



ANNUAL REPORT 2025



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,

It is my privilege to present the Annual Report of Africa Clean Energy Solutions (ACES) Renewables Group for the financial year ended 30 June 2025. This past year has been both challenging and transformative for the Group, as we navigated a dynamic global environment while laying the foundations for long-term growth.

Navigating Challenges

The fiscal year was marked by political and economic uncertainty in key global markets. Despite this volatility, Africa's energy sector continues to show strong demand for renewable solutions. South Africa's improved political stability has strengthened investor confidence, although structural challenges such as grid constraints remain. Against this backdrop, ACES has continued to progress its project pipeline and position itself as a reliable

clean energy partner in Africa.

Strengthening the Pipeline

During the year, the Group made significant progress in advancing a 450 MW development pipeline across Southern and East Africa. These projects, with expected IRRs ranging from 15% to 17%, demonstrate the Group's ability to deliver competitive, high-return renewable investments.

Financial Position and Outlook

While 2025 reflected consolidated losses due to upfront project development costs, the Group's financial forecasts remain positive, with strong projected cash balances by June 2026. This resilience is supported by:

- Development fees expected from shovel-ready projects,
- An 80% debt term sheet signed with Standard Bank for the Cullinan Project, and
- Active equity raising, including a USD 33.5 million subscription for new ACES shares.

We are confident that these measures provide a solid financial base for growth in the coming years.

Governance and People

During the year, the Group strengthened its technical and legal teams, ensuring we have the expertise to deliver on our pipeline. Governance remains central to our operations, and the Board continues to prioritise transparency, compliance, and long-term stakeholder value.

Commitment to Growth

The progress made in 2025 has reinforced the Board's confidence in ACES's strategy. We are building not only a portfolio of clean energy assets but also a platform for sustained innovation and impact in Africa's energy transition. With the right partnerships, a strong project pipeline, and increasing investor confidence, the Group is well positioned for a period of robust growth.



As outgoing Chairman of Africa Clean Energy Solutions (ACES) Renewables Group, I have reviewed the Annual Report for the financial year ended 30 June 2025. I hereby give my approval for its publication. The Report reflects both the progress achieved and the challenges faced during a transformative year for the Group. It is comprehensive, transparent, and forward-looking, and it provides shareholders and stakeholders with a fair representation of the Company's current position and outlook. I would like to highlight the following observations:

1. Strategic Progress

The development of a robust 450 MW pipeline across Africa demonstrates ACES's ability to position itself as a credible and competitive clean energy partner.

This is a significant step in aligning with Africa's growing demand for renewable energy.

2. Financial Considerations

While the Group has reported consolidated losses in 2025 due to upfront project development costs, the long-term outlook remains positive.

The financial base is reinforced by ongoing equity raising and debt facilities, which will be decisive in achieving financial closures in 2026.

3. Governance and Team

Strengthening of the technical and legal teams has been essential to deliver the pipeline.

I encourage the Board to continue prioritising governance, transparency, and capacity-building, which will remain critical as the Group grows.

4. Risks to Monitor

Particular attention should be given to:

- Finalising equity raising after the delay in the initial subscription.
- Managing regulatory and grid-related risks, especially in South Africa.
- Ensuring liquidity is sufficient until project revenues start flowing.

As I conclude my mandate as Chairman, I wish to express my appreciation to my fellow Board members, management, staff, and all stakeholders for their trust and collaboration. I remain confident that ACES Renewables is well positioned to deliver sustainable value and to play a meaningful role in Africa's energy transition.

Sincerely,

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



CHIEF EXECUTIVE OFFICER'S REPORT

CEO Report for Fiscal Year Ending June 2025

Frans Visscher, Chief Executive Officer

1. Global and Regional Context

The fiscal year ending June 2025 reflected a mixed picture for ACES and for global markets.

Global Outlook: Following election results in the USA and EU, political uncertainty created volatility across international stock exchanges. Although equity markets showed growth, they remained highly sensitive to policy-driven decisions. In the USA, the new administration introduced fundamentally different views on renewable energy, reshaping the industry landscape. In Europe, election outcomes also influenced the EU Commission's renewable energy strategies, diverging from earlier plans. **Africa:** Demand for renewable energy across Africa remains exceptionally strong. Countries such as Zambia and the DRC face urgent needs for new power generation capacity, particularly renewable sources. ACES' strategic focus on Africa positions the company well to benefit from this environment.

South Africa: The formation of a coalition government has provided greater political stability, improving investor confidence. However, grid capacity constraints remain a serious challenge to energy development in the country.

2. Leadership and Strategic Focus

I assumed the role of CEO on 1 June 2024. Since then, my main focus has been on advancing project development and raising the required debt and equity funding.

3. Development Division

ACES continues to capitalize on growing renewable energy demand, establishing a 450 MW pipeline across multiple African countries.

3.1 South Africa - Cullinan Project (130 MW Solar)

Originally designed as a 153 MW project, but due to profound and unexpected policy changes from Eskom, the project was reduced to 130 MW, split into two sub-projects of 70 MW and 60 MW.

Two new CEL applications were submitted and are expected to be received by end-September 2025. All project

permits are in place, except for the WULA, which is expected within the next two months.

70 MW sub-project: Fully closed with power off-takers, meeting Eskom's revised requirements regarding off-taker profiles.

60 MW sub-project: Off-taker agreements are in advanced stages and expected to close by mid October 2025, acceptable to both Eskom and Standard Bank. As a result of these changes, Financial Closure and Shovel Ready status are delayed until March 2026, after which construction will commence. EPC contractor has been selected. A Debt Term Sheet for 80% financing has been signed with Standard Bank.

Equity Options under Consideration:

1. ACES retains a 51% stake, selling the remainder to BEE partners (supported financially by IDC).
2. Sell 80–85% equity, retain 10%, and allocate 10% to a BEE partner (5% already sold). Decision expected by mid-October 2025



3.2 East Africa

Uganda (Unergy Project – 20 MW Hybrid Solar + Battery): Land secured, grid connection confirmed. Permit amendment for hybrid system underway (completion expected Q4 2025). PPA expected Q1 2026; COD in Q1 2027.

IRR: 16% (USD). Capex: \$28m. Partnership: ACES (75%) / Charles Mbire (25%).

Uganda Hydro Project (7 MW): Financially attractive, already operational. Due diligence commenced.

3.3 Southern Africa

Zambia (25 MW Solar): Land secured; attractive PPA signed. Capex: \$16.4m, IRR: 17% (USD). Debt financing through Stanbic. Plan to sell 51% equity (agreement in principle reached). Financial Close: Q1 2026; COD: Q4 2026.

Additional opportunities include behind-the-meter projects with mines and manufacturers.

Future Expansion: Exploration of projects in DRC, Rwanda, and Namibia (H1 2026).

Partnership signed with SIAL (UK-based developer): 7 projects across Africa added to ACES pipeline. From 2026/2027, ACES will evaluate Hybrid Wind/Solar projects.

4. Solar Rooftop Division

Conversion of leads into projects has been slower than expected due to reduced urgency (no load-shedding) and

Eskom tariff incentives. A strategy review is scheduled for end October 2025.

5. Fundraising & Financial Situation

Initial investor (USD 1/share for 33.5m shares) failed to complete funding by July 2025; deadline extended until Friday 19th September. Alternative investor (UK-based, representing family funds) offer being prepared for 33.5 million shares at a price between \$0.85 cents

and \$1. Offer expected no later than Friday 26th September.

Expected Outcome: Secured substantial equity injection, ensured stable cashflow, and enabled ACES to progress multiple projects and retain equity stakes.

6. Outlook

With strengthened financial stability, a robust African pipeline, and renewed investor confidence, I am convinced that Fiscal Year 2026 will be a highly successful year for ACES Renewables.

Chief Executive Officer

PROJECTS



1. **Cullinan Solar (130 MW, South Africa)**
 - Capex => USD 155m
 - Equity => USD 32m
 - Expected IRR => 15.5%
2. **Zambia Solar (25 MW)**
 - Capex => USD 18.5m
 - Equity => USD 2.59m
 - Expected IRR => 16%
3. **Uganda Unenergy Solar/BESS (10 MW)**
 - Capex => USD 28m
 - Equity => USD 7m
 - Expected IRR => 16.5%
4. **Ravenna Solar, South Africa (10 MW)**
 - Capex => USD 11m
 - Equity => USD 3,3m
 - Expected IRR => 16.5%
5. **Ravenna 1a & 1b Solar, South Africa (141 MW)**
 - Capex => USD 120m
 - Equity => USD 36m
 - Expected IRR => 17.5%



INVESTORS

The Group's business model remains well positioned to benefit from Africa's increasing demand for renewable energy, with projected long-term IRRs between **15%–16%** across the portfolio. The 2025 investor presentation confirmed a strong pipeline, with commercial and industrial PPAs under negotiation in South Africa, Uganda, Kenya, and Zambia.

Investment Highlights

- **Attractive Returns:** Portfolio IRR ~15–16%.
 - **Strong Market Fundamentals:** Africa's renewable demand growing at **16.1% CAGR** to 2040.
 - **Proven Track Record:** 6 completed projects across 2 countries.
 - **Exit Opportunities:** Stock exchange listing, further equity raises, and industry consolidation .
 - **Risk Mitigation:** MIGA (World Bank) guarantees political and transfer risks for non-SA projects
-
- **Equity participation** in shovel-ready projects.
 - **Strategic growth**, enabling ACES to secure long-term PPAs across multiple jurisdictions

ACES Renewables offers investors exposure to a diversified, high-return renewable energy portfolio in Africa, backed by an experienced team, confirmed PPAs under negotiation, and strong institutional support

HUMAN RESOURCES

As the company is developing further projects it has needed to increase its technical expertise: We have recruited a project electrical engineer and a maintenance operator, for the Cullinan project we have appointed a owners engineer.

The South African has recruited new Legal Manager.

The company has grown and while developing further it has increased its legal and technical expertise.



REVIEW OF RESULTS

Financial Performance

For the year ended 30 June 2025, certain subsidiaries, including SACE Projects, reported losses, and on consolidation the Group has shown a loss. Despite this, the Group's forecasts demonstrate recovery potential, with projected **cash balances exceeding R60 million by June 2026**. This improvement is underpinned by anticipated development fees, new equity inflows, and debt facilities.

While EBITDA for 2025 was negative due to upfront project development costs, the investment pipeline remains robust. Group projections from the investment presentation indicate revenues of **US\$2.2 million in 2025**, with positive EBITDA expected from 2026 onward, driven by the Cullinan, Ravenna, Zambia, and Uganda projects

Active equity raising continues, including a **USD 33.5 million subscription for new ACES shares**, offer under consideration, alongside proposals for direct project-level equity investment.

During 2025, the Group advanced several flagship projects:

- **Cullinan Solar, South Africa (130 MW):** Financial closure expected in Q1 2026, with projected IRR of 15.5%.
- **Ravenna Solar, South Africa (10 MW):** Financial closure targeted for March 2026, IRR 17%.
- **Zambia Solar (20–25 MW):** Financial closure targeted for March 2026, with PPA in final negotiations.
- **Uganda Solar/BESS (10–20 MW):** Financial closure expected by Q2 2026.

Completed projects in previous years, including rooftop solar (PL Steel, Allied Steelrode, Growth Point), continue to demonstrate technical and operational expertise

During the year investor confidence has grown with investors investing another 1 million USD in the company, project development has proven that the strategy incorporated by the Executive Directors are starting to pay off, as discussions are underway on various project Equity investment.

The Directors have confidence in the build-up of 2025 events in the group, as the new strategy and aligned management will proof very strong results over the next 5 years.



