

CLEANMAX SOLAR MENA FZCO

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 MARCH 2025**

CLEANMAX SOLAR MENA FZCO

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT YEAR ENDED 31 MARCH 2025

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INDEPENDENT AUDITOR'S REPORTTo the Shareholder of **CLEANMAX SOLAR MENA FZCO****Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the consolidated financial statements of **CLEANMAX SOLAR MENA FZCO** (the "Company" or the "Parent company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the 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 the consolidated financial statements in the United Arab Emirates (U.A.E), and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 3 (c) to the consolidated financial statements, which states that the at that date, the Group's losses aggregated to AED 6,907,631 its current liabilities exceeded its current assets by AED 42,670,026. Further, certain subsidiaries of the Group have accumulated losses and net deficit in their equity funds. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, the shareholder has committed to continuing the operations of the Group and agreed to provide ongoing financial support to enable the Group to discharge its liabilities as and when they fall due. Accordingly, these consolidated financial statements have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDITOR'S REPORT

(continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for their compliance with applicable provision of the Dubai Airport Free Zone Implementing Regulations 2021, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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's internal control.

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INDEPENDENT AUDITOR'S REPORT

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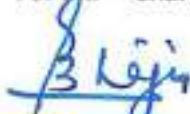
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

Report on Other Legal and Regulatory Requirements

We further confirm that the financial statements comply with the applicable provisions of Dubai Integrated Economic Zones Authority Implementing Regulations 2023, concerning the formation of legal Company at Dubai Airport Free Zone. Further, we have obtained all the information and explanations necessary for our audit and proper books of account and other records have been maintained to provide true and fair view of the profit or loss and state of Group's affairs in accordance with the said regulation.

For PKF – Chartered Accountants (Dubai Br)



Shaji C. Joseph

Partner

Registration No. 5723

Dubai

United Arab Emirates

23 May 2025



CLEANMAX SOLAR MENA FZCO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Notes	2025 AED	2024 AED
ASSETS			
Non-current assets			
Property, plant and equipment	7	214,734,897	62,850,463
Intangible assets	7A	28,210,510	--
Goodwill	8	8,573,475	--
Investments	9	6,293,724	27,823,943
Other financial assets	10	--	13,424,867
Deferred tax assets	36(c)	481,343	--
		<u>258,293,949</u>	<u>104,099,273</u>
Current assets			
Inventories	11	4,698,943	4,583,066
Trade and other receivables	12	10,524,751	7,896,008
Other current assets	13	3,767,143	3,352,271
Due from a related party	14	--	3,495,655
Contract assets	15	4,127,161	7,158,311
Other financial assets	10	16,984,158	2,380,368
Cash and cash equivalents	16	27,670,511	9,900,972
		<u>67,772,667</u>	<u>38,766,651</u>
Total assets		<u>326,066,616</u>	<u>142,865,924</u>
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	17	28,627,000	24,830,000
Other equity	8	(13,229,111)	--
Share premium	18	56,242,627	44,192,401
Share application money	19	21,472,030	--
Statutory reserve		1,366	1,366
Accumulated losses		(6,907,631)	(14,398,824)
Foreign currency translation reserve		(64,916)	(2,694,148)
Equity attributable to shareholder of the Parent		<u>86,141,365</u>	<u>51,930,795</u>
Non-controlling interest	20	35,898,192	2,996
Total shareholder's funds		<u>122,039,557</u>	<u>51,933,791</u>
Non-current liabilities			
Loans from shareholder	21	9,610,710	24,695,653
Long-term borrowings	22	80,915,008	41,647,242
Provision for staff end-of-service benefits	23	278,728	250,608
Lease liabilities	24	839,728	972,955
Deferred tax liability	36(c)	1,940,192	--
		<u>93,584,366</u>	<u>67,566,458</u>

CLEANMAX SOLAR MENA FZCO

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

(continued)

		2025 AED	2024 AED
Current liabilities			
Loans from shareholder	21	18,093,927	3,426,204
Short-term borrowings	25	73,072,858	2,042,300
Due to a related party	14	1,972,728	3,823,884
Trade and other payables	26	12,889,375	11,007,897
Other current liabilities	27	115,965	242,428
Lease liabilities	24	104,638	133,338
Contract liabilities	15	4,076,074	2,689,624
Corporate tax payable	36(c)	117,128	--
		110,442,693	23,365,675
Total liabilities		204,027,059	90,932,133
Total shareholder's funds and liabilities		326,066,616	142,865,924

The accompanying notes form an integral part of these consolidated financial statements.

The report of the independent auditor is set forth on pages 1 to 3.

Approved and authorised for issue by the shareholder on 19 May 2025 and signed on their behalf by Ms. Shivani Agrawal.

For **CLEANMAX SOLAR MENA FZCO**



DIRECTOR



CLEANMAX SOLAR MENA FZCO

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 AED	2024 AED
Revenue	29	33,779,070	52,937,962
Cost of sales	30	(25,278,128)	(43,103,620)
Gross profit		8,500,942	9,834,342
Other income	31	796,566	158,787
Share of profit from associate	9(a)	1,138,837	353,153
Share of profit from joint venture	9(b)	2,146,476	29,581
Administrative expenses	32	(7,292,787)	(9,292,009)
Gain on acquisition of control	8	11,961,216	--
Interest income	33	492,201	917,806
Impairment on financial assets	12	(269,110)	--
Reversal of impairment loss on property, plant and equipment	7	20,376	--
Finance costs	34	(10,911,709)	(3,981,976)
PROFIT/(LOSS) FOR THE YEAR BEFORE TAX		6,583,008	(1,980,316)
Income tax expense:	36		
Current tax benefit		(298,321)	--
Deferred tax income/(expense)		262,476	(270,035)
		(35,845)	(270,035)
PROFIT/(LOSS) FOR THE YEAR AFTER TAX		6,547,163	(2,250,351)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of operations		2,629,232	(1,954,977)
Other comprehensive income for the year		2,629,232	(1,954,977)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		9,176,395	(4,205,328)
Profit/(loss) attributable to:			
Shareholder of the parent		10,120,425	(4,205,328)
Non-controlling interest		(944,030)	--
		9,176,395	(4,205,328)

The accompanying notes form an integral part of these consolidated financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

CLEANMAX SOLAR MENA FZCO

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

	Attributable to the shareholder of the Parent						Non-controlling Interest	Other equity ^(a)	Total
	Share capital	Share premium	Share application money	Statutory reserve	Accumulated losses (a)	Foreign currency translation reserve	Total		
	AED	AED	AED	AED	AED	AED	AED	AED	AED
Balance at 1 April 2023	16,877,000	19,830,420	14,775,948	1,366	(12,148,473)	(739,171)	38,597,090	155,996	38,753,086
Issue of share capital	7,953,000	-	-	-	-	-	7,953,000	-	7,953,000
Share premium received	-	24,473,361	-	-	-	-	24,473,361	-	24,473,361
Share application money for issuance of additional shares	-	-	(14,775,948)	-	-	-	(14,775,948)	-	(14,775,948)
Acquisition of minority stake	-	-	-	-	-	-	-	-	(153,000)
Comprehensive Income	-	-	-	-	-	-	-	-	-
- Loss	-	-	-	-	(2,250,351)	-	(2,250,351)	-	(2,250,351)
- Foreign currency translation reserve	-	-	-	-	-	(1,954,977)	(1,954,977)	-	(1,954,977)
Total comprehensive Income	-	-	-	-	(2,250,351)	(1,954,977)	(4,205,328)	-	(4,205,328)
Transaction costs	-	(111,380)	-	-	-	-	(111,380)	-	(111,380)
Balance at 31 March 2024	24,830,000	44,192,401	-	1,366	(14,398,824)	(2,694,148)	51,930,795	2,995	51,933,791
Issue of share capital	3,797,000	-	-	-	-	-	3,797,000	-	3,797,000
Share premium received	-	12,104,806	-	-	-	-	12,104,806	-	12,104,806
Allotment of shares	-	-	21,472,030	-	-	-	21,472,030	-	21,472,030
Acquisition of minority stake	-	-	-	-	-	-	-	36,839,226	(13,229,111)
Less: Transfer to minority interest	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-	-	-	-
- Profit	-	-	-	-	-	-	-	-	-
- Foreign currency translation reserve	-	-	-	-	7,491,193	-	7,491,194	(944,030)	6,547,163
Total comprehensive income	-	-	-	-	-	2,629,232	2,629,232	-	2,629,232
Transaction costs	-	-	-	-	-	2,629,232	10,120,426	(944,030)	9,176,395
Balance at 31 March 2025	28,627,000	56,242,627	21,472,030	1,366	(6,907,631)	(64,916)	99,370,476	35,898,192	122,039,557

The accompanying notes form an integral part of these consolidated financial statements.

The report of the independent auditor is set forth on pages 1 to 3.

- (a) Till 30 September 2024, the accumulated losses include AED 15,685,200 representing non-distributable reserves of an CleanMax Alpha LeaseCo FZCO, Dubai ("CleanMax Alpha"), which is in the nature of share premium.
- (b) This amount represents the excess of consideration paid over the share of net assets acquired in a transaction with non-controlling interest (note 8).

