses				
Property plant and equipment				
- depreciation	29,638	4,695	-	-
Intangible assets				
- impairment loss	-	20,833	-	-
Right-of-use assets				
- depreciation	-	21,364	-	-
Other impairments				
- Loans to related entities and investment in subsidiaries	429,272	33,336	(9,735)	19,563
Provision / (reversal) of ECL loss allowance				
(Provision)/reversal of ECL loss allowance of loans to related entities	(1,705)	(12,498)	9,735	(19,568)
(Provision)/reversal of ECL loss allowance of trade and receivables	(2,315)	(21,351)		
Impairment of other loans and receivables	(405,677)			
Effect of exchange rate changes	(19,575)	513		
	(429,272)	(33,336)	9,735	(19,568)
27. Finance costs / income				
27.1 Finance costs included in profit or loss:				
Interest on loans payable	8,473	26,549	5,264	1,301
Lease obligations	12,852	14,540	-	-
Total finance costs	21,325	41,089	5,264	1,301
27.2 Other gains/(losses) included in profit or loss:				
Gain on foreign exchange	148,109	58,564	146,257	55,489
Total gains	148,109	58,564	146,257	55,489

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Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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28. Income tax (credit) / expense

28.1 Income tax recognised in profit or loss:

For the year ended 30 June 2026, the Group and the Company had a taxable loss of USD 504,464 and USD 17,558 respectively (2025 Group tax loss USD 47,759 and Company tax profit 148,019). The Group and the Company utilised prior year losses against the taxable profits

Tax losses available for net off against future taxable profit of the Group/Company are as follows

Tax losses	<u>546,760</u>	<u>42,296</u>	<u>286,150</u>	<u>268,592</u>
Financial year	Expiring in financial year			
2020	2025	-	-	-
2021	2026	-	-	-
2022	2027	-	-	-
2023	2028	200,931	200,931	
2024	2029	67,661	67,661	
2025	2030	-	-	
2026	2031	17,558		
Tax losses		<u>286,150</u>	<u>268,592</u>	

28.2 The income tax for the year can be reconciled to the accounting (loss) / profit as follows:

(Loss) / profit before tax from operations	(800,475)	(22,743)	125,438	166,256
Income tax calculated at 15% (2025:15%)	(120,071)	(3,411)	18,816	24,938
Tax effect of				
- Expenses not deductible for tax purposes*	(42,036)	9,380	23,815	5,521
- Annual allowance	(2,342)	(8,718)	(2,342)	(8,257)
- Unutilised tax losses brought forward	164,449	2,749	(40,289)	(22,202)
Tax charge	<u>(0)</u>	<u>-</u>	<u>(0)</u>	<u>-</u>

* This includes expenses of a capital nature, depreciation, entertainment and other expenses not deductible for tax purposes.

28.3 Current and deferred tax relating to items charged or credited directly to equity

Deferred tax relating to items credited (charged) directly to equity	<u>27,878</u>	<u>(19,553)</u>	<u>-</u>	<u>-</u>
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Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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29. Contingent assets

Estimated financial effect	363,098	-	-	-
Contractual commitment				
The Group entered into a binding contractual commitment during the year to transfer a 20% interest in Ravenna Energy on fulfilment of the conditions precedent, against consideration of R7,951,807.				
The remaining inflow of R5,951,807 is quantified and contractually fixed, and its estimate is entirely practicable.				
The Group entered into a binding contractual commitment during the year to transfer a 40% interest in Cullinan Energy on fulfilment of the conditions precedent, against consideration of R47,000,000. The remaining inflow of R42,299,000 is quantified and contractually fixed, and its estimate is entirely practicable.				