Africa Clean Energy Solutions Limited

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

General Information

Directors

Johan David Kruger
 Toorisha Nakey-Kurnauth
 Antoine Kon-Kam King
 Frans Visscher
 Laura Charlotte Marie Payet (Appointed 1 August 2025)
 Rajendra Kumar Ujoodha (Appointed 1 August 2025)
 Melvyn Joseph Antonie (Resigned 31 July 2024)
 Gaetan Michel Siew Hew Sam (Resigned 30 June 2025)
 Andrew Lloyd Cox (Resigned 24 September 2024)

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
 6th Floor Newton Tower
 Sir William Newton Street
 Port-Louis Republic of Mauritius
 Republic of Mauritius

Preparer

The financial statements were internally compiled by:
 Lettie Tshwenyane

Bankers

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

Capitec Bank Limited
 142 West Street
 Sandown
 Johannesburg
 South Africa



Africa Clean Energy Solutions Limited

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

General Information

SEM authorised representative
and SEM sponsor:

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

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 2025

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 2025.

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 2025 to June 2026 demonstrate positive liquidity, with strong projected cash balances by June 2026. 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	–	70	Zambia
SACE Projects (Pty) Ltd	56.6	–	South Africa
SA Clean Energy Finance (Pty) Ltd	100	–	South Africa
Unergy Limited	–	75	Uganda
Ravenna Energy (Pty) Ltd	–	42.5	South Africa
Cullinan Energy (Pty) Ltd	–	50.94	South Africa

Key projects progressed during the year include:

Cullinan Solar (130 MW, South Africa): Developed to reach Financial closure Q1 2026, with long-term contracted revenues. Ravenna Solar (10 MW, South Africa): Developed to reach financial closure by March 2026. Zambia Solar (25 MW): In early stage developed to advance stage and Financial closure targeted for March 2026. Uganda Solar BESS (20 MW): Permit application prepared and Financial closure targeted for Q2 2026. A Further two projects namely Ravenna 1A (51 MW) and Ravenna 1B (90 MW) are near complete development stage and will start financial closure in November 2025. Both Projects will reflect positive growth and strong cash flow and dividends. Both companies will become subsidiaries of ACES Renewables.

Review and Dividend

The results of the Company for the year ended 30 June 2025 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 2025 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 2025

Corporate Governance Report

COMPLIANCE STATEMENT

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.

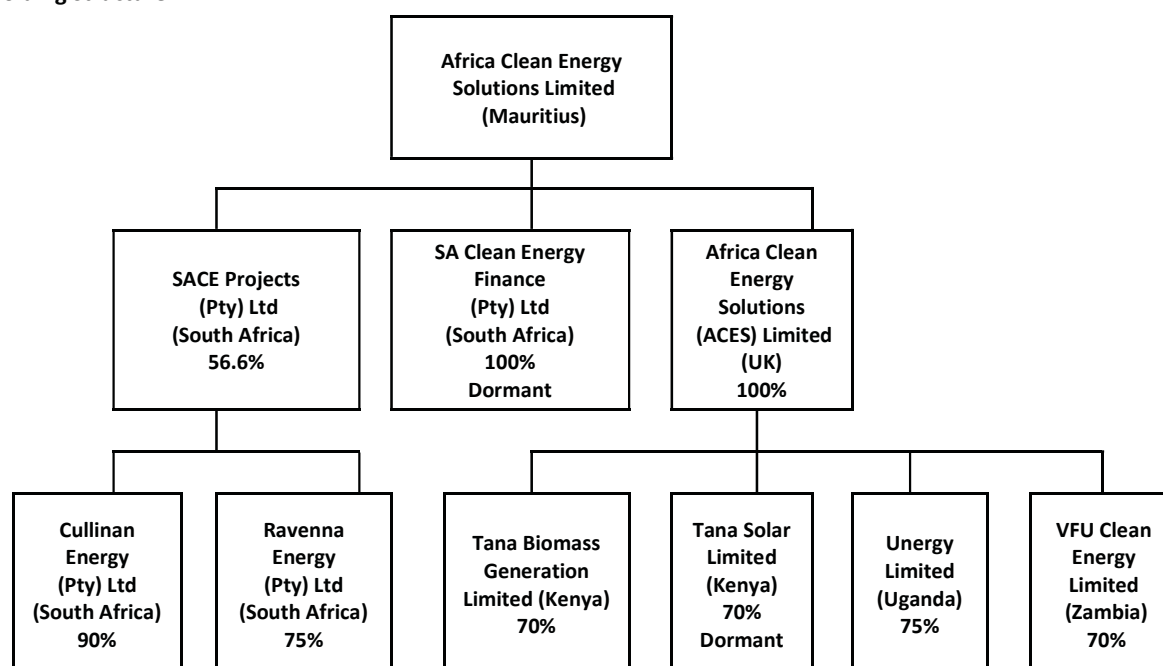
Africa Clean Energy Solutions Limited (the "Company" or "ACES Renewables") was incorporated in Mauritius on 8 December 2017 and holds a Global Business Licence issued by the Financial Services Commission (the "FSC"). The Company is listed on the Official Market of the Stock Exchange of Mauritius Limited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

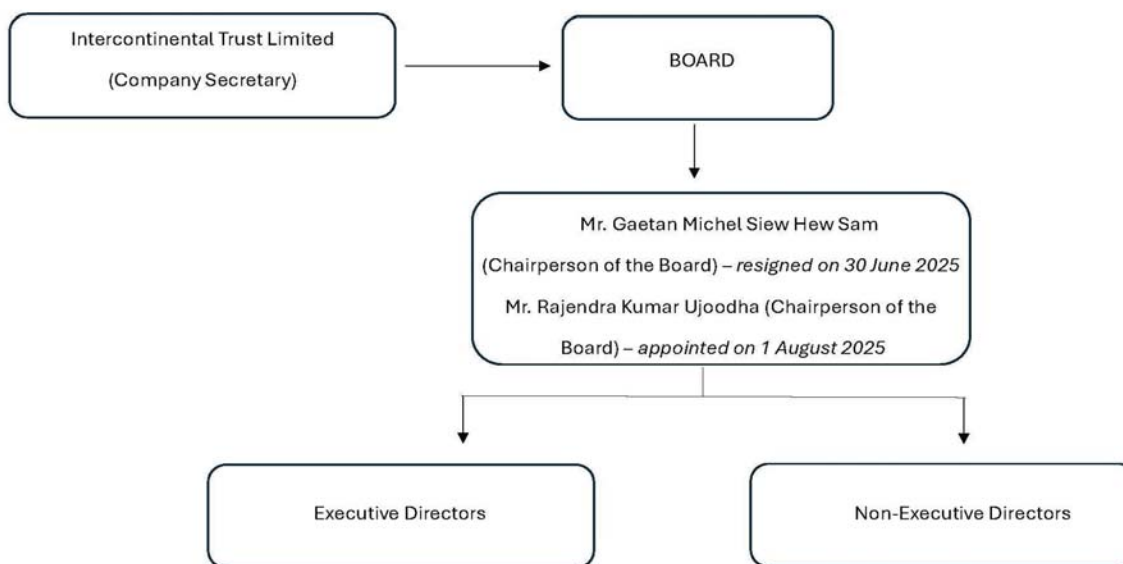
Africa Clean Energy Solutions Limited, through its subsidiary companies, is a Renewable Energy Group and Independent Power Producer which focuses on the African continent where there is a compelling case for power generation. ACES Renewables focuses on developing, financing, building and owning projects 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 also endeavours to apply the recommendations of the Code.

SHAREHOLDERS

Holding Structure



SHAREHOLDERS (CONTINUED)**Organisational Chart****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

SHAREHOLDERS (CONTINUED)

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 2025:

Name of shareholder	Number of ordinary shares	% Holding
ITL Trustees Ltd as trustee of the Nemesis Trust	5,385,531	16.97%
ITL Trustees Ltd as trustee of the Topolino Trust	6,294,537	20%
ITL Trustees Ltd as trustee of the Wenda Trust	4,331,558	15%
South Africa Clean Energy Solutions Limited	2,000,000	6%

Shareholders' Agreement affecting governance of the Company by the Board

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

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.

SHAREHOLDERS (CONTINUED)

Dividend Policy (Continued)

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.

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

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.

The Board collectively considers and implements the measures in respect of the Code and this is further strengthened by the presence of independent intermediaries like Auditors, who act as additional safeguards in meeting this principle. The main objects and functions of the Board are inter alia to:

- determine, agree and develop the Company's general policy on corporate governance in accordance with the Code;
- prepare the Corporate Governance Report; and
- review the terms and conditions of all service agreements between the Company and its service providers.

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. 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 Company also adopted a code of ethics at the board meeting held on 30 September 2019.

The Company's organisational chart is commensurate with the sophistication and scale of the organisation. The Company has five 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.



PRINCIPLE 1: GOVERNANCE STRUCTURE (CONTINUED)

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

The Board is headed by the Chairperson, Mr. Gaetan Michel Siew Hew Sam, who resigned on 30th June 2025, 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.

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.

The board has appointed Mr. Frans Visscher as Chief Executive Officer effective as from 1st June 2024. He will be responsible for the executive management of the Company's operations and for developing the long-term strategy and vision of the Company. He will also ensure effective communication with the stakeholders.

The board also appointed Mr. Rajendra Ujoodha and Mrs. Laura Payet as from 1st August 2025 as independent directors. Mr. Ujoodha is the new Chairman of the Board and Mrs. Laura Payet is a member of the Audit & Risk Committee.

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 three executive directors, 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 two resident directors from Mauritius and one female director 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. The Directors do not have a relationship with the majority shareholders 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.

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
Frans Hilbert Jan Visscher (1 June 2024)	M	The Netherlands	Executive Director and Chief Executive Officer	None
Johan David Kruger (8 December 2017)	M	South Africa	Executive Director and Chief Operational Officer	None
Antoine Kon-Kam King (28 August 2019)	M	Mauritius	Independent Non-executive Director	None
Gaetan Michael Siew Hew San (6 November 2018 and resigned on 30 June 2025)	M	Mauritius	Independent Non-executive Director	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	• Mr. Antoine Kon-Kam King (Independent Non-executive Director & Chairman) • Mrs. Toorisha Nakey-Kurnauth (Non-Executive Director) • Mrs. Laura Payet (Independent Non – executive director)
Investment Committee	• Mr. Johan David Kruger (Executive Director & Chairman) • Mrs. Toorisha Nakey-Kurnauth (Non-Executive Director)
Corporate Governance Committee	• Mr. Antoine Kon-Kam King (Independent Non-executive Director & Chairman) • Mr. Frans Visscher

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



Directors Profile

Frans Visscher

Mr. Visscher was appointed CEO of the ACES Renewables group in June 2024.

Mr. Visscher is a Non-Executive Director of many of the companies of the Skeiron Group, a Group active in Renewable Energy, Hydrogen & Ammonia, Infrastructure, Logistics and Real Estate.

He has been active in the Renewable Energy space for more than 15 years.

Previously he worked in various senior positions at Executive Committee level for Suzlon Energy Ltd, a global Renewable Energy company active in building large wind energy projects in many countries across 5 continents.

He, for a number of years was Vice Chairman of RePower, later renamed Senvion, a German based Renewable Energy company active in large offshore wind energy projects in EU and North America.

He had and still has a range of non- executive board positions and advisory positions across different industries and markets, including Private Equity companies.

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

Directors Profile (Continued)

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 14 years of experience in the renewable energy industry and has concluded numerous projects in Africa, as well as the commissioning of two solar plants in Namibia.