CLEANMAX SOLAR MENA FZCO

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
Cash flows from operating activities		
Profit/(loss) for the year before tax	6,583,008	(1,980,316)
Adjustments for:		
Depreciation of property, plant and equipment	7,409,336	2,109,721
Reversal of impairment of property, plant and equipment	(20,376)	--
Provision on impairment on financial assets	269,110	--
Finance costs	10,911,709	3,981,976
Credit balance written back	(69,179)	(29,927)
Share of profit from joint venture	(2,146,476)	(29,581)
Share of profit from associate	(1,138,837)	(353,153)
Fair value gain on investment in associate on acquiring control	(11,961,216)	--
Interest income	(492,201)	--
Provision for staff end-of-service benefits	89,894	88,705
	<u>9,434,772</u>	<u>3,787,425</u>
Changes in:		
- Inventories	(115,877)	389,277
- Trade and other receivables	(155,702)	(5,211,054)
- Other current assets	(62,003)	1,317,132
- Contract assets	3,285,023	(510,329)
- Trade and other payables	(2,443,317)	7,534,854
- Other current liabilities	2,231,559	(5,399,256)
- Contract liabilities	3,313,703	(5,075,518)
Staff end-of-service benefits paid	(72,029)	(7,664)
Income tax paid	(1,506,249)	--
Cash used in operations	<u>13,909,880</u>	<u>(3,175,133)</u>
Interest paid	<u>(6,910,317)</u>	<u>(3,649,772)</u>
Net cash from/(used in) operating activities	<u>6,999,563</u>	<u>(6,824,905)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(42,445,030)	(33,697,208)
Proceeds on disposal of property, plant and equipment	-	51,201
Increase in margin deposits	(7,316,757)	--
Loan given to related parties	(1,419,095)	--
Repayment of loan received from a related party	(13,530,625)	--
Investment in joint venture	(2,730,912)	(1,386,755)
Net movements in investment in associate	-	(9,200,000)
Interest received	492,201	--
Receipts from/(payments to) from related parties (net)	272,344	(3,259,211)
Net cash flow on acquisition of control	4,590,752	--
Net cash used in investing activities	<u>(62,087,122)</u>	<u>(47,491,973)</u>

CLEANMAX SOLAR MENA FZCO

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

(continued)

	2025 AED	2024 AED
Cash flows from financing activities		
Receipts from share application money	21,472,030	--
Issue of share capital	3,797,000	7,953,000
Receipts of share premium money (net of transaction costs)	12,050,226	9,544,413
Payments to related parties (net)	(1,851,156)	(7,335,477)
Receipts of loan from a third party (net)	27,500,263	--
Receipts of loan from financial institution (net)	36,031,192	29,170,049
Transaction costs paid	(2,099,240)	(111,380)
Payment of lease liabilities	(511,936)	(118,568)
Repayment of loan/(loan availed) from shareholder (net)	(2,070,552)	9,200,000
Purchase consideration for the acquisition of additional shares	(20,641,961)	--
Dividend paid to non-controlling party	(3,448,000)	--
Net cash from financing activities	70,227,866	48,302,037
 Foreign currency translation difference	 2,629,232	 (1,954,977)
 Net increase/(decrease) in cash and cash equivalents	 17,769,539	 (7,969,818)
Cash and cash equivalents at beginning of year	9,900,972	17,870,790
Cash and cash equivalents at end of year (note 16)	27,670,511	9,900,972

The accompanying notes form an integral part of these consolidated financial statements.

The report of the independent auditor is set forth on pages 1 to 3.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. REPORTING ENTITY

- a) **CLEANMAX SOLAR MENA FZCO** (the "Company" or the "Parent company") is a free zone company with limited liability incorporated in Dubai, United Arab Emirates under Implementing Regulation No. 1/98 issued by the Dubai Airport Free Zone Authority pursuant to Law No. 2 of 1996 and its amendment No. (2) of 2000 and amendment Law No. (25) of 2009 (repealed by Dubai Integrated Economic Zones Authority Implementing Regulations 2023). The Company was registered on 23 May 2017 and commenced its operations since then. The registered address is 2E M032, Dubai Airport Free Zone, Dubai, UAE. These consolidated financial statements include the operating result of a branch with license no. 3348 and operating results of the subsidiaries as mentioned in note 1(c).
- b) The principal activities of the Parent company and its subsidiaries (note 1(c) (together referred to as "the Group") during the year were solar energy systems & components trading and power generation, transmission & distribution equipment, electrical fitting contracting, solar energy system installation, business management consulting and general services. The Group was also engaged in production, assembly, distribution and management services related development and construction of power plants.
- c) These consolidated financial statements include the assets, liabilities and the results of operations of the Company and its following subsidiaries:

Name of the subsidiary	Country of incorporation	Legal ownership %	Beneficial ownership / controlling interest %	Principal activity	License/ Registration no.
CleanMax Alpha LeaseCo FZCO, Dubai (a controlled subsidiary)	United Arab Emirates	50%	50%	Renting of solar energy systems. The solar energy systems rentals are charged on the basis of energy consumed.	810202
Sunroofs Enviro Solar Energy Systems LLC	United Arab Emirates	100%	100%	Electrical fitting contracting and solar energy system installation	801633
CleanMax IHQ (Thailand) Company Limited ⁽ⁱ⁾	Thailand	100%	100%	Business management consulting and general service	105561090550
CleanMax Energy (Thailand) Co., Ltd. ⁽ⁱⁱ⁾	Thailand	100%	100%	Production, assembly, distribution and management services to build a power plant.	0105562063327
Cleanmax Engineering (Thailand) Company Limited ⁽ⁱⁱⁱ⁾	Thailand	49%	100%	Business management consulting and general service	0105565163748

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

- (i) Out of 500,000 shares, 1 share is held by individual as a nominee shareholder. The Parent company holds remaining 499,999 shares.
 - (ii) Out of 465,400 shares, 1 share is held by individual as a nominee shareholder. The Parent company holds remaining 465,399 shares.
 - (iii) Out of 500 shares, 255 shares are held by one company (Asian Legal Solutions Holding Co Ltd) as a nominee shareholder. The Parent company holds remaining 245 shares.
- d) The parent and the ultimate parent company is Clean Max Enviro Solutions Pvt Ltd., India. The management and control of the Company are vested with Ms. Shivani Agrawal and Mr. Kuldeep Jain, both are Indian nationals and serve as Directors.

2. BASIS OF CONSOLIDATION

- a) The consolidated financial statements comprise the financial statements of the Parent company and its subsidiaries for the year ended 31 March 2025. Control is achieved when the Parent company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent company controls an investee if and only if the Parent company has:
- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
 - Exposure, or rights, to variable returns from its involvement with the investee; and
 - The ability to use its power over the investee to affect its returns;
 - The contractual arrangement with the other vote holders of the investee;
 - Rights arising from other contractual agreements;
 - The Parent's voting rights and potential voting rights.

The Parent company re-assesses 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. Consolidation of subsidiaries begins when the Parent company obtains control over the subsidiary and ceases when the Parent company loses control of the subsidiaries. Assets, liabilities, income, and expenses of subsidiaries acquired or disposed off during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Parent company gains control until the date the Parent company ceases to control the subsidiaries.

Profit or loss and each component of other comprehensive income (OCI) are attributed to equity holders of the Parent 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 subsidiaries to bring their accounting policies into the line with the Group's accounting policies. All intra-group balances, transactions, income and expenses and profit and losses resulting from intra-group transactions are eliminated in full.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Losses within a subsidiary are attributable to the non-controlling interest even if that results in a deficit balance.

- b) These consolidated financial statements comprise the net results of operations and the operating assets and liabilities of the Parent company and its subsidiaries consolidated on a line-by-line basis.
- c) All material unrealised profit, where applicable on inter-company inventory/services that are purchased/availed have been eliminated.
- d) The results of the subsidiaries acquired or disposed off during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as applicable.
- e) The reporting date of above-mentioned entities are 31 March.
- f) Non-controlling interest in the net assets of subsidiaries is identified separately from the Parent company's share of equity. The interest of non-controlling shareholders is the amount of interest at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Losses applicable to the non-controlling interest in excess of the non-controlling shareholders' interest in the subsidiaries' equity are allocated against the interest of the Parent company except to the extent that the non-controlling shareholders have a binding obligation and is able to make an additional investment to cover the losses.

3. BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 April 2024, and the requirements of the Dubai Integrated Economic Zones Authority Implementing Regulations 2023.

b) Basis of measurement

The consolidated financial statements are prepared using historical cost, except for certain assets carried at fair value.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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.

c) Going concern

The consolidated financial statements are prepared on a going concern basis.

When preparing the consolidated financial statements, management makes an assessment of the Group's ability to continue as a going concern. Consolidated financial statements are prepared on a going concern basis unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Group's losses aggregated to AED 6,907,631 its current liabilities exceeded its current assets by AED 42,670,026. Further, the following subsidiaries of the Group have accumulated losses and net deficit in their equity funds:

- (i) Sunroofs Enviro Solar Energy Systems LLC incurred a loss of AED 1,876,071 for the year ended 31 March 2025 and at that date its losses aggregated to AED 19,678,095 its current liabilities exceeded its current assets by AED 27,567 and had a net deficit of AED 156,729 in equity funds. Further, the Company is also subject to externally imposed capital requirements as per provisions of the Article 308 of the UAE Federal Law No. (32) of 2021.
- (ii) CleanMax IHQ (Thailand) Company limited incurred a loss of AED 197,450 for the year ended 31 March 2025 and at that date, the accumulated losses amounted to AED 2,686,004.
- (iii) CleanMax Energy (Thailand) Co Ltd. Limited incurred a loss of AED 505,181 for the year ended 31 March 2025, and at that date, the accumulated losses amounted to AED 1,436,616 its current liabilities exceeded its current assets by AED 59,719,753.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, the shareholder has committed to continuing the operations of the Group and agreed to provide ongoing financial support to enable the Group to discharge its liabilities as and when they fall due. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

d) Adoption of new International Financial Reporting Standards

Standards, amendments, improvements and interpretations effective for the current year

The following standards, amendments, improvements and interpretations which became effective for current period, did not have any significant impact on the Group's consolidated financial statements:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangement;
- Amendments to IAS 1 Presentation of Financial Statements relating to Classification of Liabilities as Current or Non-Current;
- Amendments to IAS 1 – Non-current Liabilities with Covenants;
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangement.

New and revised IFRSs in issue but not yet effective and not early adopted

The following standards, amendments, improvements and interpretations that are assessed by management as likely to have an impact on the consolidated financial statements, have been issued by the IASB prior to the date the consolidated financial statements were authorised for issue, but have not been applied in these consolidated financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to IAS 21 – Lack of Exchangeability (1 January 2025);
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold to an associate or a joint venture (The IASB postponed the effective date of this amendment indefinitely - Early adoption is permitted);
- Amendments to the SASB (Sustainability Accounting Standards Board) standards to enhance their international applicability (1 January 2025);
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7) (1 January 2026);
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (1 January 2026);
- IFRS 18 Presentation and Disclosures in Financial Statements (1 January 2027);
- IFRS Accounting Taxonomy 2023 – Update 1 International Tax Reform - Pillar Two Model Rules, Supplier Finance Arrangements and Lack of Exchangeability (Effective date not yet decided);
- IFRS 19 Subsidiaries without Public Accountability (1 January 2027);
- IFRS Accounting Taxonomy 2023 - Update 2 Common Practice for Financial Instruments, General Improvements and Technology Update (Effective date not yet decided).

e) **Functional and presentation currency**

Although the functional currencies of the Parent company and its subsidiaries are the local currency of the country of domicile in which they operate, the consolidated financial statements are presented in UAE Dirhams (AED) which is considered as the Group's reporting currency.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

4. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted, and which have been consistently applied, are as follows:

a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Right-of-use assets	5 - 25 years
Solar equipment	25 years
Furniture and fixtures	5 years
Office equipment	5 years
Tools and equipment	5 years

Capital work-in-progress is stated at cost less any impairment losses and is not depreciated. This will be depreciated from the date the relevant assets are ready for use.