30. Related parties

30.1 Other related parties

Entity name

Africa Clean Energy Solutions (ACES) Limited	Wholly owned subsidiary
SA Clean Energy Finance (Pty) Ltd	Wholly owned subsidiary
Tana Solar Limited	Indirect subsidiary
Tana Biomass Generation Limited	Indirect subsidiary
VFU - Clean Energy Limited	Indirect subsidiary
SACE Projects (Pty) Ltd	Subsidiary
Unergy	Indirect subsidiary
South Africa Clean Energy Solutions Ltd	Enterprise with common directorship
JD Kruger	Director
MJ Antonie	Shareholder
A Cox	Shareholder
Topolino Trust	Shareholder
Nemesis Trust	Shareholder
P Norman	Director of subsidiary company
A Ally	Director of subsidiary company
R Muchiri	Director of subsidiary company
Afrinol (Holdings) Limited	Minority shareholder of subsidiary company
C Mbire	Director of subsidiary company
Sunco Limited	Shareholder of subsidiary company
Godwen (Pty) Ltd	Minority shareholder of subsidiary company

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
<i>Related parties continued...</i>				
<i>Other related parties continued...</i>				
Balances as at 30 June				
Loan receivable from related parties:				
(a) South Africa Clean Energy Solutions Ltd (South Africa)				
Opening balance	33,544	31,974	44,567	43,663
Loan given during the year	-	-	-	-
Foreign exchange adjustment	3,034	665	3,925	-
Adjustment arising on gain of control of subsidiary	-	1,251	-	1,250
Reversal of credit loss allowance	(294)	(346)	(294)	(346)
Balance at end of year	36,284	33,544	48,198	44,567
(b) Robert Wanjohi Muchiri Opening balance				
Opening balance	51,907	58,720	38,921	34,738
Prior years adjustment	(12,867)	-	-	-
Foreign exchange adjustment	(508)	(1,127)	-	-
Interest charged during the year	6,027	6,466	4,840	5,239
Reversal/(provision) of credit loss allowance	(1,411)	(12,152)	(1,387)	(1,056)
Balance at end of year	43,148	51,907	42,374	38,921
(c) Tana Biomass Generation Limited (Kenya)				
Opening balance	-	-	706,595	653,110
Loan given during the year	-	-	3,967	6,342
Interest charged during the year	-	-	58,826	55,160
Reversal/(provision) of credit loss allowance	-	-	5,680	(8,017)
Balance at end of year	-	-	775,068	706,595
(d) Unergy Limited (Uganda)				
Opening balance	-	-	147,907	133,056
Loan given during the year	-	-	9,038	6,077
Interest charged during the year	-	-	8,457	8,952
Reversal of credit loss allowance	-	-	(115)	(178)
Balance at end of year	-	-	165,287	147,907
(e) Africa Clean Energy Solutions (ACES) Limited (United Kingdom)				
Opening balance	-	-	321,400	296,986
Loan given during the year	-	-	112,062	446
Interest charged during the year	-	-	17,804	18,216
Foreign exchange adjustment	-	-	(3,130)	7,289
Reversal/(provision) of credit loss allowance	-	-	(6,734)	(1,535)
Balance at end of year	-	-	441,402	321,400

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Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
Related parties continued...				
Other related parties continued...				
(f) Afrinol (Holdings) Limited (Kenya)				
Opening balance	70,776	66,480	-	-
Prior years adjustment	12,867			
Interest charged during the year	4,295	4,296	-	-
Reversal of credit loss allowance	-	-	-	-
Balance at end of year	87,938	70,776	-	-
(g) SACE Projects (Pty) Ltd (South Africa)				
Opening balance	-	-	2,603,169	1,895,911
Loan given during the year	294,291	923,475	294,290	923,475
Loan repaid during the year	(448,590)	(469,355)	(448,592)	(469,355)
Foreign exchange adjustment	149,245	52,237	149,245	52,237
Credit loss allowance	12,584	(8,429)	12,584	(8,429)
Interest charged during the year	225,943	209,330	225,943	209,330
Adjustment arising on gain of control of subsidiary	(233,473)	(707,258)	-	-
Balance at end of year	-	-	2,836,639	2,603,169
Total loans and interest receivables	167,369	156,226	4,308,967	3,862,559
Terms and conditions of the loans are disclosed in note 9.				
Payables to related parties:				
(h) Johan David Kruger				
Opening balance	90,787	8,387	3,925	2,125
Loan received during the year	119,295	79,825	5,396	1,800
Loan repaid during the year	(114,692)	-	-	-
Interest charged during the year	16,321	1,078	-	-
Foreign exchange adjustment	6,820	1,497	-	-
Balance at end of year	118,531	90,787	9,321	3,925
(i) Melvyn Joseph Antonie				
Opening balance	8,635	7,718	2,550	2,100
Loan received during the year	-	450	-	450
Loan repaid during the year	-	-	-	-
Foreign exchange adjustment	(201)	467	-	-
Interest charged during the year	-	-	-	-
Balance at end of year	8,434	8,635	2,550	2,550