ANTOINE KON-KAM KING

BA, FCA, MBA, FMIOD

(Mauritian, Independent Non-executive director)

Mr. King has worked as a Senior Manager and Advisor internationally in Kenya, USA, China and UK on Projects, Finance, Administration, Strategic Planning and Organisational Development. Mr. King has worked as a supervisor at Deloitte, London and as a consultant to listed companies on Strategy and Finance at the London Business School. From 1993–1998, Mr. King was Deputy Representative at UNDP China Office, 1998–2003 as Senior Planning Advisor of the UNDP Bureau of Management, UNDP New York. From 2003–2012, Mr. King was Director of Programme Planning, Finance and Administration at UN-Habitat, Nairobi. He is currently an Independent Board Member and Chairperson of the Audit and Risk Committee at Jubilee Allianz General Insurance (Mauritius) Ltd, Director of Antela Consulting, Board Member and Past President of the Chinese Business Chamber, and President of We-Recycle. He is also currently a member of the Audit Committee Forum of the Mauritius Institute of Directors (MIOD).

GAETAN MICHEL SIEW HEW SAM (resigned on 30 June 2025)

(Mauritian, Independent Non-executive Director)

Mr. Siew was president of the International Union of Architects and Secretary General of the African Union of Architects. He is an avid world traveler, having experienced over 500 cities across 105 countries, mostly in Africa. For his contributions to the Architectural and Urban world, Mr. Siew was awarded several honorary membership and fellowships and elevated to the rank of Grand Officer of the Order of the Star and Key of the Indian Ocean by the Government of Mauritius. He also elevated to the ranks of Chevalier de l'Ordre National du Mérite, and de l'Ordre des Arts et des Lettres by the French Republic.

Mr. Siew has been a Board Director of Futures Cities UK, the chairperson of State Land Development Company (Smart Mauritius) and the chairperson of Construction Industry Board. He is currently the chairperson of the Port Louis Development Initiative and Special Envoy for UN Habitat. Mr Siew advocates for sustainable approaches towards urbanism aimed to socially and economically regenerate urban fabrics.

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)**Directors Profile (Continued)****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 Marie Charlotte Payet – Appointed on 1 August 2025

(French, Independent Non-Executive Director)

Ms. Laura 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.

Rajendra Kumar Ujoodha – Appointed on 1 August 2025

(Mauritian, Independent Non-Executive Director)

Mr. Rajendra 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.

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

Board Meetings (Continued)

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 three (3) 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.

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.

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

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;
 - 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;

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

Corporate Governance Committee (Continued)

- 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;
- 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
Frans Visscher	-	-	-	-
Johan David Kruger	3/3	N/A	N/A	1/1
Antoine Kon-Kam King	3/3	2/2	1/1	N/A
Gaetan Michael Siew Hew San (resigned on 30 th June 2025)	3/3	N/A	1/1	1/1
Toorisha Nakey-Kurnauth	3/3	2/2	N/A	1/1

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 2025

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.

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

Directors' interest in the share capital of the Company as at 30 June 2025 (Continued)

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.

The directors' interests in the shares of the Company as at 30 June 2025 are as follows:

Directors	Direct Holding	Indirect Holding	Total Shares Held
Frans Visscher			
Johan David Kruger	5	6,294,537	6 294 542
Antoine Kon-Kam King	-	-	-
Gaetan Michael Siew Hew San (resigned on 30 June 2025)	-	-	-
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.

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES (CONTINUED)

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.

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)
Gaetan Michael Siew Hew San	USD 15 000
Antoine Kon-Kam King	USD 12 000

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

Executive directors	Salary (USD)
Frans Visscher	USD 120 000
Johan David Kruger	USD 162 000
Andrew Cox (resigned September 2024)	USD 36 000
Melvyn Antonie (July 2024)	USD 11 500

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

Directors' Remuneration (Continued)

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.

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.

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 and the Audit Committee and the results were presented and discussed at the board meeting held on 9th February 2023. 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 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.

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.

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

Directors' ethics and code of conduct (Continued)

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 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 3 April 2025.

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.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

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.

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 will engage in the above mentioned internal controls during the financial year ending 30 June 2025.

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.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)**Internal control and risk management (Continued)**

Risk Category	Risk Description	Risk Mitigation
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.
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.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Internal control and risk management (Continued)

Risk Category	Risk Description	Risk Mitigation
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.
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.	

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Internal control and risk management (Continued)

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.

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 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 2025 will be filed with the FSC within the 6 months deadline, that is, 31st December 2025, 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.

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.

In relation to the Audit & Risk Committee's meeting with the external auditor without management presence, same will be taken up at the upcoming Audit & Risk Committee meeting.

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.

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.

PRINCIPLE 7: AUDIT (CONTINUED)
Auditors' Remuneration

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

	2025 USD	2024 USD
Audit fees	35 000	49 000
At 30 June	35 000	49 000

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 2025. 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 Chairman, Chief Executive Officer 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 2025 was (USD 0.51). The Company will regularly engage with its shareholders through the publication of its announcements, roadshows, at the annual general meeting and by holding meetings.



Africa Clean Energy Solutions Limited

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

Corporate Governance Report

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

Time Table of Important Events

Month	Events
October 2025	Publication of abridged audited financial statements for the year ended 30 June 2025
December 2025	Annual General Meeting
June 2026	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 2025

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.

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Date 07/10/2025

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Frans Visscher

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Frans Visscher

Date 07/10/2025

Africa Clean Energy Solutions Limited

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

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 42 to 46.

The consolidated and separate financial statements set out on pages 47 to 115, and the supplementary information set out on page 116 to 121 which have been prepared on the going concern basis, were approved by the directors and were signed on 3 October 2025 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:

Africa Clean Energy Solutions Limited

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

Directors' Responsibilities and Approval

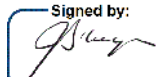
- to set appropriate policies to provide reasonable assurance that the control objectives are attained;
- ensure that the system of internal control is functioning effectively and that the system manages risk;
- design, implementation and monitoring of the internal control system; and
- to ensure that, 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.

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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Johan David Kruger

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Frans Visscher



Africa Clean Energy Solutions Limited

Consolidated and Separate Annual Financial Statements for the year ended 30 June 2025

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 2025, all such returns as are required of the company under the Mauritian Companies Act 2001.

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Intercontinental Trust Limited

Company Secretary

07 October 2025

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 47 to 122, which comprise the statements of financial position as at 30 June 2025 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 2025 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 32 of the financial statements, which indicates that the Group and the Company incurred a net loss of USD 42,296 (2024: USD 2,005,843) and a profit of USD 166,256 (2024: USD 76,313 loss) respectively for the year ended 30 June 2025. In addition, as of that date, the Group and the Company had net current liabilities of USD 1,620,903 (2024: USD 2,133,010) and USD 2,037,125 (2024: USD 2,098,792) 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 2025, loans to related entities in the Company's separate financial statements amounted to USD 3.8m. 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.

Auditors' 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 auditors' 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)

Auditors' 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

PORT LOUIS
REPUBLIC OF MAURITIUS

DATE: 07 October 2025

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Statements of Financial Position

Figures in US\$	Notes	Group 2025	Group 2024	Company 2025	Company 2024
Assets					
Non-current assets					
Property, plant and equipment	6	486,565	199,745	-	-
Investments in subsidiaries	7	-	-	37,937	37,943
Loans to related entities	8	156,226	144,307	3,862,559	3,057,464
Total non-current assets		642,791	344,052	3,900,496	3,095,407
Current assets					
Inventories	9	16,472	14,249	-	-
Trade receivables	10	1,294	20,515	-	-
Other receivables	12	44,200	46,897	28,821	28,328
Other loans and receivables	13	405,677	-	-	-
Cash and cash equivalents	14	309,412	160,624	98,524	35,121
Total current assets		777,055	242,285	127,345	63,449
Non-Current Assets classified as held for sale	15	-	74,235	-	-
Total assets		1,419,846	660,572	4,027,841	3,158,856
Equity and liabilities					
Equity					
Stated capital	16	4,466,553	3,766,053	4,466,553	3,766,053
Accumulated loss		(5,035,913)	(5,101,679)	(2,603,182)	(2,769,438)
Foreign currency translation reserve	16.2	67,456	99,391	-	-
Total equity attributable to owners of the parent		(501,904)	(1,236,235)	1,863,371	996,615
Non-controlling interests		(1,445,354)	(1,318,006)	-	-
Total equity		(1,947,258)	(2,554,241)	1,863,371	996,615
Liabilities					
Non-current liabilities					
Deferred tax liabilities	11	18,265	-	-	-
Amounts payable to third parties	17	70,003	60,926	-	-
Lease liabilities	18	75,137	93,644	-	-
Amounts payable to related parties	19	805,741	684,948	-	-
Total non-current liabilities		969,146	839,518	-	-
Current liabilities					
Accruals and other payables	20	2,246,587	2,243,314	2,146,754	2,147,894
Lease liabilities	18	24,032	17,758	-	-
Amounts payable to related parties	19	127,339	114,223	17,716	14,347
Total current liabilities		2,397,958	2,375,295	2,164,470	2,162,241
Total liabilities		3,367,104	3,214,813	2,164,470	2,162,241



Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Statements of Financial Position

Figures in US\$	Notes	Group 2025	Group 2024	Company 2025	Company 2024
Total equity and liabilities		1,419,846	660,572	4,027,841	3,158,856
Number of shares in issue		31,411,472	30,577,544		
Net asset value per share		(0.0160)	(0.0404)		

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Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Statements of Profit or Loss and Other Comprehensive Income

Figures in US\$	Notes	Group 2025	Group 2024	Company 2025	Company 2024
Revenue	22	50,645	796,297	463,194	398,066
Interest revenue	22	14,626	17,192	297,215	248,353
Total revenue		65,271	813,489	760,409	646,419
Other income	24	858,853	-	-	-
Cost of sales	23	(15,219)	(602,959)	-	-
Audit and accounting fees	25.1	(55,817)	(135,338)	(41,129)	(100,640)
Directors fees		(386,332)	(540,000)	(386,332)	(540,000)
Salaries and wages		(265,328)	(119,279)	(62,655)	(27,590)
Professional fees	25.2	(54,302)	(72,460)	(54,302)	(67,858)
Consulting fees		(38,253)	(3,879)	(35,000)	-
Impairment of plant and equipment	6	-	(1,219,113)	-	-
Provision / (reversal) of ECL loss allowance	8.2	(33,336)	(6,206)	(19,568)	4,324
Other operating expenses	26	(115,755)	(91,072)	(49,355)	(26,358)
Finance costs	28.1	(41,089)	(64,788)	(1,301)	(860)
Finance income	28.2	58,564	35,762	55,489	36,250
(Loss) / profit before tax		(22,743)	(2,005,843)	166,256	(76,313)
Income tax expense	29	(19,553)	-	-	-
(Loss) / profit for the year		(42,296)	(2,005,843)	166,256	(76,313)
(Loss) / profit for the year attributable to:					
Owners of parent		65,766	(1,206,084)	166,256	(76,313)
Non-controlling interest		(108,062)	(799,759)	-	-
		(42,296)	(2,005,843)	166,256	(76,313)
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 income for the period		(51,221)	43,646	-	-
Total other comprehensive income net of tax		(51,221)	43,646	-	-
Total comprehensive income		(93,517)	(1,962,197)	166,256	(76,313)
Comprehensive income attributable to:					
Comprehensive income, attributable to owners of parent		33,831	(1,141,553)	166,256	(76,313)
Comprehensive income, attributable to non-controlling interests		(127,348)	(820,644)	-	-
		(93,517)	(1,962,197)	166,256	(76,313)
Number of shares/ weighted average number of shares in issue		31,411,472	30,577,544		
Basic loss per share		0.0021	(0.0394)		



Africa Clean Energy Solutions Limited

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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 2023	3,766,053	34,860	(3,895,595)	(94,682)	(497,362)	(592,044)
Changes in equity						
Loss for the year	-	-	(1,206,084)	(1,206,084)	(799,759)	(2,005,843)
Other comprehensive income	-	64,531	-	64,531	(20,885)	43,646
Total comprehensive income for the year	-	64,531	(1,206,084)	(1,141,553)	(820,644)	(1,962,197)
Balance at 30 June 2024	3,766,053	99,391	(5,101,679)	(1,236,235)	(1,318,006)	(2,554,241)
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 equity	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)