The Group has presented right-of-use assets representing the right to use the underlying assets under property, plant and equipment [Refer notes 4(q) and 7].

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Group and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other income/administrative expenses' in profit or loss.

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b) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Customer contracts are amortised using the straight-line method over its estimated useful life of 25 years.

An assessment of amortisation method and useful lives is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the amortisation charge.

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary, associate and joint venture as of the date of the acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill on acquisitions of associates and joint ventures is included in 'Investment in associates/joint ventures' and is tested for impairment as part of the overall balance. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

c) Impairment of tangible and intangible assets (excluding goodwill)

At each reporting date, the management reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

d) Investment in associates

Investments where the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the share capital of the investee company, are treated as associates and accounted for under the equity method of accounting stating the investment initially at cost/fair value and adjusted for the Group's share of the changes in net assets of the investee company after the date of acquisition, and for any impairment in value.

e) Investments in joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Such investments are treated as joint ventures and accounted under the equity method of accounting stating the investment initially at cost and adjusted for the Group's share of the changes in net assets of the investee company after the date of acquisition, and for any impairment in value.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

f) Business combination

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

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 IFRS 9 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.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

h) Share premium

The amount received in excess of the par value of equity shares has been classified as share premium under equity. Further, the transaction costs relating to additional shares issues deducted from the share premium under equity.

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i) **Share application money**

The amount received as application money for issuance of equity shares in future has been classified as share application money under equity. Further, the transaction costs relating to additional shares issues deducted from the share application under equity.

j) **Staff benefits**

The Group provides staff end-of-service benefits to its non-UAE national employees as per the applicable local laws. The entitlement to these benefits is based on the employees' last drawn basic salary and length of services which is accrued over the period of employment. Provision for staff end-of-services benefits are disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave and air fare for eligible employees as per the policy of the Group. Provision relating to annual leave and air fare is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

k) **Statutory reserve**

Statutory reserve is created by appropriating 5% of the profit of, Sunroofs Enviro Solar Energy Systems LLC (the "subsidiary") as required by UAE Federal Law No. (32) of 2021. The shareholder may resolve to discontinue such deduction when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law. During the year, no transfer of statutory reserve has been made on account of loss incurred by the subsidiary.

l) **Revenue recognition**

The Group is in the business of solar energy systems & components trading and power generation, transmission & distribution equipment, electrical fitting contracting, solar energy system installation, sale of solar power and engaged in production, assembly, distribution and management services to build a power plant.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. **Identify the contracts with customers:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

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2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Group satisfies a performance obligation at a point in time or over time.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied. The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Trading income

The Group has concluded that revenue from trading of energy related goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

Rendering of services

The Group has concluded that revenue from rendering of services should be recognised over time using input method.

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Sale of energy

Revenue from the supply of energy is recognised on the basis of electricity provided during the year on an accruals basis with reference to the meter readings.

Contract assets represents the energy income earned but not billed to the clients.

Construction contracts

Contract revenues are recognised over a period of time, based on the stage of completion of the contract activity. Revenue is measured based on the proportion of contract costs incurred for satisfying the performance obligation to the total estimated contract costs.

Contract revenues are recognised based on the stage of completion of the contract activity. Revenue is measured based on the proportion of contract costs incurred for satisfying the performance obligation to the total estimated contract costs, there being a direct relationship between the input and the productivity. Claims are accounted for as income when accepted by the customer.

Expected loss, if any, on contracts are recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

Contract modifications are accounted for, when additions, deletions or changes are approved either to the contract scope or contract price. Accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is a standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

m) Contract costs

Contract costs comprise costs incurred to fulfil a contract that meet all of the following criteria:

- The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- The costs are expected to be recovered under the terms of the contract with the customer.

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Costs that relate directly to a contract (or a specific anticipated contract) include any of the following:

- Direct labor salaries and wages of employees who provide the promised services directly to the customer;
- Direct materials used in providing the promised services to a customer;
- Allocations of costs that relate directly to the contract or to contract activities, including costs of contract management and supervision, insurance, and depreciation of tools and equipment used in fulfilling the contract;
- Costs that are explicitly chargeable to the customer under the contract;
- Other costs that are incurred only because Group entered into the contract such as payments to subcontractors.

Depiction of a Group's performance might be to recognise revenue at an amount equal to the cost of a good used to satisfy a performance obligation if the Group expects at contract inception that all of the following conditions would be met:

- The good is not distinct.
- The customer is expected to obtain control of the good significantly before receiving services related to the good.
- The cost of the transferred good is significant relative to the total expected costs to completely satisfy the performance obligation.
- The Group procures the goods from a third party and is not significantly involved in designing and manufacturing the goods.

n) Contract assets

A Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised from the earned consideration that is conditional. The contract assets are transferred to receivable when the rights become unconditional.

o) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

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p) **Interest income**

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

q) **Leases**

As a lessee

The Group has taken solar equipment and rooftop installation on lease. Rental contracts are typically made for fixed periods of 5 to 25 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased asset is not used as security for borrowing purposes.

Right-of-use assets

The Group recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial costs and
- restoration costs.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

The Group recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and

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- payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

The Group uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments and uses the incremental borrowing rate at the commencement date of the lease if the profit rate implicit in the lease is not readily determinable. Further, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group leases office premises. Rental contracts are typically made for fixed periods of 12 months but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets may not be used as security for borrowing purposes.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

r) Cash and cash equivalents

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

s) Foreign currency transactions

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

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Gains or losses resulting from foreign currency transactions are taken to profit or loss except for foreign currency translation differences arising on account of presentation of assets and liabilities of subsidiaries for consolidation purposes, which are included in shareholder's funds.

The translation of financial statements of foreign subsidiaries into AED is performed for consolidated statement of financial position account using the exchange rate in effect at the reporting date and for revenue and expenses using the average exchange rate for the period. The exchange differences arising on the translation are recognised in other comprehensive income.

t) **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred except those that are attributable to the acquisition and construction of an asset that necessarily takes a substantial period to get ready for its intended use ("qualifying asset"). Such borrowing costs are capitalised as part of the related qualifying asset up to the date the qualifying asset is ready for use.

u) **Provisions**

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

v) **Contingencies and commitments**

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

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w) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person.

The Group charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which the Group cannot avail the credit is charged to the relevant expenditure category included in costs of non-current assets. The Group files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT payable are offset and the net amount is reported in the consolidated statement of financial position as the Group has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

x) **Income and deferred tax**

Tax expense for the period comprises of current income tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the federal tax authorities on the taxable profits after considering tax allowances and exemptions and applying the applicable tax rates and laws. Deferred tax is recognised on the temporary differences between the accounting base and the tax base for the period and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for non-deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences.

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

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y) **Provision for taxation**

Provision for tax is made as per the local tax regulations applicable for the current assessment year on the basis of taxable profits of the project office in India as computed by independent qualified tax consultant. Any tax liability that may arise in future on completion of pending tax assessment relating to earlier years are not expected to be material and would be paid for and accounted in these consolidated financial statements in the year in which the assessments are completed.

z) **Promotional privileges**

Subsidiaries in Thailand has been granted promotional privileges for production of solar rooftop power under the Investment Promotion Act as approved by the Board of Investment. Under these privileges, the subsidiary has received exemption from certain taxes and duties as detailed in the certificate, including exemption from corporate income tax from the amounts not exceeding 100% of capital investment excluding cost of land and working capital for a period of 8 years from the date of the first revenue earned (17 August 2020). The details of promotion certificates are as follows:

Promotion certificate number	Promotion certificate date
62-1314-1-00-1-0	28 November 2019
62-1228-1-00-1-0	15 November 2021
65-1534-1-00-1-0	2 December 2022
65-1554-1-00-1-0 & 65-1567-1-00-1-0	14 December 2022
66-1577-1-00-1-0	7 February 2024
66-0704-1-00-1-0; 66-0705-1-00-1-0 & 66-0706-1-00-1-0	29 May 2024
67-0137-1-00-1-0	25 January 2025
67-0792-2-00-1-0	19 April 2024
67-0870-2-00-1-0	26 April 2024
67-0897-2-00-1-0	30 April 2024
67-0896-2-00-1-0	30 April 2024
67-1864-2-00-1-0	29 September 2024

za) **Current versus non-current classification**

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period. or,

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- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or,
- There is no right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

zb) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income – debt investment; fair value through other comprehensive income – equity investment; or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Group's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at fair value through profit or loss or at amortised cost. The Group determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any using the effective interest method.

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

All other financial assets are subsequently measured at fair value.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of trade and other receivables, other financial assets, due from a related party and cash and cash equivalents.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Financial liabilities at amortised cost comprise of current and non-current borrowings, loans from shareholder, trade and other payables, lease liabilities (current and non-current) and due to a related party.

Impairment of financial assets

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

Loss allowances are measured on either of the following basis:

- 12-month expected credit losses: expected credit losses that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: expected credit losses that result from all possible default events over the expected life of a financial instrument.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses, except for the following which are measured as 12-month expected credit losses:

- Bank balances, other receivable, due from a related party and other financial assets, for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses. The Group applies a simplified approach in calculating expected credit losses. The Group does not track changes in credit risk, but instead recognized a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The Group considers a financial asset to be in default when:

- The customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 360 days past due.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Parent company.

zc) **Fair value measurement**

The Group discloses the fair value of financial instruments measured at amortised cost.

The 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

5. JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

Following are the judgments made in applying accounting policies that affect the application of the Group's accounting policies and the amounts recognised in the consolidated financial statements:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

The Group applies expected credit loss model to measure loss allowance in case of financial assets on the basis of 12-month expected credit losses or Lifetime expected credit losses depending on credit risk characteristics and how changes in economic factors affect expected credit losses, which are determined on a probability-weighted basis.

Leases

Determining the lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. The Group considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR"), which is equivalent to 6% to 7.77%, due to the absence of implicit rates in the lease contracts.