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026

Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
Related parties continued...				
Other related parties continued...				
(j) A Cox				
Opening balance	96,755	87,996	-	-
Loan received during the year	-	-	-	-
Loan repaid during the year	-	(3,853)	-	-
Foreign exchange adjustment	8,233	2,501	-	-
Interest charged during the year	11,055	10,111	-	-
Balance at end of year	116,043	96,755	-	-
(k) P Norman				
Opening balance	591,708	568,879	-	-
Loan received during the year	-	-	-	-
Loan transferred to Godwen	(610,064)	-	-	-
Interest charged during the year	(28,933)	15,346	-	-
Foreign exchange adjustment	47,289	7,483	-	-
Balance at end of year	-	591,708	-	-
(l) A Ally				
Opening balance	11,242	10,122	11,241	10,122
Interest charged during the year	890	907	890	907
Foreign exchange adjustment	669	213	670	212
Balance at end of year	12,801	11,242	12,801	11,241
(m) Godwen (Pty) Ltd				
Opening balance	73,304	62,606	-	-
Interest charged during the year	-	8,810	-	-
Foreign exchange adjustment	5,972	1,888	-	-
Loan transferred from Paul Norman	610,064	-	-	-
Loan repaid during the year	(6,489)	-	-	-
Balance at end of year	682,851	73,304	-	-
(n) C Mbire (Director of Unergy Limited)				
Opening balance	60,649	53,463	-	-
Loan received during the year	11,475	3,599	-	-
Interest charged during the year	3,732	3,587	-	-
Balance at end of year	75,856	60,649	-	-
* (o) F Visscher				
Opening balance	-	-	-	-
Loan received during the year	53,273	-	53,273	-
Interest charged during the year	4,488	-	4,488	-
Balance at end of year	57,761	-	57,761	-
Total loans and interest payables (Note 18)	1,072,277	933,080	82,433	17,716

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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Related parties continued...

Other related parties continued...

Transactions with key management personnel

Toorisha Nakey-Kurnauth is a director of the Company. She is also related to Intercontinental Trust Limited, the Company's service provider Management Company and Company Secretary. The total Director fees of USD 280,750 (2025: USD 386,332) for the year ended 30 June 2026 does not include fees paid to Toorisha Nakey - Kurnauth, the amount is included within fees charged by the Company Secretary and borne by the Company. However, the fees are not paid to her but to Intercontinental Trust Limited.

Terms and conditions of transactions with related parties

There have no guarantees provided or received for any related party receivables or payables. Expected credit losses on loans to related parties amounting to USD (1,705) for the Group and USD (8,530) for the Company were recognised during the year (2025: USD (12,498) for the Group and USD (19,568) for the Company). Outstanding balances at the year-end are unsecured and settlement occurs in cash.

All transactions were entered into the normal course of the business. The Company has one employee and the day to day administration of the Company is outsourced to the Administrator as set out in the agreement as to the terms and conditions of business, respectively.

* During the year, a director of the company, F Visscher passed away. At the reporting date, the balance of USD 57,761 previously payable to the director, is payable to the director's estate. No amount has been waived or forgiven.

30.2 Compensation paid to key management personnel

Directors Fees

Melvyn Joseph Antoine	-	11,500	-	11,500
Johan David Kruger	162,000	162,000	162,000	162,000
Andrew Lloyd Cox	-	36,000	-	36,000
Antoine Kon-Kam King (Resigned)	4,000	12,000	4,000	12,000
Gaetan Michel Siew Hew Sam	-	15,000	-	15,000
Frans Visscher (Deceased)	90,000	120,000	90,000	120,000
Laura Charlotte Marie Payet	11,000	-	11,000	-
Rajendra Kumar Ujoodha	13,750	-	13,750	-
Total	280,750	356,500	280,750	356,500