* 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

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Statements of Changes in Equity - Company

Figures in US\$	Issued capital	Accumulated loss	Total
Balance at 1 July 2023	3,766,053	(2,693,125)	1,072,928
Changes in equity			
Loss for the year	-	(76,313)	(76,313)
Total comprehensive income	-	(76,313)	(76,313)
Balance at 30 June 2024	3,766,053	(2,769,438)	996,615
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	700,500	-	700,500
Balance at 30 June 2025	4,466,553	(2,603,182)	1,863,371

Africa Clean Energy Solutions Limited

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Statements of Cash Flows

Figures in US\$	Notes	Group 2025	Group 2024	Company 2025	Company 2024
Cash flows from / (used in) operations					
(Loss) / profit for the year		(22,743)	(2,005,843)	166,256	(76,313)
Adjustments to reconcile (loss) / profit					
Interest income	22.1	(14,626)	(17,192)	(297,215)	(248,353)
Interest expense on loans	28.1	26,549	49,910	1,301	860
Interest expense on lease liability	28.1	14,540	14,878	-	-
Impairment on investment in subsidiary and associate		-	-	-	-
Depreciation expense	6	26,059	22,164	-	42
Goodwill written off		-	-	-	-
Bad debts written off		-	-	-	-
Unrealised foreign exchange (gains)/losses		-	(37,502)	-	(37,202)
Rrealised foreign exchange gains/(losses)		(64,574)	-	(61,499)	-
Lease liability adjustment		-	-	-	-
Write off loans receivable		-	537	-	537
provision / (Reversal) of ECL loss allowance	8.2	33,336	6,206	19,568	(4,324)
Impairment of plant and equipment	6	-	1,219,113	-	-
Loss on disposal of subsidiary or association		-	-	-	-
Changes in working capital					
Decrease/(increase) in trade receivables		21,858	64,548	(493)	(1,720)
Increase in trade and other payables		7,623	404,147	2,229	472,366
Adjustments for increase in inventories		(2,223)	(11,277)	-	-
Net cash flows from / (used in) operations		25,799	(290,311)	(169,853)	105,893
Interest received		3,864	6,244	525	271
Income taxes paid		(1,288)	-	-	-
Net cash flows from / (used in) operating activities		28,375	(284,067)	(169,328)	106,164
Cash flows used in investing activities					
Purchase of property, plant and equipment	6	(219,350)	(118,919)	-	-
Purchase of Non-Current Assets Classified as Held for Sale		-	(74,235)	-	-
Loans granted to related parties		(414,754)	-	(473,377)	(13,151)
Proceeds of cash advances and loans made to related party		-	-	223,151	115,626
Capitalisation of management fees to loan receivable		-	-	(463,171)	(398,367)
Decrease in loan receivable due to expenses paid on behalf by related party		-	-	246,205	214,849
Cash flows used in investing activities		(634,104)	(193,154)	(467,192)	(81,043)

Africa Clean Energy Solutions Limited

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Statements of Cash Flows

Figures in US\$	Notes	Group 2025	Group 2024	Company 2025	Company 2024
Cash flows from financing activities					
Repayments of loans		(4,471)	(38,348)	-	-
Proceeds from issuing shares		700,500	-	700,500	-
Payment of principal portion of lease liabilities		(33,609)	(11,373)	-	-
Additional loans obtained		82,601	541,436	-	-
Proceeds from other financial liabilities		-	60,926	-	-
Cash flows from financing activities		745,021	552,641	700,500	-
Net increase in cash and cash equivalents before effect of exchange rate changes		139,292	75,420	63,980	25,121
Effect of exchange rate changes		9,496	(2,036)	(577)	376
Net increase in cash and cash equivalents		148,788	73,384	63,403	25,497
Cash and cash equivalents at beginning of the year		160,624	87,240	35,121	9,624
Cash and cash equivalents at end of the year	14	309,412	160,624	98,524	35,121

Africa Clean Energy Solutions Limited

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Accounting Policies

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 2025

Accounting Policies

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 2025

Accounting Policies

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 2025

Accounting Policies

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 2025

Accounting Policies

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 2025

Accounting Policies

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.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Accounting Policies

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

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.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Accounting Policies

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

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Accounting Policies

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

Basis of preparation and summary of material accounting policy information continued... 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.	Lifetime-ECL not credit impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime-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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Accounting Policies

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

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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Accounting Policies

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

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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Accounting Policies

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

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

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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Accounting Policies

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

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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Accounting Policies

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

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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Accounting Policies

*Basis of preparation and summary of material accounting policy information continued...
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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Accounting Policies

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

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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Accounting Policies

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.

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Accounting Policies

Basis of preparation and summary of material accounting policy information continued... Leases as lessee continued...

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.

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.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Accounting Policies

*Basis of preparation and summary of material accounting policy information continued...
Related parties continued...*

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.

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.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Accounting Policies

*Basis of preparation and summary of material accounting policy information continued...
Related parties continued...*

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.

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.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Accounting Policies

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

Related parties continued...

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.

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 in first quarter 2026, 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 2026.
- Zambia (25 MW) Solar: Financial closure targeted for March 2026, with PPA currently under negotiation.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Accounting Policies

Critical accounting estimates and judgements continued...

Critical accounting estimates and assumptions continued...

Debt Funding

In July 2025, Standard Bank signed an 80% debt term sheet for the 130 MW South African project, with similar terms under review for the 10 MW project.

- These facilities demonstrate strong institutional confidence in the Group's pipeline and financial model

Equity Funding

The Group is engaged in active equity fundraising and has received offers including:

- A USD 33.5 million subscription for new ACES shares.
 - Three proposals for direct equity investments of up to 80% at the Cullinan project level, including milestone-based funding.
- The Group's 2025 investor presentation outlines an equity raise of USD 35 million to secure near-term project participation and liquidity

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.

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 10 and details in note 12.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Accounting Policies

Critical accounting estimates and judgements continued...

3.1.5 Revenue from contracts with customers

Performance obligations satisfied at a point in time

The group determined that revenue for the provision of goods is recognised at the point the goods have been ordered

Principal versus agent considerations

The group enters into contracts with its customers to acquire, on their behalf, [include details of goods] produced by foreign suppliers. Under these contracts, the group provides procurement services (i.e., coordinating the selection of suitable suppliers and managing the ordering and delivery of the imported [goods]). The group determined that it does not control the goods before they are transferred to customers, and it does not have the ability to direct the use of the [goods] or obtain benefits from the [goods]. The following factors indicate that the group does not control the goods before they are being transferred to customers. Therefore, the group determined that it is an agent in these contracts.

- The group is not primarily responsible for fulfilling the promise to provide the specified equipment.
- The group does not have inventory risk before or after the specified [goods] has been transferred to the customer as it purchases [goods] only upon approval of the customer and the foreign supplier ships [goods] directly to the customers.
- The group has no discretion in establishing the price for the specified [goods]. The group's consideration in these contracts is only based on the difference between the maximum purchase price quoted by the customer and the final price negotiated by the group with the foreign supplier.

In addition, the group concluded that it transfers control over its services (i.e., arranging for the provision of the [goods] from a foreign supplier), at a point in time, upon receipt by the customer of the [goods], because this is when the customer benefits from the group's agency service.

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.

	Effective date: Years beginning on or after
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	01 January 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	01 January 2024
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	01 January 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01 January 2024
IFRS S2 Climate-related disclosures	01 January 2024

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Accounting Policies

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:

	Effective date: Years beginning on or after
Lack of exchangeability – Amendments to IAS 21	01 January 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Postponed indefinitely
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	01 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	01 January 2026
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	
IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

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Accounting Policies

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 2025	Group 2024	Company 2025	Company 2024
Loans to related parties	156,226	144,307	3,862,559	3,057,464
*Trade and other receivables	2,405	21,616	-	-
Other loans and receivables	405,677	-	-	-
Cash and cash equivalents	309,412	160,624	98,524	35,121
	<u>873,720</u>	<u>326,547</u>	<u>3,961,083</u>	<u>3,092,585</u>

(b) Categories of financial liabilities

Financial liabilities at amortised cost

Amounts payable to related parties	933,080	799,171	17,716	14,347
Amounts payable to third parties	70,003	60,926	-	-
Accruals and payables	2,246,587	2,243,314	2,146,754	2,147,894
	<u>3,249,670</u>	<u>3,103,411</u>	<u>2,164,470</u>	<u>2,162,241</u>

*Prepayments for the Group of USD 32 106 (2024: USD 34 420) and for the Company of USD 28 821 (2024: 28 328) and VAT for the Group of USD 10 983 (2024: USD 11 366) 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.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Accounting Policies

Financial Risk Management continued...

(a) Credit risk

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 2025	Group 2024	Company 2025	Company 2024
Amounts receivable from related parties	156,226	144,307	3,862,559	3,057,464
Trade and other receivables	2,405	21,616	-	-
Other loans and receivables	405,677	-	-	-
Cash and cash equivalents	309,412	160,624	98,524	35,121
	<u>873,720</u>	<u>326,547</u>	<u>3,961,083</u>	<u>3,092,585</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 (Note 12). 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 1,620,903 (2024: USD 2,133,010) and USD 2,037,125 (2024: USD 2,098,792) 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 receipt of investments into the group of USD576,000 in December 2024 and USD124,000 in March 2025, and the validity on the receipt of a further investment from the same investor for USD678,000 which is pending from the investor's bank approval.

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 2025	On demand	Group			Total
		Within 6 months	Between 7 and 12 months	More than one year	
Accruals and payables	-	97,260	122,664	2,026,663	2,246,587
Amounts payable to related parties*	-	-	127,339	805,741	933,080
Amounts payable to third parties*	-	-	-	70,003	70,003
	-	<u>97,260</u>	<u>250,003</u>	<u>2,902,407</u>	<u>3,249,670</u>

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Accounting Policies

Financial Risk Management continued...

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	97,106	2,026,663	2,146,754
Amounts payable to related parties*	-	-	17,716	-	17,716
	-	22,985	114,822	2,026,663	2,164,470

At 30 June 2024	On demand	Group			Total
		Within 6 months	Between 7 and 12 months	More than one year	
Accruals and payables	-	185,161	2,058,153	-	2,243,314
Amounts payable to related parties*	-	-	124,563	674,608	799,171
Amounts payable to third parties*	-	-	-	60,926	60,926
	-	185,161	2,182,716	735,534	3,103,411

At 30 June 2024	On demand	Company			Total
		Within 6 months	Between 7 and 12 months	More than one year	
Accruals and payables	-	139,962	2,007,932	-	2,147,894
Amounts payable to related parties*	14,347	-	-	-	14,347
	14,347	139,962	2,007,932	-	2,162,241

*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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Accounting Policies

Financial Risk Management continued...

At 30 June 2025, 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 2025	Group 2024	Company 2025	Company 2024
Financial assets				
Non- interest bearing	717,494	182,240	98,524	35,121
Variable interest rate instruments	156,226	144,307	3,862,559	3,057,464
	<u>873,720</u>	<u>326,547</u>	<u>3,961,083</u>	<u>3,092,585</u>
Financial Liabilities				
Non- interest bearing	2,246,587	2,131,912	2,146,754	2,147,894
Variable interest rate instruments	1,003,083	971,499	17,716	14,347
	<u>3,249,670</u>	<u>3,103,411</u>	<u>2,164,470</u>	<u>2,162,241</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.

(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.

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Accounting Policies

Financial Risk Management continued...