Management has applied judgments and estimates to determine the IBR at the transition date, using borrowing rates that certain financial institutions would charge the Group against financing the different types of assets it leases over different terms and different ranges of values. IBR is further adjusted for Group's specific risk, term risk and underlying asset risk. Majority of the leases are present in the U.A.E. and accordingly no adjustment for the economic environment was deemed required.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Investments in subsidiaries

Management considers that it has de-facto control over Cleanmax Engineering (Thailand) Company Limited even though it does not hold 100% voting rights. The investment is made by the Parent company and partly through one of the legal entities in Thailand, who is acting as a nominee shareholder on behalf of the Parent company. There is no history of other shareholders forming a group to exercise their votes collectively.

Management considers that it has de-facto control over CleanMax Alpha LeaseCo FZCO, Dubai even though the Company holds 50% of the share capital in Cleanmax Alpha, it is able to exercise control over its financial and operating policies by virtue of control over board of directors. The investment is made by the Parent company and partly through one of the legal entities in Dubai, U.A.E., who is acting as a nominee shareholder on behalf of the Parent company. There is no history of other shareholders forming a group to exercise their votes collectively.

Investments in joint ventures

Management considers that it has joint control over Kanoo Cleanmax Renewables Asset Co W.L.L and Kanoo Cleanmax Renewables W.L.L wherein it holds 50% of the voting rights. Based on the contractual arrangements, unanimous consent is required from all the parties to the arrangement for all relevant activities for both entities.

The Kanoo Cleanmax Renewables Asset Co W.L.L and Kanoo Cleanmax Renewables W.L.L has been structured as a limited liability companies and provides the parties to the arrangement with rights to the net assets of the limited liability company under the arrangement. Consequently, the investment is classified as a joint venture.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

The Group determined that the sale of equipment and installation services are provided as a single component to customers and accordingly it becomes single performance obligation in respect of the services being performed. The equipment and installation are highly interdependent or highly interrelated as the Group will not be able to transfer the equipment if the customer declined installation services.

Determine timing of satisfaction of performance obligation

Contract revenue is recognised over time as performance obligations are fulfilled in accordance with IFRS 15 –Revenue from Contracts with Customers. The timing of revenue recognition is subject to judgement surrounding the costs expected to be incurred in completing the work, as revenue on contracts is recognised on a percentage completion basis.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

6. KEY SOURCES OF ESTIMATION UNCERTAINTY

Following are the key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management. Revisions to estimates are recognised prospectively.

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Impairment

Assessments of net recoverable amounts of tangible and intangible assets and goodwill are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the 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 note 4(zb).

Inventory provisions

Management regularly undertakes a review of the Group's inventory, stated at AED 4,698,943 (previous year AED 4,583,066) in order to assess the likely realization proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Income tax

Significant judgments are involved in determining the provision for income tax, including the amount expected to be paid or recovered in connection with uncertain tax positions.

Determination of Acquisition date of CleanMax Alpha LeaseCo FZCO, Dubai, UAE

Vide the Supplementary and Amendment Agreement dated 1 October 2024, the Company gained control of the CleanMax Alpha via higher board representation and control over its financial and operating policies. As a result of which 1 October 2024 is considered as date of acquisition of Controlling interest in CleanMax Alpha.

Staff end-of-service benefits

The entities in UAE of the Group compute the provision for the liability to staff end-of-service benefits stated at AED 278,728 (previous year AED 250,608), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Staff end-of-service benefits

The entities in UAE of the Group compute the provision for the liability to staff end-of-service benefits stated at AED 278,728 (previous year AED 250,608), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

Project cost to complete estimates

At the end of each reporting period, the Group is required to estimate costs to complete contracts. Estimating costs to complete on such contracts requires the Group to make estimates of future costs to be incurred, based on work to be performed beyond the end of the reporting period. The Group uses internal quantity surveyors together with project managers to estimate the costs to complete for construction contracts. Factors such as changes in material prices, labour costs, defects liability costs and other costs are included in the contract cost estimates based on best estimates of the contract progress and remaining works at the year-end. These estimates also include the cost of potential claims by contractors and the cost of meeting other contractual obligations to the customers.

Contract variations and claims

Variations orders are accounted for prospectively based on the nature and price of additional products and services requested through the variation orders. During the year ended 31 March 2025, no amount of claim recognised as part of the revenue (previous year AED Nil).

The selling price includes variable consideration (including claims, re-measurable contract values and discounts) in the transaction price to which it expects to be entitled from the inception of the contract. The amount of variable consideration is restricted to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Going concern assessment

The Group's losses aggregated to AED 6,907,631 its current liabilities exceeded its current assets by AED 42,670,026. Notwithstanding this fact, the consolidated financial statements of the Group have been prepared on a going concern basis as the management of the Group believes that the future operations of the Group will generate sufficient profits and cashflows, the shareholder has resolved to continue its operations in the General Meeting held.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

7. PROPERTY, PLANT AND EQUIPMENT (including Intangible Assets)

Cost	Right-of-use of assets ^(a) AED	Capital work-in- progress ^(b) AED	Solar equipment ^(c) AED	Furniture and fixtures AED	Office equipment AED	Tools and equipment AED	Total AED
At 1 April 2023	–	12,018,741	19,912,906	148,205	4,279	32,500	32,116,631
Additions	1,178,991	3,916,971	28,886,241	88,154	24,474	–	34,094,831
Transfer	–	(12,018,741)	12,018,741	–	–	–	–
Disposals	–	–	(54,679)	–	–	–	(54,679)
At 31 March 2024	1,178,991	3,916,971	60,763,209	236,359	28,753	32,500	66,156,783
Additions	293,484	35,926,241	6,159,248	14,422	6,822	–	42,400,217
On acquisition of control [note 9(a)]	–	3,454,392	129,754,536	–	–	–	133,208,928
Transfer	–	(16,022,510)	16,022,510	–	–	–	–
At 31 March 2025	1,472,475	27,275,094	212,699,503	250,781	35,575	32,500	241,765,928
Accumulated depreciation							
At 1 April 2023	–	–	1,155,157	37,058	2,074	5,788	1,200,077
Depreciation	104,404	–	1,954,476	27,522	16,267	7,052	2,109,721
Adjustment related to disposals	–	–	(3,478)	–	–	–	(3,478)
At 31 March 2024	104,404	–	3,106,155	64,580	18,341	12,840	3,306,320
Depreciation	119,624	–	6,651,379	37,058	17,234	8,316	6,833,611
On acquisition of control [note 9(a)]	–	–	16,911,476	–	–	–	16,911,476
Reversal of impairment losses	–	–	(20,376)	–	–	–	(20,376)
At 31 March 2025	224,028	–	26,648,634	101,638	35,575	21,156	27,031,031
Carrying amount							
At 1 April 2023	–	12,018,741	18,757,749	111,147	2,205	26,712	30,916,554
At 31 March 2024	1,074,587	3,916,971	57,657,054	171,779	10,412	19,660	62,850,463
At 31 March 2025	1,248,447	27,275,094	186,050,869	149,143	–	11,344	214,734,897

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

- (a) This represents the right-to-use of solar equipment and rooftop installation on lease from 5 to 25 years located in Thailand. The assets are under the books of Cleanmax Energy (Thailand) Co. Ltd and Cleanmax IHQ (Thailand) Company Limited.
- (b) Capital work-in-progress relates to the construction of solar equipment, and the capital commitments associated with these projects are disclosed in Note 38. Capital work-in-progress of AED 24,376,690 has been pledged as security against borrowings (refer note 22).
- (c) Solar equipment with a cost of AED 212,699,503 (previous year AED 60,763,209) and a net book value of AED 186,050,869 (previous year AED 57,657,054), has been pledged as security against bank borrowings (refer note 22).
- 7A. Customer contracts represent the fair value of Customer Contracts under Multi-period Excess Earnings method ("MPEEM method") of cost AED 28,786,235 (previous year AED Nil) in accordance with measurement principles of IFRS 3, resulting from the acquisition of control over CleanMax Alpha LeaseCo FZCO (note 8). Amortisation charge for year amounted to AED 575,725 (previous year AED Nil).

8. GOODWILL

Acquisition of controlling interest in *CleanMax Alpha LeaseCo FZCO, Dubai* ("CleanMax Alpha")

Vide the Supplementary and Amendment Agreement dated 1 October 2024, the Company gained control of the CleanMax Alpha via higher board representation and control over its financial and operating policies. As a result of which 1 October 2024 is considered as date of acquisition of Controlling interest in CleanMax Alpha. After gaining control, the Company further increased its stake in CleanMax Alpha to 50% by acquiring additional equity from non-controlling shareholders.

The recognition and measurement of goodwill upon gaining control of CleanMax Alpha is as follows:

		1 October 2024 AED
A	Fair value of assets of CleanMax Alpha (including identifiable assets)	159,657,880
B	Fair value of liabilities of CleanMax Alpha	79,083,427
C	Fair value of net identified assets of CleanMax Alpha (A-B)	80,574,453
D	% of Company's interest in CleanMax Alpha before gaining the control	40.80%
E	% of Non-controlling interest before gaining the control	59.20%
F	Fair value per share in Cleanmax Alpha before gaining control	193,665
G	Fair value of the Company's shares held in CleanMax Alpha (F*204)	39,507,660

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

		1 October 2024
		AED
H	Non-controlling interest in CleanMax Alpha on the net identifiable net assets, at fair value (C*E)	(C*E) 47,700,076
I	Carrying amount of Company's interest in CleanMax Alpha before gaining control	27,546,444
J	Gain on the Company's interest in CleanMax Alpha at acquisition date (G – I)	(G-I) 11,961,216
Acquisition-date fair value of Company's interest		39,507,660
Add: Non-controlling interest in CleanMax Alpha on the net identifiable net assets, at fair value		47,700,076
Less: Fair value of net identified assets of CleanMax Alpha		(80,574,453)
Add: Deferred tax liability on tax amortization benefit upon recognition of identifiable customer contracts (note 7A)		1,940,192
Goodwill recognised		8,573,475
Acquisition of additional shares in Cleanmax Alpha		
A	Purchase consideration paid	20,641,961
B	Non-controlling interest in CleanMax Alpha on the net identifiable net assets, at fair value	47,700,076
C	% of Non-controlling interest at the date of acquisition	59.20%
D	% of additional shares acquired	9.20%
E	Proportionate value of non-controlling interest at the date of acquisition of additional shares	[(B/C)*D] 7,412,850
F	Amount recognised as other equity	A-E 13,229,111
		2025
		AED
9.	INVESTMENTS	
A)	Investment in associate	
Cleanmax Alpha LeaseCo FZCO, Dubai		
Share capital		15,685,200
Fair value adjustment due to loss of control		204,000
Additional investment acquired in current year		9,176,000
Share of profit (cumulative)		2,481,244
		27,546,444
De-recognised of acquisition of control (Note 8)		(27,546,444)
		--
		26,407,607
		2024
		AED
		204,000
		15,685,200
		9,176,000
		1,342,407
		26,407,607
		--
		26,407,607