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31. Going concern

The Directors of ACES Renewables Group have considered the financial position of the Group and its subsidiaries, together with the cash flow forecasts covering the period July 2026 to June 2027, and confirm the following:

1. Financial Position

- For the year ended 30 June 2026, the Group recorded a consolidated loss of USD 772 597 and consolidated liabilities exceeded assets by USD 2 877 008.
- Notwithstanding this position, the Group's cash flow forecasts project positive liquidity across the forecast period, supported by contracted development fees falling due on financial close of the Phase 1 projects, Ravenna and Zambia, proceeds, project level signed SPA and project-level debt facilities.
- The Group's financial model dated 9 September 2026 forecasts development and upfront fees receivable on just the Ravenna and Zambia projects, at financial closure between Nov 26 and Mar 27 of US\$2,794,202 in the financial year to June 2027

2. Mitigating Factors

The Directors note the following mitigating factors, which support the Group's ability to continue as a going concern:

a. Holding company support

- A significant portion of Group liabilities relates to intra-group loans and management fees payable to ACES Renewables.
- The Board confirms that no repayment of these loans will be required within the next 12 months, and that invoicing of management fees commenced January 2026.

b. Project Pipeline and Development Fees

The Group is advancing several renewable projects, including:

- Cullinan Energy, South Africa (130 MW): Financial closure expected by March 2027, generating significant development fees and long-term contracted revenues in terms of the equity holding in the project over 20 years.
- Ravenna South Africa (10 MW) Ekurhuleni Solar Project :Targeted for financial closure by November 2026.
- Zambia (31 MW) Solar: Financial closure targeted for March 2027.
- Ravenna South Africa (60 MW) Ekurhuleni Solar Project :Targeted for financial closure by November 2027
- Zambia (30 MW) Solar: Financial closure targeted for November 2027.
- Cullinan Energy, South Africa (60 MW) Solar): Financial closure targeted second by December 2027
- Collectively, these projects are forecast to deliver US\$17.2 million in upfront and development fees over the two years to June 2028, of which US\$10.06 million falls within the 12-month going concern period however, the Zambia and Ravenna phase 1 projects have confirmed FC dates as indicated

Africa Clean Energy Solutions Limited

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Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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Going concern continued...

c. Debt Funding

- Standard Bank has issued an 80% debt term sheet for the Cullinan, Ravenna and Zambia phase 1 projects.
- Stanbic Zambia has issued a letter of interest to finance the Zambian project debt.
- The Group financial model assumes project-level debt is drawn at each project's financial close.

d. Equity Funding

- The Group is in advanced discussion on a US\$30 million Phase 1 subscription for new ACES shares, with a couple investors and currently in due diligence phase.
- On the basis of the Group financial model dated 9 September 2026, the valuation of ACES at a 12% discount rate is US\$105,600,960, in each case comprising the portfolio net present value plus a US\$15,000,000 structure and platform premium. The forecast Group internal rate of return is 21.3%.

3. Cash Flow Forecasts

- Group cash flows have been reviewed through June 2027 and, on the assumptions set out below, cash balances remain positive throughout the forecast period.
- Forecasts are supported by the timing of development fees, rooftop installations and management fees.

• The Directors draw attention to the following dependencies, which are material to this assessment:

1. Maintain the rooftop installation to June 2027, forecast of \$1m. Two proposals currently under negotiations will meet the required forecast and therefore is achievable.
2. Reach financial closure on at least one phase 1 project, value at \$1m. Three project have been aligned to close financially between Nov 2026 and Mar 2027. Achieving just one of the three will give required cashflow to the group.
3. A Share purchase agreement has been signed for the Ravenna project, selling 20% to Eco cycle, providing additional 370 000 USD income to the group. The final conditional precedent is financial closure.
4. Development fee receipts are contingent on the projects reaching financial close on the dates set out in section 2(b). The Group's liquidity over the going concern period is therefore substantially dependent on completion of the above milestones
5. The Directors have performed sensitivity analysis on the timing of financial close and of the equity subscription, and are satisfied that mitigating actions available to the Group — including further deferral of intra-group obligations, project-level equity sell-downs, and bridge facilities — provide sufficient headroom to meet obligations over the forecast period.