Currency profile

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	996,021	2,648,599	-
	873,720	3,249,670	3,961,083	2,164,470

2024

	Group		Company	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
US Dollar (USD)	181,922	2,304,969	1,153,011	2,162,241
South African Rand (ZAR)	144,625	798,442	1,939,574	-
	326,547	3,103,411	3,092,585	2,162,241

At 30 June 2025, had the exchange rate between Pound Sterling and US Dollar, Kenya Shillings and US Dollar and Uganda Shillings and US Dollar and South African Rand and US Dollar increased or decreased by 10% 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	
	2025	2024	2025	2024
Pound Sterling	-	-	-	-
Kenya Shillings	-	-	-	-
Uganda Shillings	-	-	-	-
South African Rand	517,769	38,007	709,025	167,539

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.

Africa Clean Energy Solutions Limited

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Accounting Policies

Financial Risk Management continued...

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.

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% (2024: 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 2025 and at 30 June 2024 were as follows

	Group		Company	
	2025	2024	2025	2024
Loans and borrowings	933,080	799,171	17,716	14,347
Less: cash and cash equivalents	(309,412)	(160,624)	(98,524)	(35,121)
Net debt	623,668	638,547	(80,808)	(20,774)
Total equity	(1,947,258)	(2,554,241)	1,863,371	996,615
Total adjusted capital	(1,947,258)	(2,554,241)	1,863,371	996,615
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 2025					
Group	127,339	805,741			933,080
At 30 June 2025					
Company	17,716	-	-	-	17,716
At 30 June 2024					
Group	114,223	568,879	116,069	-	799,171
At 30 June 2024					
Company	14,347	-	-	-	14,347



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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	Construction in progress	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	-	219,350
Additions from transfer of Inventory	-	-	-	-	-	-	-	6,898	6,898
Additions from transfer of non-current asset held for sale	-	-	-	-	-	-	76,213	-	76,213
Interest capitalised	-	-	-	-	-	-	7,453	-	7,453
Depreciation	(21,364)	(670)	(57)	(1,971)	(1,618)	-	-	(379)	(26,059)
Increase (decrease) through other changes	69	(33)	6	162	44	-	2,725	(9)	2,965
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
Closing balance at 30 June 2025									
At cost	108,006	3,408	291	10,159	8,337	-	-	6,510	136,711
Accumulated depreciation	(40,682)	(1,299)	(111)	(4,042)	(4,635)	-	400,623	-	349,854
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\$

Property, plant and equipment continued...

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

*The project was connecting to a substation very close to site and therefore the development was funded and proceeded, once all the permits and approvals were received, we applied for the connection and it became clear from Nelson Mandela Bay Municipality that they haven't upgraded the substation and redirected the connection to another substation 93km away from the site. The cost made the project unbankable and all funding was stopped. The carrying amount of the project was thus fully impaired.

Reconciliation for the year ended 30 June 2024 - Group	Right of use asset Buildings	Leasehold improvements	Fixtures and fittings	Office equipment	Computer equipment	Construction in progress	Plant and equipment under construction	Tools and equipment	Total
Balance at 1 July 2023									
At cost	21,577	-	-	191	2,711	1,124,882	-	-	1,149,361
Accumulated depreciation	(21,577)	-	-	(191)	(1,977)	-	-	-	(23,745)
Carrying amount	-	-	-	-	734	1,124,882	-	-	1,125,616
Movements for the year ended 30 June 2024									
Additions from acquisitions	102,875	3,319	283	9,709	3,386	-	102,221	-	221,794
Depreciation	(18,869)	(580)	(51)	(1,736)	(928)	-	-	-	(22,164)
Impairment loss recognised in profit or loss	-	-	-	-	-	(1,219,113)	-	-	(1,219,113)
Decrease through classified as held for sale	(517)	(16)	(1)	(47)	(37)	94,231	-	-	93,613
Property, plant and equipment at the end of the year	83,489	2,723	231	7,926	3,155	-	102,221	-	199,745
Closing balance at 30 June 2024									
At cost	124,452	3,319	283	9,900	6,098	-	102,221	-	246,273
Decognition of assets	-	-	-	-	-	-	-	-	-
Accumulated impairment	-	-	-	-	-	-	-	-	-
Accumulated depreciation	(40,963)	(596)	(52)	(1,974)	(2,943)	-	-	-	(46,528)
Carrying amount	83,489	2,723	231	7,926	3,155	-	102,221	-	199,745



Africa Clean Energy Solutions Limited

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Figures in US\$

Property, plant and equipment continued...

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

Reconciliation for the year ended 30 June

2025 - Company

Balance at 1 July 2024

At cost	-	-	-	191	1,672	-	-	-	1,863
Accumulated depreciation	-	-	-	(191)	(1,672)	-	-	-	(1,863)
Carrying amount	-	-	-	-	-	-	-	-	-

Closing balance at 30 June 2025

At cost	-	-	-	191	1,672	-	-	-	1,863
Accumulated depreciation	-	-	-	(191)	(1,672)	-	-	-	(1,863)
Carrying amount	-	-	-	-	-	-	-	-	-

Reconciliation for the year ended 30 June

2024 - Company

Balance at 1 July 2023

At cost	-	-	-	191	1,672	-	-	-	1,863
Accumulated depreciation	-	-	-	(191)	(1,630)	-	-	-	(1,821)
Carrying amount	-	-	-	-	42	-	-	-	42

Movements for the year ended 30 June

2024

Depreciation	-	-	-	-	(42)	-	-	-	(42)
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Property, plant and equipment at the end of the year

	-	-	-	-	-	-	-	-	-
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Closing balance at 30 June 2024

At cost	-	-	-	191	1,672	-	-	-	1,863
Accumulated depreciation	-	-	-	(191)	(1,672)	-	-	-	(1,863)
Carrying amount	-	-	-	-	-	-	-	-	-

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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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	1,886
Environmental studies	52,831
Geotech Studies	10,828
Grid Feasibility Studies	15,795
Independent energy resource assessment	5,527
Protective clothing	59
Borrowing Costs	13,191

Cullinan Project- 130MW solar voltaic plant

Grid permits, feasibility studies	159,365	44,843		
Environmental studies	57,183	35,436		
Geotech Studies	33,049	16,502		
Independent energy resource assessment	-	-		
Protective clothing	4,399	4,285	-	-
Stakeholder consultation, advertising, public notices	59	57	-	-
Legal fees	1,128	1,099	-	-
Concept design, civil engineering works, land survey, town planning	11,562	-	-	-
Traffic and aviation survey and studies	16,589	-	-	-
Ravenna Project- 10MW solar voltaic plant	17,171	-	-	-
Total	400,622	102,221	-	-

6.3 Depreciation and impairment losses

Depreciation and impairment losses have been included under the following expenditures:

Other expenses

Leasehold improvements	670	580	-	-
Fixtures and fittings	57	51	-	-
Office equipment	1,971	1,736	-	-
Computer equipment	1,618	928	-	42
Construction in progress	-	1,219,113	-	-
Tools and equipment	379	-	-	-
	4,695	1,222,408	-	42

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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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	37,943
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Movement in investments in subsidiaries made up as follows:

	Company	
	2025	2024
At start of the year	37,943	37,943
Impairment losses	(6)	-
At end of the year	37,937	37,943

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:

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	-	42.50%	57.50%	South Africa
Cullinan Energy Proprietary Limited	Ordinary	Renewable Energy	-	50.94%	59.06%	South Africa

During the financial year 2025, SACE Projects (Pty) Limited sold 10% of Cullinan Energy (Pty) Limited .

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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Investments in subsidiaries continued...

Composition of the group continued...

2024

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	-	42.50%	57.50%	South Africa
Cullinan Energy Proprietary Limited	Ordinary	Renewable Energy	-	56.60%	43.40%	South Africa

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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Investments in subsidiaries continued...

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 2025	Accumulated NCI 2025	Profit or loss 2024	Accumulated NCI 2024
SACE Projects Proprietary Limited	(64,905)	(1,195,190)	(809,364)	(1,130,285)
Tana Biomass Generation Limited	(19,991)	(57,547)	(19,952)	(37,556)
Unergy Limited	(774)	(9,993)	(5,652)	(9,219)
* Ravena Energy Proprietary Limited	-	-	(1,192)	(1,192)
** Cullinan Energy Proprietary Limited	-	-	(1,580)	(1,580)

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

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

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	*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	-	-
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)	-	-
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)	-	-

* Ravena 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

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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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 2024					
Non-current assets	115,528	79,347	-	74,235	102,221
Current assets	152,125	367	737	-	-
Non-current liabilities	2,561,377	828,287	135,809	74,229	102,216
Current liabilities	239,427	7,857	82,640	2,747	2,747
Equity attributable to owners of the company	-	-	-	-	-
Non-controlling interest	-	-	-	-	-
Revenue	802,269	4,308	-	-	-
Profit or loss	(2,619,213)	(69,815)	(22,608)	(2,674)	(2,674)
Other comprehensive income	(47,952)	-	-	(73)	(73)
Total comprehensive income	(1,864,896)	(65,507)	(22,608)	(2,747)	(2,747)
Dividend paid to non-controlling interests	-	-	-	-	-
Cash inflow (outflow) from operating activities	(270,858)	(70,225)	(7,673)	-	-
Cash inflow (outflow) from investing activities	(244,391)	67,173	(12,709)	-	-
Cash inflow (outflow) from financing activities	560,157	2,928	20,768	-	-
Net cash inflow (outflow)	44,908	(124)	386	-	-

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
8. Loans to related entities				
8.1 Loans to related entities comprise the following balances				
Afrinol Holdings Limited	70,776	66,482	-	-
South Africa Clean Energy Solutions Limited	33,889	28,707	44,917	43,561
R Muchiri	64,059	55,324	39,977	34,738
SACE Projects (Pty) Limited	-	-	2,611,599	1,896,871
Tana Biomass Generation Limited	-	-	714,612	649,228
Africa Clean Energy Solutions (ACES) Limited	-	-	322,937	295,727
Unergy Limited	-	-	148,085	133,015
	168,724	150,513	3,882,127	3,053,140
Impairments	(12,498)	(10,530)	(19,568)	
Reversal of impairments	-	4,324	-	4,324
	156,226	144,307	3,862,559	3,057,464

Amounts receivable from related parties comprise of 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 11.75% (2023: up to 10.25%), 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 2023 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 2025	Group 2024	Company 2025	Company 2024
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Loans to related entities continued...

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

For the year ended 30 June 2025, 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 67,902 (2024: USD 55,404) and Company amounting to USD 162,433 (2024: USD 142,865) 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 (2024: Doubtful).

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

At the beginning of the year	(55,404)	(49,198)	(142,865)	(147,189)
* Provision/(reversal) of ECL loss allowance	(12,498)	(6,206)	(19,568)	4,324
At the end of the year	(67,902)	(55,404)	(162,433)	(142,865)
Write off loan	-	-	-	-
Total impairment and write off	(67,902)	(55,404)	(162,433)	(142,865)

* Provision/(reversal) of ECL loss allowance comprises of the following:

Provision/(reversal) of ECL loss allowance of loans to related entities	(12,498)
Impairment of loan receivable from shareholders	(21,351)
Effect of exchange rate changes	513
	(33,336)

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).

9. Inventories

Inventories comprise:

Finished goods	16,472	14,249	-	-
The cost of inventories recognised as an expense and included in cost of sales amounted to:	15,219	596,234	-	-

Inventories are valued at the lower of the cost and NRV.

Africa Clean Energy Solutions Limited

Consolidated and Separate Financial Statements for the year ended 30 June 2025

Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
10. Trade receivables				
Trade receivables	542	20,515	-	-
Sundry debtors	752	-	-	-
Total trade receivables	1,294	20,515	-	-

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 not impaired (2024: nil). These contracts are of a short-term nature and there are no historical loss events. As of 30 June 2025, the directors made an ECL assessment and no provision has been provided as the probability of this amount being settled is 100%.