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

- (a) Aggregated summary financial information for the associate, until its derecognition, is as follows:

	1.4.2024 to 30.9.2024 AED	1.4.2023 to 31.3.2024 AED
Assets	130,871,644	130,955,351
Liabilities	79,083,426	81,958,399
Revenue	11,079,705	16,472,578
Profit	2,791,266	900,902
Net assets	51,788,218	48,996,952
Interest	40.80%	40.80%
Share of profit	1,138,837	353,153
B) INVESTMENT IN JOINT VENTURE		
<i>50% interest in Kanoo Cleanmax Renewables Asset Co W.L.L, Bahrain</i>		
Share capital at cost	49,573	49,573
Additional investments during the year	4,018,515	1,337,182
Share of profit	214,111	29,581
Total (A)	4,282,199	1,416,336
<i>50% interest in Kanoo Cleanmax Renewables W.L.L, Bahrain</i>		
Share capital at cost	49,579	--
Share of profit	1,961,946	--
Total (B)	2,011,525	--
C) Total investment in joint venture and associate (A)+ (B)	6,293,724	27,823,943

The nature of investments in joint ventures is as follows:

Name of Joint venture	Principal activities	Country of incorporation	% of share capital held		% of beneficial ownership interest	
			2025	2024	2025	2024
Kanoo Cleanmax Renewables Asset Co W.L.L, Bahrain ⁽¹⁾	Renting and operational leasing of machinery and equipment	Bahrain	50	50	50	50
Kanoo Cleanmax Renewables W.L.L, Bahrain ⁽¹⁾	Renting and operational leasing of machinery and equipment	Bahrain	50	--	50	--

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

- (i) Kanoo Cleanmax Renewables Asset Co. W.L.L. and Cleanmax Solar MENA FZCO are jointly controlled ventures, with equal beneficial interest shared between the venturers under commercial registration number 157377-1. There are no quoted market prices available for their shares.

Aggregated summary financial information relating to Kanoo Cleanmax Renewables Asset Co W.L.L, not adjusted for the proportion of ownership interest held by the Company is as follows:

Summarised statement of financial position

	2025 AED	2024 AED
Non-current assets		
- Property, plant and equipment	12,795,999	2,263,080
- Capital work-in-progress	10,520,130	—
	<u>23,316,129</u>	<u>2,263,080</u>
Current assets		
- Trade and other receivables	2,427,886	196,586
- Cash and cash equivalents	999,867	2,819,865
	<u>3,427,753</u>	<u>3,016,451</u>
Total assets	<u>26,743,882</u>	<u>5,279,531</u>
Non-current liabilities	146,299	—
Current liabilities	<u>17,888,285</u>	<u>2,476,700</u>
Total liabilities	<u>18,034,584</u>	<u>2,476,700</u>
Net assets	<u>8,709,298</u>	<u>2,802,831</u>

Summarised statement of profit or loss and other comprehensive income

Revenue	1,164,143	263,326
Direct costs	(430,870)	(133,118)
Gross profit	<u>733,273</u>	<u>130,208</u>
Administrative expenses	(364,214)	(71,047)
Net profit	<u>369,059</u>	<u>59,161</u>

Reconciliation of summarised financial information

A reconciliation of summarised financial information presented to the carrying amount of investment in joint venture is as follows:

Net assets		
Total assets	(i) <u>26,743,882</u>	5,279,531
Total liabilities	(ii) <u>18,034,584</u>	2,476,700
	(i-ii) <u>8,709,298</u>	<u>2,802,831</u>

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
Total revenue	1,164,143	263,326
Total profit	369,059	59,161
Interest in Joint venture (%)	50%	50%
Interest in Joint venture (AED)	4,354,649	1,416,336
Carrying value ^(a)	184,530	29,581
(a) Share of comprehensive income (cumulative):		
Profit for the year ended 31 March 2024	29,581	--
Profit for the year ended 31 March 2025	184,530	--
	214,111	--

- ii) During the year, the Company invested in a joint venture, Kanoo Cleanmax Renewables W.L.L and Cleanmax Solar MENA FZCO. These ventures are jointly controlled, with equal beneficial interest shared between the venturers under commercial registration number 157376-1. There are no quoted market prices available for their shares.

Aggregated summary financial information relating to Kanoo Cleanmax Renewables W.L.L, not adjusted for the proportion of ownership interest held by the Company is as follows:

Summarised statement of financial position

Non-current assets

- Property, plant and equipment

7,503

--

Current assets

- Trade and other receivables
- Cash and cash equivalents

17,809,029

--

907,721

--

Current assets

18,716,750

--

Total assets

18,724,253

--

Equity

4,020,957

--

Current liabilities

14,703,296

--

Total liabilities

18,724,253

--

Net assets

4,020,957

--

Summarised statement of profit or loss and other comprehensive income

	2025 AED	2024 AED
Revenue	21,488,059	--
Direct costs	(17,464,053)	--
Gross profit	4,024,006	--
Administrative expenses	(100,115)	--
Net profit	3,923,891	--

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Reconciliation of summarised financial information

A reconciliation of summarised financial information presented to the carrying amount of investment in joint venture is as follows:

		2025 AED	2024 AED
Net assets			
Total assets	(i)	18,724,253	--
Total liabilities	(ii)	14,703,296	--
	(i-ii)	4,020,957	--
Total revenue		21,488,059	--
Total profit		3,923,891	--
Interest in joint venture (%)		50%	--
Interest in joint venture (AED)		2,010,479	--
Carrying value ^(a)		1,961,946	--
(a) Share of comprehensive income (cumulative):			
Profit for the year ended 31 March 2025		1,961,946	--
10. OTHER FINANCIAL ASSETS			
Debt instruments at amortised cost			
Long-term loan to a related party ^(a)	(A)	--	13,424,867
Other financial assets at amortised cost:			
Margin deposits ^(b)		15,565,063	2,380,368
Short-term loan to related parties ^(c)	(B)	1,419,095	--
		16,984,158	2,380,368
	(A) + (B)	16,984,158	15,805,235
Disclosed under:			
Non-current financial assets		--	13,424,867
Current financial assets		16,984,158	2,380,368
		16,984,158	15,805,235
(a) A reconciliation of the movements in the long-term loans to related parties is as follows:			
Opening balance		13,424,867	14,924,867
Loans re-paid during the year		(13,424,867)	(1,500,000)
Closing balance		--	13,424,867

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Interest receivables from the above loans amounting to AED nil (previous year AED 841,905) is classified under other receivables. The loans were unsecured and without fixed repayment schedule. These loans carry a 6% per annum of interest (previous year 6% per annum).

- (b) Margin deposits represent the following deposits:
- Represents deposits amounting to AED 8,803,822 with Cleanmax Energy Thailand Co Ltd. are held as security against bankers' letter of guarantee issued by the Group (note 39).
 - During the year, the Cleanmax Alpha availed a new facility from HSBC Bank. Margin deposits with HSBC bank comprise of deposit of AED 6,656,241 which are provided as per the terms of the bank facility letter (note 22).
- (c) A reconciliation of the movements in the short-term loans to related parties is as follows:

	2025 AED	2024 AED
Loan provided during the year ⁽ⁱ⁾	1,419,095	--

- (i) These include a loan of AED 152,731 extended to Kanoo Cleanmax Renewables Asset Co. W.L.L, a joint venture company. The loan does not have a fixed repayment schedule and carries an interest rate of 6% per annum. Additionally, another loan amounting to AED 1,266,364, has been provided to Yusuf Bin Ahmed Kanoo Co. Limited, a joint venture partner, which is unsecured and does not have a fixed repayment schedule.

Interest receivables from the above loans amounting to AED 147 (previous year AED nil) are included in other receivables.

	2025 AED	2024 AED
11. INVENTORIES		
Project materials	4,698,943	4,583,066
12. TRADE AND OTHER RECEIVABLES		
Trade receivables	10,459,576	6,165,866
Less: Allowance for excepted credit losses	(340,445)	--
	10,119,131	6,165,866
Deposits	346,657	750,741
Other receivables	58,963	979,401
	10,524,751	7,896,008

A reconciliation of the movements in the allowance for expected credit losses for trade receivables is as follows:

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	2025 AED	2024 AED
Provision on account of acquisition of control of CleanMax Alpha (note 8)	71,335	--
Provision made during the year	269,110	--

This information about credit exposure is disclosed in note 37.

The Company does not hold any collateral against trade receivables (previous year AED Nil).

13. OTHER CURRENT ASSETS

Prepayments	183,888	345,543
Current tax receivables	1,354,751	487,534
Advance for goods and services	1,996,419	423,699
Staff advances	29,495	52,989
VAT receivable (net)	202,590	2,042,506
	3,767,143	3,352,271

14. RELATED PARTIES

The Group enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Related parties comprise the shareholder, associate, joint ventures, directors/key managerial personnel and other related party.