4. Directors' Conclusion

After careful consideration of:

- the Group's financial position at 30 June 2026;
- the forecast cash flows for July 2026 to June 2027;
- the suspension of intra-group loan repayments;
- the advanced stage of the equity and debt funding negotiations described above; and
- the expected development fee inflows from the shovel-ready Phase 1 projects,

the Directors are satisfied that the ACES Renewables Group has access to adequate financial resources to continue in operational existence for at least the next 12 months from the date of this note.

Accordingly, the financial statements of the ACES Renewables Group have been prepared on a going concern basis.

Africa Clean Energy Solutions Limited

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Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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32. Events after the reporting date

Group investment in projects

At 30 June 2026, SACE Projects Proprietary Limited had entered into separate share purchase agreements for the proposed sale of interests in Cullinan Energy Proprietary Limited and Ravenna Energy Proprietary Limited. The transactions remained incomplete at the reporting date, as the relevant conditions precedent had not been fulfilled and the shares had not transferred to the purchasers.

Ravenna Energy Proprietary Limited

SACE Projects Proprietary Limited, which holds a 75% interest in Ravenna Energy Proprietary Limited, entered into a Share Purchase Agreement with Eco-Cycle Commercial Proprietary Limited for the sale of a 20% interest for a total consideration of R7,951,807.

A deposit of R2,000,000 was received before the reporting date. The remaining purchase consideration is payable once the conditions precedent have been fulfilled or waived. These conditions include:

- Final agreement of the EPC contract
- The project achieving shovel-ready status
- All permits, licences, environmental authorisations, registrations and regulatory approvals required to commence construction being obtained and remaining valid and effective and
- Completion and approval of the final engineering design for the project.

Cullinan Energy Proprietary Limited

SACE Projects Proprietary Limited, which holds a 95% interest in Cullinan Energy Proprietary Limited, entered into a Share Purchase Agreement with Katiso Export Holdco Proprietary Limited for the sale of a 40% interest for a total consideration of R47,000,000

A deposit of R4,701,000 was received before the reporting date. The remaining consideration is payable once the conditions precedent have been fulfilled or waived. These conditions include:

- The execution or agreement of the final form of the initial power purchase agreements required for financial close
- The execution or agreement of an EPC contract acceptable to the project company, shareholders and senior lenders
- The execution or agreement of the final form of the management and technical services agreement, subject to senior-lender approval and
- Approval in principle of the senior-debt financing arrangements.

Both transactions remained in progress after the reporting date. The shares will transfer only once the outstanding purchase consideration has been received and all relevant conditions precedent have been fulfilled or waived.

Accordingly, no disposal or gain was recognised at 30 June 2026. The deposits received were recognised as liabilities within trade and other payables. Upon completion, SACE Projects Proprietary Limited will retain a 55% controlling interest in each subsidiary. As control will be retained, the completed transactions will be accounted for as equity transactions with noncontrolling interests in the consolidated financial statements.



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Figures in US\$	Group 2026	Group 2025	Company 2026	Company 2025
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GEOPOLITICAL DEVELOPMENTS - MIDDLE EAST

During March 2026, military hostilities escalated in the Middle East following military operations involving Iran and other regional actors. The situation has resulted in heightened geopolitical tensions and increased uncertainty in global financial and commodity markets.

These developments may affect global economic conditions, including energy prices, inflation, exchange rates and financial market volatility. The extent to which the conflict may impact the Company's operations and financial performance will depend on future developments, including the duration and scope of the conflict and responses by governments and regulators.

The directors have considered the potential implications of the ongoing conflict on the Company's operations, financial position and future cash flows based on information available at the date of approval of these financial statements. Based on this assessment, the directors are of the opinion that the conflict has not had a material impact on the Company's financial position or results of operations as at the reporting date, and that no adjustments are required to these financial statements.

The Company will continue to monitor the situation closely.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2026



Notes to the Consolidated and Separate Financial Statements

Figures in US\$

33. Segment Reporting

The Group operates in Mauritius, United Kingdom, Zambia, Uganda, South Africa and Kenya. The Group does not monitor assets by segment.