Provision matrix on trade receivables

As at June 2025	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	0%	0%	0%	0%	0%
Trade receivable - Group	1,294	-	-	-	1,294
Loss allowance	-	-	-	-	-
Total					1,294
As at June 2024	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	0%	0%	0%	0%	0%
Trade receivable - Group	12,528	-	382	7,605	20,515
Loss allowance	-	-	-	-	-
Total					20,515

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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11. Deferred tax

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

Deferred tax liabilities:

- Deferred tax liability to be recovered within 12 months

(19,553)	-	-	-
(19,553)	-	-	-

Net deferred tax liabilities

(19,553)	-	-	-
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Company

Opening balance at 1 July 2024

Loss before tax from operations

Income tax calculated at 30.0%

Tax effect of:

Income tax calculated at 27.0%

- Assessed loss carried forward

- Effect of capital gains

- Deferred tax adjustment

- Deferred tax on taxable losses not recognised

Permanent difference

Profit after adjustment

Tax on interest income

Closing balance at 30 June 2025

SACE Projects	Tana Biomas	Total
-	-	-
(134,108)	(65,280)	(199,388)
-	(19,584)	(19,584)
-	-	-
(36,209)	-	(36,209)
75,218	-	75,218
(47,429)	-	(47,429)
(9,845)	-	(9,845)
-	19,584	19,584
-	(19,906)	(19,906)
-	322	322
-	(1,289)	(1,289)
(18,265)	(1,289)	(19,553)

12. Other receivables

Other receivables incorporates the following balances:

Prepayments	32,106	34,420	28,821	28,328
Other receivables	1,111	1,111	-	-
VAT receivable	10,983	11,366	-	-
	44,200	46,897	28,821	28,328

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.

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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13. Other loans and receivables

Other loans and receivables comprise the following balances

Renewable Management Services Proprietary Limited	427,028	-	-	-
Impairment	(21,351)	-	-	-
	<u>405,677</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-current assets	-	-	-	-
Current assets	405,677	-	-	-
	<u>405,677</u>	<u>-</u>	<u>-</u>	<u>-</u>

Other loans and receivables balance is contractual binding, bears no interest and is unsecured.

14. Cash and cash equivalents

Cash and cash equivalents included in current assets:

Cash				
Balances with banks	<u>309,412</u>	<u>160,624</u>	<u>98,524</u>	<u>35,121</u>

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 209 991 (2024: USD 124 398) denominated in South African rand. The Group banks with financial institutions with a baa3 Moody's (2024: 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.

15. Non-Current Assets classified as held for sale

The solar photovoltaic is measured in accordance with the fair value / cost model.

Ravenna Energy Proprietary Limited holds the land lease rights to the project site and has secured all necessary development approvals and consents for a 10MW solar photovoltaic project. Solar Intermediaries Proprietary Limited has been awarded the tender to construct and operate the plant.

On the 21 June 2025, Candi Solar SA Proprietary Limited signed an agreement to purchase 100% of Ravenna Energy Proprietary Limited and 90% of Solar Intermediaries Proprietary Limited. All the suspensive conditions in the above contract was not met per the signed agreement and timeframe.

A decision was made to develop the project within the group, therefore the asset was reallocated from Non-current held for sale to Plant and equipment in 2025 financial year (Note 6).

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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Non-Current Assets classified as held for sale continued...

The impact on the financial statements, including:

- There were no adjustments made to carrying amounts to reflect depreciation/amortisation that would have been recognised had it never been classified as held for sale.
- Interest for the current year was capitalised, there were no gains or losses recognised on remeasurement upon reclassification.

2025

	Carrying Amount before Reclassification	Impairment Loss Recognized	Carrying Amount after Reclassification
Movements for the year			
At cost	74,235	-	74,235
Movements for the year			-
Additions from subsequent expenditure recognised as asset	16,451		16,451
Borrowing costs	7,453		7,453
Foreign exchange variance	1,979		1,979
Transfer to plant and equipment	(100,118)		(100,118)
	-	-	-

2024

	Carrying Amount before Reclassification	Impairment Loss Recognized	Carrying Amount after Reclassification
Movements for the year			
At cost	-	-	-
Movements for the year			-
Additions from subsequent expenditure recognised as asset	74,235		74,235
Borrowing costs	-		-
Foreign exchange variance	-		-
Transfer to plant and equipment	-		-
	74,235	-	74,235

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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16. Stated capital

16.1 Authorised and issued share capital

Authorised

31 411 472 (2024: 30 577 544) Ordinary shares of no par value

4,466,553	3,766,053	4,466,553	3,766,053
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Issued

31 411 472 (2024: 30 577 544) Ordinary shares of no par value

4,466,553	3,766,053	4,466,553	3,766,053
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	Group and company		Group and company	
	2025	2025	2024	2024
	Number	USD	Number	USD
At start of the year	30,577,544	3,766,053	30,577,544	3,766,053
Issue of shares	833,928	700,500	-	-
At end of year	31,411,472	4,466,553	30,577,544	3,766,053

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. Included in the shares issued during 2025 is 833 928 at USD0.84.

16.2 Foreign currency translation reserve

Foreign currency translation reserve	67,456	99,391	-	-
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17. Amounts payable to third parties

Amounts payable to third parties comprise:

Loan Payable- Kloof Holdings	34,439	30,953	-	-
Loan Payable - Piet Morne	35,564	29,973	-	-
	70,003	60,926	-	-

These loans are repayable within 7 (seven) days from when the Project reaches financial close.

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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18. Lease liabilities

18.1 Lease liabilities comprise:

Lease payable	99,169	111,402	-	-
3 year lease with New Heights 200 (Pty) Ltd to 31 July 2023 for rental of part of the building at 101 Oxford Road, Johannesburg. The weighted average incremental borrowing rate applied to the lease liabilities on 1 March 2022 was 9.75%.				
On 1 August 2023, a new lease was entered into with Growthpoint for part of the building 33 Fricker Road, Illovo, Sandton				
Non-current liabilities	75,137	93,644	-	-
Current liabilities	24,032	17,758	-	-
	<u>99,169</u>	<u>111,402</u>	<u>-</u>	<u>-</u>

18.2 Amounts recognised in the statements of financial position

Right-of-use assets

Buildings	108,006	102,875	-	-
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18.3 Amounts recognised in the statements of profit or loss and other comprehensive income

Depreciation

Right of use- buildings	21,364	19,386	-	-
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Other expenses and gains

Interest expense	14,540	14,878	-	-
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18.4 Amounts recognised in the statements of cash flows

Total cash outflow for leases	(33,609)	(11,373)	-	-
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18.5 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 67 324 (2024: USD 83 489) (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	24,032	17,758
Due within two to three years	81,033	87,911
Due thereafter	18,598	43,117
Finance charges	(24,494)	(37,383)
	<u>99,169</u>	<u>111,402</u>

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.

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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19. Amounts payable to related parties

19.1 Amounts payable to related parties comprises:

<i>Godwen (Pty) Ltd</i>	73,304	62,606	-	-
The loan bears interest at 2% above prime lending rate in South Africa, is unsecured and is repayable once the projects generate positive cash flows				
<i>C Mbire</i>	60,649	53,463	-	-
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>	10,708	8,387	3,925	2,125
This loan bears interest at the South African bank prime overdraft rate and is repayable on demand.				
<i>MJ Antonie</i>	8,635	7,718	2,550	2,100
This loan bears interest at the South African bank prime overdraft rate and is repayable on demand.				
<i>A Ally</i>	11,241	10,122	11,241	10,122
This loan bears interest at the South African bank prime overdraft rate and is repayable on demand.				
<i>A Cox</i>	96,755	87,996	-	-
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	568,879	-	-
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>	80,080	-	-	-
This loan bears interest at 15% per annum and is payable within 12 months.				
	933,080	799,171	17,716	14,347
Non-current liabilities	805,741	684,948	-	-
Current liabilities	127,339	114,223	17,716	14,347
	933,080	799,171	17,716	14,347

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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Amounts payable to related parties continued...

19.2 Reconciliation of liabilities arising from financing activities

Long term borrowings

Opening balance	799,171	223,897	14,347	9,626
Repayment of loans	(3,853)	(38,348)	-	-
Additional loan obtained	81,624	541,436	-	-
Non cash loans	2,250	-	2,249	3,600
Non-cash changes – Adjustment arising on gain of control of subsidiary	-	-	-	-
Non-cash changes – interest accrued	31,976	49,882	-	1,121
Non-cash changes – foreign exchange movement	21,912	18,704	1,120	-
Non-cash -journal adjustment	-	3,600	-	-
Closing balance	933,080	799,171	17,716	14,347

20. Accruals and other payables

Accruals and other payables comprise:

* Trade payables	97,260	168,262	22,985	130,192
** Accrued liabilities	2,086,190	1,972,506	2,075,320	1,955,867
*** Other payables	7,436	10,470	5,603	5,485
Leave pay provision	9,640	-	2,596	-
Audit fee accrual	46,050	92,076	40,250	56,350
Rounding	11	-	-	-
Total trade and other payables	2,246,587	2,243,314	2,146,754	2,147,894

* The trade payables payment terms are 30 days after invoice date.

** *Accrued liabilities comprise of:*

Directors fees	1,387,994	1,310,513	1,387,994	1,310,513
Directors Salaries-backdated	638,669	638,669	638,669	638,669
Tax authorities, employees taxes,etc	15,451	7,175	12,634	4,285
Consultants fees for taxes, publications	3,600	7,920	3,600	2,400
Meetings,other	29,832	-	29,832	-
Accrued services invoices	10,644	8,229	2,591	-
	2,086,190	1,972,506	2,075,320	1,955,867

*** *Other payables comprise of:*

Other loans payable	5,603	5,486	5,603	5,485
Deferred income	1,833	4,984	-	-
	7,436	10,470	5,603	5,485

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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21. Financial liabilities

Carrying amount of financial liabilities by category

	Designated at fair value	At amortised cost	Total
Year ended 30 June 2025 - Group			
Amounts payable to third parties (Note 17)	70,003	-	70,003
Amounts payable to related parties (Note 19)	-	933,080	933,080
Trade and other payables excluding non-financial liabilities (Note 20)	-	2,246,587	2,246,587
	70,003	3,179,667	3,249,670
Year ended 30 June 2024 - Group			
Amounts payable to third parties (Note 17)	60,926	-	60,926
Amounts payable to related parties (Note 19)	-	799,171	799,171
Trade and other payables excluding non-financial liabilities (Note 20)	-	2,243,314	2,243,314
	60,926	3,042,485	3,103,411

22. Revenue

22.1 Revenue comprises:

Sale of goods	50,645	788,129	-	-
Rendering of services	-	8,168	-	-
Interest received	14,626	17,192	297,215	248,353
Admin and management fees received	-	-	463,194	398,066
Total revenue	65,271	813,489	760,409	646,419

22.2 Sources of revenue

Contracts with customers	50,645	796,297	463,194	398,066
Financial instruments	14,626	17,192	297,215	248,353
	65,271	813,489	760,409	646,419

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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Revenue continued...