At the reporting date, significant balances with related parties were as follows:

	Shareholder	Associate [note 9(a)]	Joint venture	Director/key management personnel	Other related party	Total 2025	Total 2024
	AED	AED	AED	AED	AED	AED	AED
Long-term loans to a related party	--	--	--	--	--	--	--
	--	13,424,867	--	--	--	--	13,424,867
Short-term loan to a related party	--	--	152,731	--	1,266,364	1,419,095	--
	--	--	--	--	--	--	--
Investments	--	--	6,293,724	--	--	6,293,724	--
	--	26,407,607	1,416,336	--	--	--	27,823,943

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	Parent company	Associate [note 9(a)]	Joint venture	Director/key management personnel	Other related party	Total 2025	Total 2024
	AED	AED	AED	AED	AED	AED	AED
Included in trade and other receivables	--	--	147	--	--	147	
	--	3,655,870	--	--	--		3,655,870
Included in trade and other payables	330,834	--	--	--	--	330,834	
	--	--	--	--	--		--
Contract assets	--	--	--	--	--	--	
	--	377,545	--	--	--		377,545
Contract liabilities	--	--	--	--	--	--	
	--	2,051,828	--	--	--		2,051,828
Due from a related party	--	--	--	--	--	--	
	--	3,495,655	--	--	--		3,495,655
Due to a related party	1,972,728	--	--	--	--	1,972,728	
	3,823,884	--	--	--	--		3,823,884
Loans from shareholder	27,704,637	--	--	--	--	27,704,637	
	28,121,857	--	--	--	--		28,121,857
Guarantee received	163,309,805	--	--	--	--	163,309,805	
	54,041,199	--	--	--	--		54,041,199
Provision for staff end-of-service benefits	--	--	--	118,255	--	118,255	
	--	--	--	89,172	--		89,172

All balances except guarantee received are unsecured and are expected to be settled in cash. Repayments and other terms are set out in notes 8, 9, 10, 21 and 37.

Significant transactions with related parties during the year were as follows:

	Parent	Associate [note 9(a)]	Director/key management personnel	Joint venture	Total 2025	Total 2024
	AED	AED	AED	AED	AED	AED
Included in revenue	--	--	--	3,029,194	3,029,194	
	--	25,115,112	--	--		25,115,112
Included in cost of sales (included in purchases)	9,523,324	--	--	--	9,523,324	
	4,230,293	--	--	--		4,230,293
Director's remuneration	--	--	477,050	--	477,050	
	--	--	329,600	--		329,600
Management fee income	--	218,000	--	--	218,000	
	--	--	--	--		--
Interest income	--	--	--	--	--	
	--	874,575	--	--		874,575

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	Parent	Associate [note 9(a)]	Director/key management personnel	Joint venture	Total 2025	Total 2024
	AED	AED	AED	AED	AED	AED
Share of profit from joint venture	--	--	--	2,146,476	2,146,476	
	--	--	--	29,581		29,581
Finance costs	3,163,450	--	--	--	3,163,450	
	1,516,088	--	--	--		1,516,088
Expenses recharged to a related party	75,000	--	--	--	75,000	
	125,000	--	--	--		125,000
Expenses recharged from a related party	--	--	--	--	--	
	189,784	--	--	--		189,784

The Group also receives funds from/provides funds to related parties as working capital facilities at as agreed rates.

Certain administrative related services are availed from a related party as per agreed rates.

	2025 AED	2024 AED
15. CONTRACT ASSETS/CONTRACT LIABILITIES		
Contract assets relating to costs incurred to fulfil a contract	<u>4,127,161</u>	<u>7,158,311</u>
Disclosed as:		
Current contract assets	<u>4,127,161</u>	<u>7,158,311</u>
Contract liabilities	<u>4,076,074</u>	<u>2,689,624</u>
Disclosed as:		
Current contract liabilities	<u>4,076,074</u>	<u>2,689,624</u>
16. CASH AND CASH EQUIVALENTS		
Cash on hand	5,477	7,134
Bank balances in current accounts	<u>27,665,034</u>	<u>9,893,838</u>
	<u>27,670,511</u>	<u>9,900,972</u>

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting year at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting year are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

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	2025 AED	2024 AED
17. SHARE CAPITAL		
Issued and paid up:		
28,627 shares of AED 1,000 each (previous year		
24,830 shares of AED 1,000 each)	<u>28,627,000</u>	<u>24,830,000</u>
Name	No. of shares	AED
Clean Max Enviro Energy Solutions Private Ltd., India	<u>28,627</u>	<u>24,830,000</u>

- a) During the year vide an amendment to the memorandum of association, the Company has increased the share capital by issuance of additional 3,797 shares to CleanMax Enviro Energy Solutions Private Ltd. The shareholder as at 31 March 2025 and at 31 March 2024 and its interest as at that date in the share capital of the Company were as follows:

Name	At 31 March 2025				At 31 March 2024			
	No. of Shares	AED	% of holding	% of profit sharing	No. of Shares	AED	% of holding	% of profit sharing
CleanMax Enviro Energy Solutions Private Ltd.	28,627	28,627,000	100%	100%	24,830	24,830,000	100%	100%
	<u>28,627</u>	<u>28,627,000</u>	<u>100%</u>	<u>100%</u>	<u>24,830</u>	<u>24,830,000</u>	<u>100%</u>	<u>100%</u>

	2025 AED	2024 AED
18. SHARE PREMIUM^{(a) & (b)}		
Opening balance	44,192,401	19,830,420
Premium on additional shares issued during the year	12,104,806	24,473,361
Transaction costs	(54,580)	(111,380)
Closing balance	<u>56,242,627</u>	<u>44,192,401</u>

- (a) Share premium of AED 44,379,801 (net transaction cost of AED 242,060) arising out of 19,280 shares issued during the year ended 31 March 2024.
- (b) Share premium of AED 12,104,806 (net transaction cost of AED 296,640) arising out of 23,077 shares issued during the year ended 31 March 2025.

19. SHARE APPLICATION MONEY		
Opening balance	--	14,775,948
Share application money on additional shares ^(a)	21,472,030	--
Allotment of shares	--	(14,775,948)
	<u>21,472,030</u>	<u>--</u>

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- (a) This represents advance subscription received from the shareholder towards the increase in share capital. As at reporting date, the legal formalities for issuing of further share capital were not yet completed, upon completion of the legal formalities, the amount will be reclassified to share capital.

Further vide an amendment to the Memorandum of Association dated 7 April 2025, the Group has increased the share capital through issuance of additional of 5,116 shares to CleanMax Enviro Energy Solutions Private Ltd., thereby completing the allotment of shares to shareholder.

	2025 AED	2024 AED
20. NON-CONTROLLING INTEREST		
Opening balance	2,996	155,996
Addition on account of acquisition of control in CleanMax Alpha (net of dividends credited and acquisition of additional stake) (Note 8)	35,895,196	--
Acquisition of minority stake	--	(153,000)
Closing balance	<u>35,898,192</u>	<u>2,996</u>

This represents share of CleanMax Alpha LeaseCo FZCO, Dubai and Cleanmax Engineering (Thailand) Company Limited, Thailand.

21. LOANS FROM SHAREHOLDER		
Opening balance	28,121,857	18,365,488
Receipts during the year (net)	--	9,200,000
Interest credited	1,653,332	1,516,088
Interest paid	(2,070,552)	(959,719)
Closing balance	<u>27,704,637</u>	<u>28,121,857</u>

- (a) These represents interest bearing loans received from the shareholder with a maturity of one to three years from the date of receipt of loans.

3 months – 1 year	18,093,927	3,426,204
Presented as current liability	18,093,927	3,426,204
1 year – 3 years	9,610,710	24,695,653
	<u>27,704,637</u>	<u>28,121,857</u>

- (b) Loans carry interest rate of 6% per annum

Disclosed as:

Non-current portion	9,610,710	24,695,653
Current portion	18,093,927	3,426,204
	<u>27,704,637</u>	<u>28,121,857</u>

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
22. LONG-TERM BORROWINGS		
Loan from financial institution ^(a)	82,798,061	--
Loans from third party ^(a)	71,189,805	43,689,542
Less: Current portion		
On loans from third party (note 25)	(71,189,805)	(2,042,300)
On loan from financial institution (note 25)	(1,883,053)	--
	<u>80,915,008</u>	<u>41,647,242</u>
 (a) Loan from financial institution:		
On the date of acquisition, the balance is	46,329,202	--
Loan availed during the year	84,770,000	--
Repayment during the year	(46,329,202)	--
Less: Unamortised transaction costs	(1,971,939)	--
	<u>82,798,061</u>	<u>--</u>
 Disclosed as:		
Current portion of loans	1,883,053	--
Non-current portion of loans	80,915,008	--
	<u>82,798,061</u>	<u>--</u>
 Movement of unamortised transaction costs:		
Opening balance on the date of acquisition	582,086	--
Availed during the year	2,099,240	--
Amortised during the year	(709,387)	--
Closing balance	<u>1,971,939</u>	<u>--</u>
 An analysis by bank of amounts outstanding is as follows:		
 Hongkong and Shanghai Banking Corporation Limited (HSBC) ^(b)	<u>82,798,061</u>	<u>--</u>
 (b) The borrowing availed from HSBC is repayable in quarterly instalments. The Company has entered into interest rate swap arrangement for fixed interest rate of 6.52% per annum against floating interest rate of 3-month EIBOR + 2.25% per annum, effective 3 March 2025.		
 (i) Bank borrowing is secured by:		
• 90.8% of the Cleanmax Alpha share capital, granted by by Clean Max Enviro Energy Solutions Private Ltd and Paragon Cleantech Pvt Ltd.		

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- Power Purchase Agreements ("PPA Contracts") representing at least 70% of the Borrower's total solar photovoltaic energy capacity.
 - CleanMax Alpha rights under certain PPA Contracts and the O&M Contract, including PPA Contracts governed by DIFC law, PPA Contracts governed by English law, and the O&M Contract governed by DIFC law.
 - CleanMax Alpha eligible assets, meeting specific technical and financial criteria, and includes the underlying infrastructure, the associated PPA Contracts, and the relevant insurance policies.
 - Margin deposits given by the CleanMax Alpha [note 10 (b)].
 - Corporate guarantee by Clean Max Enviro Energy Solutions Private Ltd and Paragon Cleantech Pvt Ltd.
- (ii) The bank facilities are subject to certain financial covenants including debt service coverage ratio, effective 1 May 2025, which is being complied with.
- (d) A maturity analysis of borrowings from financial institutions are as follows:

	2025 AED	2024 AED
0 – 1 month	--	--
1 – 3 months	--	--
3 months – 1 year	1,883,053	--
Presented as current liability	1,883,053	--
1 year – 5 years	29,204,002	--
6 years – 7 years	51,711,006	--
	<u>82,798,061</u>	<u>--</u>

- (e) Long-term loan from a third party:
The movements for loan from the third party is as under:

Opening balance	43,689,542	14,519,493
Loan paid during the period	(1,654,703)	--
Amount advanced as loan	29,154,966	29,170,049
Closing balance	<u>71,189,805</u>	<u>43,689,542</u>

- As at 31 March 2025, the Cleanmax Energy Thailand Co Ltd.'s bank balances worth AED 9 million (previous year: AED 2 million) were used as collateral for above loans.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

- On 7 July 2023 and 1 September 2023, the Group had entered into a long-term loan agreement with a lender amounting to AED 18,622,123 and AED 12,486,007, carrying interest rate of 6.63% and 7.85% per annum respectively. The principal amount and interest are repayable half-yearly in June and December every year. The last instalment of both the loans is due in June 2025.
- On 29 June 2022, Parent company (the "Pledgor") pledged all issued and outstanding shares of Cleanmax Energy (Thailand) Co., Ltd. to Global Climate Partnership Fund S.A., SICAV-SIF. This pledge is a part of security arrangements under the Amendment and restatement deed dated 29 June 2022, which amends and restates the facilities agreements originally dated 19 June 2020.
- On 19 June 2020 and 21 March 2022, the Group had entered into a long-term loan agreement for a facility worth AED 6,854,134 and AED 8,740,381, carrying interest rate of 5.80% and 5.29% per annum respectively. The principal amount and interest are repayable half-yearly in June and December every year. The last instalment of both the loans is due in June 2025.