The Group is organised into one main operating segment, which is clean energy solutions. All significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole and is shown below:

2026	Mauritius	United Kingdom	Kenya	Uganda	South Africa	Zambia	Consolidated adjustments	Total
Interest receivable	5,101	1,120	4,296	-	6,331	-	-	16,848
Intercompany interest	311,029	13,747	-	-	29,157	(353,933)	-	-
Intercompany management	199,830	-	-	-	-	(199,830)	-	-
Revenue from rooftop solar	-	-	-	-	1,017,977	-	-	1,017,977
Other Income					6,319	-	-	6,319
	515,960	14,867	4,296	-	1,059,784	-	(553,763)	1,041,144

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$

Segment Reporting continued...

Expenditure	-	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	(606,790)	-	-	(606,790)
Accounting	(2,540)	-	-	-	(872)	-	-	(3,412)
Advertising costs	(1,627)	-	-	-	(88)	-	-	(1,715)
Audit fees	(50,485)	-	(2,900)	(2,950)	(28,884)	-	-	(85,219)
Bank fees	(2,639)	-	(267)	(43)	(778)	-	-	(3,727)
Bad debt	-	-	-	-	-	-	-	-
Consulting fees	(4,240)	-	-	-	(2,562)	-	-	(6,802)
Depreciation	-	-	-	-	(29,638)	-	-	(29,638)
Directors fees	(280,750)	-	-	-	-	-	-	(280,750)
Entertainment	(328)	-	-	-	(1,485)	-	-	(1,813)
General	(844)	(1,073)	(365)	(12,060)	(20,841)	(128)	-	(35,311)
Goodwill impaired	-	-	-	-	-	-	-	-
Impairment	9,735	(9,541)	-	-	(427,966)	-	(1,502)	(429,274)
Insurance	-	-	-	-	(5,135)	-	-	(5,135)
Interest paid	(5,264)	(17,804)	(71,385)	(12,188)	(238,273)	(1,187)	324,777	(21,324)
Legal Fees	-	-	-	-	(51)	-	-	(51)
Licence fees	-	-	-	-	-	-	-	-
Management Fee (I/Co)	-	-	-	-	(199,830)	-	199,830	0
Penalties	-	-	-	-	(419)	-	-	(419)
Professional fees	(130,093)	-	-	-	-	-	-	(130,093)
Repairs and	-	-	-	-	(1,886)	-	-	(1,886)
Software expenses	(2,523)	-	-	-	(5,050)	-	-	(7,573)
Telephone	(1,800)	-	-	-	(4,679)	-	-	(6,479)
	(8,000)	-	-	(4,659)	(8,355)	(1,688)	-	(22,702)
Wages and salaries	(55,380)	-	-	-	(254,234)	-	-	(309,614)
Realised currency gains	146,257	896	(23)	-	-	979	-	148,109
Total expenses	(390,521)	(27,522)	(74,940)	(31,900)	(1,837,816)	(2,024)	523,105	(1,841,618)
Total loss before tax	125,439	(12,655)	(70,644)	(31,900)	(778,032)	(2,024)	(30,658)	(800,474)
Deferred tax expense	-	-	(1,286)	-	29,164	-	-	27,878
Loss for the year	125,439	(12,655)	(71,930)	(31,900)	(748,868)	(2,024)	(30,658)	(772,596)

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$

Segment Reporting continued...

2025

	Mauritius	United Kingdom	Kenya	Uganda	South Africa	Consolidated adjustments	TOTAL
Intercompany management	5,764	1,227	4,296	-	3,339		14,626
Interest receivable	291,451	11,492	-	-	-	(302,943)	-
Intercompany interest	463,194	-	-	-	-	(463,194)	-
Proceeds on disposal of investment	-	-	-	-	50,645		50,645
Revenue from rooftop sales					858,853		858,853
Total income	760,409	12,719	4,296	-	912,837	(766,137)	924,124

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Figures in US\$

Segment Reporting continued...