22.3 Disaggregation of revenue from contracts with customers

	Sale of goods	Rendering of services	Admin and management fees received	Total
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 2024 disaggregated by type of goods or services - Group				
Revenue	788,129	8,168	-	796,297
Revenue per timing of transfer of goods or services				
At a point in time	788,129	8,168	-	796,297
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
Revenue for the year ended 30 June 2024 disaggregated by type of goods or services - Company				
Admin and management fees received	-	-	398,066	398,066
Revenue per timing of transfer of goods or services				
Over time	-	-	398,066	398,066

23. Cost of sales

Cost of sales comprise:

Cost of goods	15,219	596,234	-	-
Rendering of services	-	6,725	-	-
Total cost of sales	15,219	602,959	-	-

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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24. Other income

Other income comprises:

Other non-turnover items	1,271	-	-	-
Sale of Shares	856,977	-	-	-
Insurance Claim	605	-	-	-
Total other income	858,853	-	-	-

25. Audit, accounting and professional expenses

25.1 Audit and accounting fees comprise:

Accounting fees	4,852	43,242	879	43,185
Auditors remuneration - Fees	50,965	92,096	40,250	57,455
Total audit and accounting fees	55,817	135,338	41,129	100,640

25.2 Professional fees comprise:

Secretarial fees	5,145	32,155	5,145	32,155
Consulting fees	175	3,402	175	(1,200)
CDS annual fees	4,155	4,266	4,155	4,266
SEM representative and listing sponsor fees	31,114	24,798	31,114	24,798
SEM listing fees	13,713	7,839	13,713	7,839
Total professional fees	54,302	72,460	54,302	67,858

26. Other expenses

Other expenses comprise:

Advertising	3,574	169	-	-
Bad debts	-	537	-	537
Bank charges	3,194	1,454	2,576	555
Depreciation	26,059	22,164	-	42
Fines and penalties	3,398	1,572	1,390	710
Insurance	2,758	3,555	-	-
Legal expenses	(260)	19,895	15,849	19,895
Other operating expenses	51,965	41,375	5,527	4,619
Repairs and maintenance	1,054	351	-	-
Subscriptions	511	-	511	-
Travel - Overseas	23,502	-	23,502	-
Total other expenses	115,755	91,072	49,355	26,358

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Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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27. (Loss) / profit before tax

(Loss) / profit before tax includes the following separately disclosable items

Other operating expenses

Property plant and equipment

- depreciation	4,695	1,222,408	-	42
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Intangible assets

- impairment loss	20,833	-	-	-
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Right-of-use assets

- depreciation	21,364	18,869	-	-
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Other impairments

- Loans to related entities and investment in subsidiaries	33,336	6,206	19,563	4,324
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28. Finance costs / income

28.1 Finance costs included in profit or loss:

Interest on loans payable	26,549	49,910	1,301	860
Lease obligations	14,540	14,878	-	-
Total finance costs	41,089	64,788	1,301	860

28.2 Finance income included in profit or loss:

Gain on foreign exchange	58,564	35,762	55,489	36,250
Total finance income	58,564	35,762	55,489	36,250

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Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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29. Income tax expense

29.1 Income tax recognised in profit or loss:

For the year ended 30 June 2025, the Group and the Company had a taxable loss of USD 47,759 and profit USD 148,019 respectively (2024 Group tax loss USD 662,909 and Company tax loss 67,661). 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	42,296	2,005,843	268,592	557,098
Financial year	Expiring in financial year		2,025 US\$	2,024 US\$
2020	2025		-	288,506
2021	2026		-	-
2022	2027		-	-
2023	2028		200,931	200,931
2024	2029		67,661	67,661
2025	2030		-	-
Tax losses			<u>268,592</u>	<u>557,098</u>

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

(Loss) / profit before tax from operations	(22,743)	(2,005,843)	166,256	(76,313)
Income tax calculated at 15% (2024:15%)	(3,411)	(300,876)	24,938	(11,447)
Tax effect of				
– Expenses not deductible for tax purposes*	9,380	38,745	5,521	7,463
– Annual allowance	(8,718)	(9,260)	(8,257)	(8,521)
– Effect of different tax rates of subsidiaries	-	(231,223)	-	-
– Unutilised tax losses brought forward	2,749	173,453	(22,202)	12,505
– Impairment of plant	-	329,161	-	-
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.

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

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

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Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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30. Contingent liabilities and contingent assets

The Company had no contingent liabilities as at 30 June 2025 (2024: Nil).

31. Related parties

31.1 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	Director
A Cox	Director
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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Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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Related parties continued...

Other related parties continued...

Balances as at 30 June

Loan receivable from related parties:

(a) South Africa Clean Energy Solutions Ltd (South Africa)

Opening balance	31,974	26,290	43,663	47,414
Loan given during the year	-	-	-	-
Foreign exchange adjustment	665	(4,318)	-	(3,853)
Adjustment arising on gain of control of subsidiary	1,251	9,900	1,250	-
Reversal of credit loss allowance	(346)	102	(346)	102
Balance at end of year	33,544	31,974	44,566	43,663

(b) Robert Wanjohi Muchiri Opening balance

Opening balance	45,853	49,833	34,738	29,350
Reversal/(provision) of credit loss allowance	(12,152)	(10,530)	(1,056)	-
Foreign exchange adjustment	(1,127)	168	-	-
Interest charged during the year	6,466	6,382	5,239	5,388
Balance at end of year	39,040	45,853	38,921	34,738

(c) Tana Biomass Generation Limited (Kenya)

Opening balance	-	-	653,110	591,004
Loan given during the year	-	-	6,342	6,182
Interest charged during the year	-	-	55,160	52,042
Reversal/(provision) of credit loss allowance	-	-	(8,017)	3,882
Balance at end of year	-	-	706,595	653,110

(d) Unergy Limited (Uganda)

Opening balance	-	-	133,056	123,983
Loan given during the year	-	-	6,077	-
Interest charged during the year	-	-	8,952	9,032
Reversal of credit loss allowance	-	-	(178)	41
Balance at end of year	-	-	147,907	133,056

(e) Africa Clean Energy Solutions (ACES) Limited (United Kingdom)

Opening balance	-	-	296,986	277,090
Loan given during the year	-	-	446	362
Interest charged during the year	-	-	18,216	18,275
Foreign exchange adjustment	-	-	7,289	-
Reversal/(provision) of credit loss allowance	-	-	(1,536)	1,259
Balance at end of year	-	-	321,400	296,986

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
Related parties continued...				
Other related parties continued...				
(f) Afrinol (Holdings) Limited (Kenya)				
Opening balance	66,480	62,172	-	-
Interest charged during the year	4,296	4,308	-	-
Reversal of credit loss allowance	12,867	-	-	-
Balance at end of year	83,643	66,480	-	-
(g) SACE Projects (Pty) Ltd (South Africa)				
Opening balance	-	-	1,895,911	1,618,350
Loan given during the year	923,475	404,975	923,475	404,975
Loan repaid during the year	(469,355)	(325,260)	(469,355)	(325,260)
Foreign exchange adjustment	52,237	35,665	52,237	35,665
Credit loss allowance	(8,429)	(960)	(8,429)	(960)
Interest charged during the year	209,330	163,141	209,330	163,141
Adjustment arising on gain of control of subsidiary	(707,258)	(277,561)	-	-
Balance at end of year	-	-	2,603,169	1,895,911
Total loans and interest receivables	156,226	144,307	3,862,559	3,057,464
Terms and conditions of the loans are disclosed in note 8.				
Payables to related parties:				
(h) Johan David Kruger				
Opening balance	8,387	6,616	2,125	325
Loan received during the year	79,825	1,800	1,800	1,800
Loan repaid during the year	-	-	-	-
Interest charged during the year	1,078	-	-	-
Foreign exchange adjustment	1,497	(29)	-	-
Balance at end of year	90,787	8,387	3,925	2,125
(i) Melvyn Joseph Antonie				
Opening balance	7,718	5,944	2,100	300
Loan received during the year	450	1,800	450	1,800
Loan repaid during the year	-	-	-	-
Foreign exchange adjustment	467	(26)	-	-
Interest charged during the year	-	-	-	-
Balance at end of year	8,635	7,718	2,550	2,100

Africa Clean Energy Solutions Limited

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Notes to the Consolidated and Separate Financial Statements

Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
Related parties continued...				
Other related parties continued...				
(j) A Cox				
Opening balance	87,996	106,188	-	-
Loan received during the year	-	-	-	-
Loan repaid during the year	(3,853)	(32,753)	-	-
Foreign exchange adjustment	2,501	3,156	-	-
Interest charged during the year	10,111	11,405	-	-
Balance at end of year	96,755	87,996	-	-
(k) P Norman				
Opening balance	568,879	-	-	-
Loan received during the year	-	534,815	-	-
Loan repaid during the year	-	(5,595)	-	-
Interest charged during the year	15,346	19,197	-	-
Foreign exchange adjustment	7,483	20,462	-	-
Balance at end of year	591,708	568,879	-	-
(l) A Ally				
Opening balance	10,122	9,001	10,122	9,001
Interest charged during the year	907	1,121	907	1,121
Foreign exchange adjustment	213	-	212	-
Balance at end of year	11,242	10,122	11,241	10,122
(m) Godwen (Pty) Ltd				
Opening balance	62,606	52,746	-	-
Interest charged during the year	8,810	7,808	-	-
Foreign exchange adjustment	1,888	2,052	-	-
Balance at end of year	73,304	62,606	-	-
(n) C Mbire (Director of Unergy Limited)				
Opening balance	53,463	43,402	-	-
Loan received during the year	3,599	6,621	-	-
Interest charged during the year	3,587	3,440	-	-
Balance at end of year	60,649	53,463	-	-
Total loans and interest payables (Note 19)	933,080	799,171	17,716	14,347

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 386,332 (2024: USD 540, 000) for the year ended 30 June 2025 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.

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Figures in US\$	Group 2025	Group 2024	Company 2025	Company 2024
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Related parties continued...

Other related parties continued...

Terms and conditions of transactions with related parties

They have no guarantees provided or received for any related party receivables or payables. Expected credit losses on amounts receivable from related parties amounting to USD (12,498) for the Group and USD (19,563) for the Company were recognised during the year 2024: USD (6,206) for the Group and USD 4,324 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.

31.2 Compensation paid to key management personnel

Directors Fees

Melvyn Joseph Antoine	11,500	130,500	11,500	130,500
Johan David Kruger	162,000	184,000	162,000	184,000
Andrew Lloyd Cox	36,000	182,500	36,000	182,500
Antoine Kon-Kam King	12,000	15,250	12,000	15,250
Gaetan Michel Siew Hew Sam	15,000	17,750	15,000	17,750
Frans Visscher	120,000	10,000	120,000	10,000
Total	356,500	540,000	356,500	540,000

32. 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 2025 to June 2026, and confirm the following:

1. Financial Position

-For the year ended 30 June 2025, certain subsidiaries, including SACE Projects, recorded net losses, and consolidated liabilities exceeded assets.

- Despite this position, the Group's cash flow forecasts project positive liquidity across the forecast period, supported by expected development fees, equity commitments, and debt funding arrangements.

- Group forecasts demonstrate cash balances exceeding R60 million by June 2026, providing a liquidity buffer for ongoing operations.

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Going concern continued...

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 relate 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 invoicing of management fees has been suspended for the same period.

b. Project Pipeline and Development Fees

The Group is advancing several renewable projects, including:

- Cullinan Energy, South Africa (130 MW): Financial closure expected in first quarter 2026, 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 2026
- Zambia (25 MW) Solar: Financial closure targeted for March 2026, with PPA currently under negotiation.
- Uganda (20 MW) Solar/Battery Energy Storage System(BESS): Financial closure targeted second quarter 2026, with permits underway.

Collectively, these projects are expected to deliver over R90 million in development fees in the next 12 months.

c. Debt Funding

- In July 2025, Standard Bank signed an 80% debt term sheet for the 130 MW South African project, with similar terms under review for the 10 MW project.
- These facilities demonstrate strong institutional confidence in the Group's pipeline and financial model.

d. Equity Funding

- The Group is engaged in active equity fundraising and has received offers including:
 - A USD 33.5 million subscription for new ACES shares.
 - Three proposals for direct equity investments of up to 80% at the Cullinan project level, including milestone-based funding.
- The Group's 2025 investor presentation outlines an equity raise of USD 35 million to secure near-term project participation and liquidity.