The Group has mortgaged power generation equipment to secure loan from a third party. [refer note 7(c)].

	2025 AED	2024 AED
23. PROVISION FOR STAFF END-OF-SERVICE-BENEFITS		
Opening balance	250,608	169,567
Provision for the year ^(a)	100,149	88,705
Paid during the year	(72,029)	(7,664)
Closing balance ^(b)	<u>278,728</u>	<u>250,608</u>
 (a) Provision for the year is as follows:		
Provision on account of acquisition of control of CleanMax Alpha (note 8)	10,255	--
Provision made during the year	<u>89,894</u>	<u>--</u>
 (b) This includes AED 20,185 on account of acquisition of control of CleanMax Alpha (note 8).		

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	2025 AED	2024 AED
24. LEASE LIABILITIES		
Lease liabilities for long-term lease of solar equipment and rooftop installation	<u>944,366</u>	<u>1,106,293</u>
Disclosed in the consolidated statement of financial position as follows:		
Non-current liabilities	839,728	972,955
Current liabilities	<u>104,638</u>	<u>133,338</u>
	<u>944,366</u>	<u>1,106,293</u>
A reconciliation of the movements in the lease liabilities is as follows:		
At 1 April	1,106,293	--
Addition made during the year	293,484	1,178,991
Finance cost on lease liabilities (note 34)	56,525	45,870
Payments made during the year	<u>(511,936)</u>	<u>(118,568)</u>
At 31 March	<u>944,366</u>	<u>1,106,293</u>
A maturity analysis of undiscounted lease liabilities is as follows:		
0 - 3 months	39,815	133,338
3 months – 1 year	<u>64,823</u>	--
Presented as current liabilities	104,638	133,338
1 year – 25 years	<u>896,253</u>	<u>1,371,262</u>
Total	<u>1,000,891</u>	<u>1,504,600</u>
Reconciliation of undiscounted lease liabilities to the lease liabilities as stated in the consolidated statement of financial position is as follows:		
Lease payments due	1,000,891	1,504,600
Less: Finance cost on leases	<u>(56,525)</u>	<u>(398,307)</u>
Disclosed in the statement of financial position	<u>944,366</u>	<u>1,106,293</u>
25. SHORT-TERM BORROWINGS		
Current portion of long-term loans from financial institutions (note 22)	1,883,053	--
Current portion of long-term loan from third-party (note 22)	<u>71,189,805</u>	<u>2,042,300</u>
	<u>73,072,858</u>	<u>2,042,300</u>
i) A maturity analysis of total short-term borrowings are as follows:		
1 – 3 months	71,189,805	412,127
3 months – 1 year	<u>1,883,053</u>	<u>1,630,173</u>
Total	<u>73,072,858</u>	<u>2,042,300</u>

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- (iii) Bank facilities from Mashreq Bank are secured by financial bank guarantee of AED 7,350,000 (previous year AED 7,350,000) received from the parent company.

The bank borrowings are subject to certain financial covenants such as minimum monthly account turnover routing of AED 500,000, which is being complied with.

	2025 AED	2024 AED
26. TRADE AND OTHER PAYABLES		
Trade payables	3,121,147	3,743,494
Accruals	7,094,869	6,225,898
Accrued interest	2,589,087	1,016,941
Other payables	84,272	21,564
	<u>12,889,375</u>	<u>11,007,897</u>

The entire trade and other payables are due for payment within one year from the reporting date.

An age analysis of trade payables as at the reporting date is as follows:

Not past due	857,975	978,435
0 – 1 year	2,263,172	2,765,059
1 – 2 year	--	--
More than 2 years	--	--
	<u>3,121,147</u>	<u>3,743,494</u>
27. OTHER CURRENT LIABILITIES		
Advance for goods and services	<u>115,965</u>	<u>242,428</u>

28. MANAGEMENT OF CAPITAL

The Group's objectives when managing capital are to ensure that the Group continues as a going concern and to provide the shareholder with a rate of return on their investment commensurate with the level of risk assumed.

Capital comprises equity funds as presented in the consolidated statement of financial position along with loans from the shareholder, share application, share premium and amounts due to/from related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Group is subject to externally imposed capital requirements as per provisions of the bank facilities availed. Sunroofs Enviro Solar Energy Systems LLC (the subsidiary company) has accumulated losses exceeding 50% of its share capital, the shareholders of the subsidiary company have resolved to continue with the operations of the subsidiary company. The Group has complied with all the capital requirements to which it is subject.

Funds generated from internal accruals together with funds received from a shareholder are retained in the business according to the business requirements to maintain the capital at desired levels.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

29. REVENUE

The Group generates revenue from the transfer of services over time. The disaggregated revenue from contracts with customers by geographical segments, type of services and timing of revenue recognition is presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Group's revenue and cash flows.

	2025 AED	2024 AED
Primary geographical segments		
- U.A.E	19,342,938	38,279,833
- Thailand	11,406,938	11,892,009
- Bahrain	3,029,194	2,766,120
	<u>33,779,070</u>	<u>52,937,962</u>
Major good/service lines		
Construction/installation projects		
- Revenue from projects	<u>8,780,621</u>	<u>44,803,806</u>
Sale of energy and related goods		
- Sale of energy	19,662,729	2,953,803
- Trading income	3,029,194	2,766,120
- Carbon income	364,806	146,885
	<u>23,056,729</u>	<u>5,866,808</u>
Operation and maintenance		
- Operating maintenance	<u>1,941,720</u>	<u>2,267,348</u>
	<u>33,779,070</u>	<u>52,937,962</u>
Timing of revenue recognition		
- At a point in time	3,313,397	2,913,005
- Over time	<u>30,465,673</u>	<u>50,024,957</u>
	<u>33,779,070</u>	<u>52,937,962</u>
30. COST OF SALES		
Purchases (including direct expenses)	17,393,005	41,038,072
Purchase of carbon credits	538,395	6,668
Depreciation and amortisation (note 7)	<u>7,346,728</u>	<u>2,058,880</u>
	<u>25,278,128</u>	<u>43,103,620</u>
31. OTHER INCOME		
Credit balances written back	69,179	29,927
Foreign exchange gain	111,835	--
Management fee	218,000	--
Miscellaneous income	<u>397,552</u>	<u>128,860</u>
	<u>796,566</u>	<u>158,787</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
32. ADMINISTRATIVE EXPENSES		
Staff salaries and benefits ^(a)	3,475,708	4,857,140
Staff end-of-service benefits	89,894	88,705
Expenses relating to short-term leases	128,424	100,493
Commission and referral fees	212,519	447,399
Legal and professional fees	953,445	470,353
Recruitment expenses	161,438	204,350
Travel and conveyance	152,790	329,176
Depreciation (note 7)	62,608	50,841
Other expenses	2,055,961	2,743,552
	7,292,787	9,292,009
 (a) This includes director's remuneration of AED 477,050 (previous year AED 329,600).		
33. INTEREST INCOME		
On loan to a related party	393,035	871,128
On bank deposits	99,166	46,678
	492,201	917,806
34. FINANCE COSTS		
On lease liabilities	56,525	45,870
On amortisation of transaction costs	664,517	--
On bank borrowings	4,345,486	--
On bank overdrafts	322,258	210,738
On loans from a third party	3,869,591	2,209,280
On loan from a shareholder	1,653,332	1,516,088
	10,911,709	3,981,976
35. DEPRECIATION AND AMORTISATION		
Depreciation on property plant and equipment (note 7) ^(a)	6,833,611	2,109,721
Amortisation of customer contracts	575,725	--
	7,409,336	2,109,721
Allocated to:		
Cost of sales (note 30)	7,346,728	2,058,880
Administrative expenses (note 32)	62,608	50,841
	7,409,336	2,109,721

a) Includes depreciation on right-of-use assets of AED 119,624 (previous year AED 104,404).

36. INCOME TAX EXPENSE

The Group is subject to corporate tax on revenue earned by Parent and its subsidiaries in United Arab Emirates (9%) and in Thailand (20%). The income tax charge is calculated based on the applicable tax rates in these jurisdictions.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

		2025 AED	2024 AED
(a)	Income tax expense		
	Current tax on profits for the year	298,321	270,035
	Total current tax expense	(A) 298,321	270,035
	Deferred tax benefit		
	Deferred tax on loss for the year	(262,476)	--
	Total current tax benefit	(B) (262,476)	--
	Net tax benefits	(A+B) 35,845	270,035
(b)	Reconciliation of taxation charge		
	Accounting profit before taxation	6,583,008	--
	- Tax at applicable rate (9% for UAE and 20% for Thailand)	761,317	--
	- Income not subject to tax	(404,693)	--
	- Effect of different tax rate	(39,066)	--
	- Effect of deferred tax	484,534	--
	- Impact of post-acquisition loss in CleanMax Alpha	(766,247)	--
		35,845	--
(c)	Disclosed in consolidated statement of financial position as under:		
	Deferred tax assets (non-current)	481,343	--
	Deferred tax liability (non-current) – Note 8	1,940,192	--
	Corporate tax payable (current)	117,128	--

37. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
	2025 AED	2024 AED
Financial assets		
Trade and other receivables	10,524,751	7,896,008
Due from a related party	--	3,495,655
Other financial assets (current and non-current)	16,984,158	15,805,235
Cash and cash equivalents	27,670,511	9,900,972
	55,179,420	37,097,870

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	At amortised cost	
	2025	2024
	AED	AED
Financial liabilities		
Borrowings (long-term and short-term)	153,987,866	43,689,542
Trade and other payables	12,889,375	11,007,897
Due to a related party	1,972,728	3,823,884
Lease liabilities (current and non-current)	944,366	1,106,293
Loans from shareholder (current and non-current)	27,704,637	28,121,857
	<u>197,498,972</u>	<u>87,749,473</u>

Fair value measurement and disclosures

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, trade and other receivables, other financial assets (current), due from a related party, short-term borrowings, trade and other payables, current lease liabilities, due to a related party and loans from shareholder (current portion) approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to determine the fair values of other financial assets/liabilities:

Non-current financial assets are evaluated by the Group using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible inputs are based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customers and credit risks characteristics. As at the reporting date, the carrying amounts of such receivables, net of provisions, are not materially different from their fair values.