Expenses	-	-	-	-	-	-
Cost of sales	(879)	-	-	-	(15,219)	(16,098)
Accounting	-	-	-	-	(3,973)	(3,973)
Advertising costs	(40,250)	-	(2,737)	(3,127)	(3,574)	(49,688)
Audit fees	(2,576)	-	(100)	(168)	(4,851)	(7,695)
Bank fees	-	-	-	-	(350)	(350)
Bad debt	(35,000)	(130)	-	-	-	(35,130)
Consulting fees	-	-	-	-	(3,123)	(3,123)
Depreciation	(386,332)	-	-	-	(26,059)	(412,391)
Directors fees	-	-	-	-	-	-
Entertainment	(661)	-	(155)	(3,540)	(14)	(4,370)
General	-	-	-	-	(24,212)	(24,212)
Goodwill impaired	(19,568)	(21,921)	-	-	-	28,986
Impairment	-	-	-	-	(20,833)	(20,833)
Insurance	(1,301)	(11,827)	(66,652)	(12,539)	(2,758)	302,943
Interest paid	(15,849)	-	-	16,277	(251,713)	(251,285)
Legal Fees	-	-	-	-	(168)	(168)
Licence fees	-	-	-	-	-	463,194
Management Fee (I/Co)	(1,390)	(202)	-	-	(463,194)	(464,786)
Penalties	(54,302)	-	-	-	(1,806)	(56,108)
Professional fees	-	-	-	-	-	-
Repairs and	(3,127)	-	-	-	(1,054)	(4,181)
Software expenses	(2,250)	-	-	-	(5,964)	(8,214)
Telephone	(23,502)	-	-	-	(4,297)	(27,799)
	(62,655)	-	-	-	(8,252)	(70,907)
Wages and salaries	55,489	3,075			(202,673)	(144,109)
Realised currency gains					-	-

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$

Segment Reporting continued...

Total expenses	(594,154)	(31,006)	(69,645)	(3,097)	(1,044,087)	795,123	(946,863)
Total loss before tax	166,255	(18,287)	(65,349)	(3,097)	(131,250)	28,986	(22,743)
Income tax expense	-	-	(1,288)	-	(18,265)	-	(19,553)
Loss for the year	166,255	(18,287)	(66,637)	(3,097)	(149,515)	28,986	(42,296)

35 Three year summary of published results and assets and liabilities - Group

(a) Statement of profit or loss and other comprehensive income

	2026	2025	2024
Revenue	1,034,825	65,271	813,489
Profit (loss) before taxation	(800,475)	(22,743)	(2,005,843)
Income tax expense	27,878	(19,553)	-
Profit (loss) for the year	(772,597)	(42,296)	(2,005,843)
Other comprehensive income, net of tax			
Total comprehensive loss	(772,597)	(42,296)	(2,005,843)
Loss for the year attributable to:			
Owners of Parent	(417,015)	65,766	(1,206,084)
Non-controlling interest	(355,582)	(108,062)	(799,759)
	(772,597)	(42,296)	(2,005,843)
Comprehensive loss attributable to:			
Owners of Parent	(504,868)	33,831	(1,141,553)
Non-controlling interest	(424,882)	(127,348)	(820,644)
	(929,750)	(93,517)	(1,962,197)
Basic loss per share	(0.0131)	0.0021	(0.0394)

Africa Clean Energy Solutions Limited

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Figures in US\$

(b) Statement of financial position

	2026	2025	2024
ASSETS			
Non current assets	844,796	642,791	344,052
Current assets	373,639	777,055	316,520
Total assets	<u>1,218,435</u>	<u>1,419,846</u>	<u>660,572</u>
EQUITY AND LIABILITIES			
Capital and reserves	(1,006,772)	(501,904)	(1,236,237)
Non controlling interest	(1,870,236)	(1,445,354)	(1,318,003)
Total equity	<u>(2,877,008)</u>	<u>(1,947,258)</u>	<u>(2,554,240)</u>
LIABILITIES			
Non current liabilities	1,038,774	969,146	839,518
Current liabilities	3,056,669	2,397,958	2,375,294
Total liabilities	<u>4,095,443</u>	<u>3,367,104</u>	<u>3,214,812</u>
Total equity and liabilities	<u>1,218,435</u>	<u>1,419,846</u>	<u>660,572</u>