3. Cash Flow Forecasts

- Group cash flows, reviewed through June 2026, indicate that even under conservative assumptions, cash balances remain positive.
- Forecasts are supported by committed equity inflows, expected debt facilities, and the timing of development fees.
- Sensitivity analysis confirms that the Group retains sufficient headroom to meet obligations over the forecast period.

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Going concern continued...

4. Directors' Conclusion

After careful consideration of the Group's current financial position, the forecasted cash flows for July 2026 to June 2027, the suspension of intra-group loan repayments and management fees, the advanced stage of equity and debt funding negotiations and the expected development fee inflows from shovel-ready 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 letter.

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

The directors are of the opinion that the financial position of the Group will improve through the continued growth of its subsidiary company SACE Projects and the other subsidiaries, therefore, the directors confirm that it is appropriate for the financial statements to be prepared on a going concern basis.

The Group incurred a net loss of USD 42,295 (2024: USD 2,005,843) and the Company incurred a profit of USD 166,256 (2024: loss of USD 76,313) for the year ended 30 June 2025. As of that date, the Group and Company had net current liabilities of USD 1,620,902 (2024: USD 2,133,009) and USD 2,037,126 (2024: USD 2,098,792) respectively. The financial statements have been prepared on a going concern basis.

33. Events after the reporting date

Group investment in projects

During the previous financial year, the subsidiary company SACE Projects Proprietary Limited invested in two investment project companies in South Africa where the development commenced.

SACE Projects Proprietary Limited is a 90% shareholder of Cullinan Energy Proprietary Limited and 75% shareholder of Ravenna Energy Proprietary Limited.

The Cullinan Project (130MW)– Cullinan Energy Proprietary Limited

The project has been delayed due to ESKOM implementing further requirements on the Interim Grid Capacity Allocation Rules (IGCAR) application submitted in May 2025. This has delayed the signing of term sheets with off-takers and will have a 2 to 6 months delay on the financial closure of the project. However, management is confident that the delay will be minimum because of the positive response received from off-takers to sign term sheets for the power. In the meantime, the term sheet with Standard Bank has been signed in July 2025 as the previous one has been replaced with an updated term sheet.

The project permitting is complete with final zoning in process. The development fee that the company will receive, approximately R90 million, will be based on current discussion with equity investors. The BBBEE partners that signed for the 10% equity that is worth USD 842,000, have paid 50% of the equity amount and are currently raising the other balance with the IDC. The other 80% equity investors are considering the project and are in due diligence phase. This transaction should be finalised by October 2025. Africa Clean Energy Solutions Limited will take up 10% equity in the project funded with part of the development fee and a free carry in the transaction.

Ekurhuleni Project – Ravenna Energy Proprietary Limited

In February 2023, through the holding company, the company commenced the development of a 10MW solar project in Ekurhuleni, Gauteng and has secured an off-taker for the project. The offer to purchase the project company in September 2024, did not materialise due to funding from the purchaser falling through.

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A decision was made to develop the project within the group, therefore the asset was reallocated from Non-current held for sale to Plant and equipment in 2025 financial year.

Zambia – VFU-CELL Limited

Africa Clean Energy Solutions Limited in the United Kingdom, holds 75% of the Zambian company and has commenced with the development of a 25MW solar project that started construction during this financial year. The Power Purchase agreement (PPA) is currently under negotiation and financial closure targeted for March 2026. The development is funded by the company and the minority shareholder and Standard bank has indicated it will be interested in the Debt funding for the project, allowing the shareholders to focus on the equity raise.

Uganda-Unergy Limited

Africa Clean Energy Solutions Limited in the United Kingdom, holds 75% of Unergy Limited. The company has secured 20 MW Solar/Battery Energy Storage System (BESS) project, the permits are currently underway and financial closure is targeted for the second quarter 2026.



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34. Segment Reporting

The Group operates in Mauritius, United Kingdom, Namibia, 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:

2025	Mauritius	United Kingdom	Kenya	Uganda	South Africa	Consolidated adjustments	Total
Income							
Interest receivable	5,764	1,227	4,296	-	3,339		14,626
Intercompany interest receivable	291,451	11,492	-	-	-	(302,943)	-
Intercompany management fee	463,194	-	-	-	-	(463,194)	-
Revenue from rooftop solar	-	-	-	-	50,645		50,645
Other Income					858,853		858,853
	<u>760,409</u>	<u>12,719</u>	<u>4,296</u>	<u>-</u>	<u>912,837</u>	<u>(766,137)</u>	<u>924,124</u>



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Segment Reporting continued...

Expenditure	-	-	-	-	(15,219)		(15,219)
Cost of sales	(879)	-	-	-	(3,973)		(4,852)
Accounting fees	-	-	-	-	(3,574)		(3,574)
Advertising costs	(40,250)	-	(2,737)	(3,127)	(4,851)		(50,965)
Audit fees	(2,576)	-	(100)	(168)	(350)		(3,194)
Bank fees	-	-	-	-	-		-
Bad debt	(35,000)	(130)	-	-	(3,123)		(38,253)
Consulting fees	-	-	-	-	(26,059)		(26,059)
Depreciation	(386,332)	-	-	-	-		(386,332)
Directors fees	-	-	-	-	(14)		(14)
Entertainment	(661)	-	(155)	(3,540)	(24,214)		(28,570)
General expenses	-	-	-	-	-		-
Goodwill impaired	(19,568)	(21,921)	-	-	(20,833)	28,986	(33,336)
Impairment	-	-	-	-	(2,758)		(2,758)
Insurance	(1,301)	(11,827)	(66,652)	(12,539)	(251,713)	302,943	(41,089)
Interest paid	(15,849)	-	-	16,277	(168)		260
Legal Fees	-	-	-	-	-		-
Licence fees	-	-	-	-	(463,194)	463,194	0
Management Fee (I/Co)	(1,390)	(202)	-	-	(1,806)		(3,398)
Penalties	(54,302)	-	-	-	-		(54,302)
Professional fees	-	-	-	-	(1,054)		(1,054)
Repairs and maintenance	(3,127)	-	-	-	(5,964)		(9,091)
Software expenses	(2,250)	-	-	-	(4,297)		(6,547)
Telephone	(23,502)	-	-	-	(8,252)		(31,754)
Travel	(62,655)	-	-	-	(202,673)		(265,328)
Wages and salaries	55,489	3,075	-	-	-		58,564
Realised currency gains							(3)



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Segment Reporting continued...

Total expenses	(594,154)	(31,006)	(69,645)	(3,097)	(1,044,087)	795,123	(946,867)
Total loss before tax	166,255	(18,287)	(65,349)	(3,097)	(131,250)	28,986	(22,743)
Deferred tax expense	-	-	(1,288)	-	(18,265)	-	(19,553)
Loss for the year	166,255	(18,287)	(66,636)	(3,097)	(149,515)	28,986	(42,296)

2024

	Mauritius	United Kingdom	Kenya	Uganda	South Africa	Consolidated adjustments	TOTAL
Income							
Intercompany management fee	398,066	-	-	-	-	(398,066)	-
Interest receivable	5,658	1,252	4,308	-	5,974	-	17,192
Intercompany interest receivable	242,695	10,542	-	-	-	(253,237)	(0)
Proceeds on disposal of investment	-	-	-	-	-	-	-
Revenue from rooftop sales	-	-	-	-	796,297	-	796,297
Total income	646,419	11,794	4,308	-	802,271	(651,303)	813,489



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Segment Reporting continued...

Expenses

Cost of sales	-	-	-	2,500	(605,459)	-	(602,959)
Accounting fees	(43,185)	(57)	-	-	-	-	(43,242)
Advertising costs	-	-	-	-	(169)	-	(169)
Audit fees	(57,455)	-	(6,770)	(6,962)	(20,909)	-	(92,096)
Bank fees	(555)	-	(90)	(203)	(606)	-	(1,454)
Bad debt	(537)	-	-	-	-	-	(537)
Consulting fees	-	(326)	-	-	(3,553)	-	(3,879)
Depreciation	(42)	-	-	-	(22,122)	-	(22,164)
Directors fees	(540,000)	-	-	-	-	-	(540,000)
Entertainment	-	-	-	-	(1,211)	-	(1,211)
General expenses	(327)	-	(1,000)	(25)	(19,247)	-	(20,599)
Goodwill impaired	-	-	-	-	-	-	-
Impairment	4,324	-	-	-	(1,219,113)	-	(1,225,318)
Insurance	-	-	-	-	(3,555)	-	(3,555)
Interest paid	(860)	(18,688)	(62,755)	(12,473)	(223,419)	253,236	(64,959)
Legal Fees	(19,895)	-	-	-	-	-	(19,895)
Licence fees	-	-	-	-	-	-	-
Management Fee (I/Co)	-	-	-	-	(398,066)	398,066	-
Penalties	(710)	-	(205)	(838)	(24)	-	(1,777)
Professional fees	(67,858)	-	-	(4,602)	-	-	(72,460)
Repairs and maintenance	-	-	-	-	(351)	-	(351)
Software expenses	(681)	-	-	-	(5,123)	-	(5,804)
Telephone	(3,600)	-	-	-	(2,527)	-	(6,127)
Travel	(11)	-	-	-	(7,416)	-	(7,427)
Wages and salaries	(27,589)	-	-	-	(91,689)	-	(119,278)
Realised currency gains	36,250	(316)	4	(5)	-	-	35,933



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Segment Reporting continued...

Total expenses	(722,734)	(19,387)	(70,815)	(22,608)	(2,624,561)	651,302	(2,819,331)
Total loss before tax	(76,315)	(7,593)	(66,507)	(22,608)	(1,822,290)	(1)	(2,005,843)
Income tax expense	-	-	-	-	-	-	-
Loss for the year	(76,315)	(7,593)	(66,507)	(22,608)	(1,822,290)	(1)	(2,005,843)

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

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

	2025	2024	2023
Revenue	65,271	813,489	613,951
Profit (loss) before taxation	(22,743)	(2,005,843)	(1,658,206)
Income tax expense	(19,553)	-	-
Profit (loss) for the year	(42,296)	(2,005,843)	(1,658,206)
Other comprehensive income, net of tax			
Total comprehensive loss	(42,296)	(2,005,843)	(1,658,206)
Loss for the year attributable to:			
Owners of Parent	65,766	(1,206,084)	(1,327,243)
Non-controlling interest	(108,062)	(799,759)	(330,963)
	(42,296)	(2,005,843)	(1,658,206)



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Comprehensive loss attributable to:

Owners of Parent	33,831	(1,141,553)	(1,309,485)
Non-controlling interest	(127,348)	(820,644)	(294,595)
	<u>(93,517)</u>	<u>(1,962,197)</u>	<u>(1,604,080)</u>

Basic loss per share	0.0021	(0.0394)	(0.0450)
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(b) Statement of financial position

	2025	2024	2023
ASSETS			
Non current assets	642,791	344,052	1,208,270
Current assets	777,055	316,520	278,349
Total assets	<u>1,419,846</u>	<u>660,572</u>	<u>1,486,619</u>
EQUITY AND LIABILITIES			
Capital and reserves	(501,904)	(1,236,237)	(94,682)
Non controlling interest	(1,445,354)	(1,318,003)	(497,362)
Total equity	<u>(1,947,258)</u>	<u>(2,554,240)</u>	<u>(592,044)</u>
LIABILITIES			
Non current liabilities	969,146	839,518	96,148
Current liabilities	2,397,958	2,375,294	1,982,515
Total liabilities	<u>3,367,104</u>	<u>3,214,812</u>	<u>2,078,663</u>
Total equity and liabilities	<u>1,419,846</u>	<u>660,572</u>	<u>1,486,619</u>