Fair values of loans from shareholder are estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amount of such liability, is not materially different from its fair value.

Fair value of non-current lease liabilities and long-term borrowings is estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such liabilities, are not materially different from their fair values.

Financial risk management

Risk management objectives

Risk is inherent in the Group's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability. The Group's risk management focusses on actively securing short to medium term cash flows by minimizing the exposure to financial markets.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

The management of the Group reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the third party to incur a financial loss.

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Financial assets that potentially expose the Group to concentrations of credit risk comprise principally bank accounts, trade and other receivables, due from a related party and other financial assets.

The Group's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from trade receivables and other receivables, loan to related party and due from a related party taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

Amounts due from a related party relate to transactions arising in the normal course of business with minimal credit risk. For the year ended 31 March 2025, the group has not recorded any allowance for expected credit losses of the amounts owned by the related parties (2024: AED nil).

At the reporting date, the Group's maximum exposure to credit risk from such receivables situated outside the UAE is as follows:

	2025 AED	2024 AED
Trade receivables		
Middle East countries	<u>3,277,555</u>	<u>2,766,120</u>

At the reporting date 83% of trade receivables was due from two customers (previous year 99 % due from four customers).

At the reporting date 100% of due from a related party are due from a related party (previous year 100% due from a related party).

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

At the reporting date, there is no significant concentration of credit risk from any particular industry as the Group's customers are from diverse industries.

The Group uses an allowance matrix to measure the expected credit losses of trade receivables and contract assets. Loss rates are calculated using a 'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables from individual customers as at the reporting date.

	Loss rate		Gross carrying amount		Loss allowance	
	2025	2024	2025	2024	2025	2024
	%	%	AED	AED	AED	AED
Not past due	--	--	5,430,858	2,843,792	--	--
0 - 180 days past due	--	--	4,255,180	3,188,697	--	--
180 days – 1 year past due	34.79%	--	773,538	133,377	269,110	--
More than 1 year past due	--	--	--	--	--	--
			<u>10,459,576</u>	<u>6,165,866</u>	<u>269,110</u>	<u>--</u>

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group limits its liquidity risk by ensuring adequate bank facilities are available.

The table below summarises the maturities of the Group's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	Less than one year		One to five years		Total	
	2025	2024	2025	2024	2025	2024
	AED	AED	AED	AED	AED	AED
Long-term borrowings	--	--	80,915,008	41,647,242	80,915,008	41,647,242
Short-term borrowings	73,072,858	2,042,300	--	--	73,072,858	2,042,300
Lease liabilities	104,638	133,338	896,253	1,371,262	1,000,891	1,504,600
Trade and other payables	12,889,375	11,007,897	--	--	12,889,375	11,007,897
Loans from shareholder	18,093,927	3,426,204	9,610,710	24,695,653	27,704,637	28,121,857
Due to a related party	1,972,728	3,823,884	--	--	1,972,728	3,823,884
	<u>106,133,526</u>	<u>20,433,623</u>	<u>91,421,971</u>	<u>67,714,157</u>	<u>197,555,497</u>	<u>88,147,780</u>

Market risk

Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Group's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns.

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirham or US Dollar to which the Dirham is fixed, except for the following:

	2025 AED	2024 AED
Cash and bank balances		
Thai Baht	10,275,609	8,694,772
Great British Pound	<u>3,603</u>	<u>3,603</u>
Trade payable		
Thai Baht	<u>716,924</u>	<u>742,526</u>

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

Loans from a third party and loans from shareholder are subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed to fair value interest rate risk. All HSBC bank borrowings are subject to floating interest rates linked to EIBOR and are therefore exposed to cash flow interest rate risk.

38. OTHER CONTRACTED COMITEMENTS

For construction of solar equipment (note 7)	<u>17,529,811</u>	<u>28,179,509</u>
--	-------------------	-------------------

39. CONTINGENT LIABILITIES

Corporate guarantee issued by related party (note 14)	160,367,130	54,041,199
Bankers' letter of guarantee (note 10)	<u>2,942,675</u>	<u>3,409,301</u>
	<u>163,309,805</u>	<u>57,450,500</u>

CLEANMAX SOLAR MENA FZCO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

40. COMPARATIVE FIGURES

Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable to those of the current year.

For CLEANMAX SOLAR MENA FZCO


DIRECTOR



CLEANMAX SOLAR MENA FZCO

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 31 MARCH 2025

(AUDITORS)

MEMBERS OF THE BOARD

STATE OF THE COMPANY

CLEANMAX SOLAR MENA FZCO

(AUDITORS)

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 MARCH 2025**

(AUDITORS) OF COMPANY'S FINANCIAL STATEMENTS

THE BOARD OF DIRECTORS

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT YEAR ENDED 31 MARCH 2025

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INDEPENDENT AUDITOR'S REPORT**To the Shareholder of CLEANMAX SOLAR MENA FZCO****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of **CLEANMAX SOLAR MENA FZCO** (the "Company"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards issued by International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the 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 the financial statements in the United Arab Emirates (U.A.E), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 2(a) to the financial statements, which states that these financial statements relate to separate financial statements of the Company. The consolidated financial statements of the Company and its subsidiaries which are required to be presented in accordance with International Financial Reporting Standard 10: Consolidated Financial Statements are presented separately. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

continued...

INDEPENDENT AUDITOR'S REPORT

(continued)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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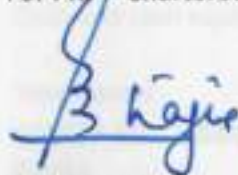
INDEPENDENT AUDITOR'S REPORT

(continued)

- 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 gives a true and fair view.

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.

For PKF Chartered Accountants (Dubai Br)



Shaji C. Joseph

Partner

Registration no. 5723

Dubai

United Arab Emirates

23 May 2025



CLEANMAX SOLAR MENA FZCO

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Notes	2025 AED	2024 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	33	94
Investments	7	120,164,435	76,359,211
Other financial assets	8	1,846,988	15,164,045
		<u>122,011,456</u>	<u>91,523,350</u>
Current assets			
Inventories	9	34,675	—
Trade and other receivables	10	6,593,934	6,669,697
Other current assets	11	1,067,046	311,625
Due from related parties	12	7,801,728	8,882,219
Contract assets	13	848,112	2,074,642
Other financial assets	8	1,524,095	64,000
Cash and cash equivalents	14	11,005,227	1,062,874
		<u>28,874,817</u>	<u>19,065,057</u>
Total assets		<u>150,886,273</u>	<u>110,588,407</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	15	28,627,000	24,830,000
Share premium	16	56,242,627	44,192,401
Share application money	17	21,472,030	—
Retained earnings		12,362,013	8,240,421
Total equity funds		<u>118,703,670</u>	<u>77,262,822</u>
Non-current liabilities			
Loans from shareholder	18	9,610,710	24,695,653
Provision for staff end-of-service benefits	19	118,255	89,172
		<u>9,728,965</u>	<u>24,784,825</u>
Current liabilities			
Loans from shareholder	18	18,093,927	3,426,204
Due to related parties	12	1,331,105	1,954,039
Trade and other payables	21	1,507,404	2,191,155
Other current liabilities	22	295,600	331,566
Contract liabilities	13	1,225,602	637,796
		<u>22,453,638</u>	<u>8,540,760</u>
Total liabilities		<u>32,182,603</u>	<u>33,325,585</u>
Total equity and liabilities		<u>150,886,273</u>	<u>110,588,407</u>

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1 to 3.

I confirm that I am responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. I confirm that I have made available all relevant accounting records and information for their compilation.

Approved and authorised for issue by the shareholder on 16 May 2025 and signed on their behalf by Ms. Shivani Agrawal.

For CLEANMAX SOLAR MENA FZCO

Shivani
DIRECTOR



CLEANMAX SOLAR MENA FZCO

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 AED	2024 AED
Revenue	24	15,654,995	23,232,564
Direct costs	25	(15,535,091)	(21,189,553)
Gross profit		119,904	2,043,011
Other income	26	382,869	64,959
Share of profit from associate	7 (a)	1,138,837	353,153
Share of profit from joint venture	7 (d)	2,146,476	29,581
Administrative expenses	27	(1,784,532)	(1,541,227)
Interest income	28	570,302	1,005,118
Impairment on financial assets	10	(127,557)	--
Dividend income	29	3,448,000	--
Finance costs	30	(1,772,707)	(1,765,387)
PROFIT FOR THE YEAR BEFORE TAX		4,121,592	189,208
Corporate tax expense	31	--	--
PROFIT FOR THE YEAR AFTER TAX		4,121,592	189,208
Other comprehensive income:			
Other comprehensive income for the year		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,121,592	189,208

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 to 3.

CLEANMAX SOLAR MENA FZCO

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025

	Share capital	Share premium	Share application money	Retained earnings	Total
	AED	AED	AED	AED	AED
Balance at 1 April 2023	16,877,000	19,830,420	14,775,948	8,051,213	59,534,581
Allotment of shares	7,953,000	24,473,361	(14,775,948)	--	17,650,413
Transaction costs	--	(111,380)	--	--	(111,380)
Total comprehensive income for the year	--	--	--	189,208	189,208
Balance at 31 March 2024	24,830,000	44,192,401	--	8,240,421	77,262,822
Allotment of shares	3,797,000	12,104,806	21,472,030	--	37,373,836
Transaction costs	--	(54,580)	--	--	(54,580)
Total comprehensive income for the year	--	--	--	4,121,592	4,121,592
Balance at 31 March 2025	28,627,000	56,242,627	21,472,030	12,362,013	118,703,670

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1 to 3.

CLEANMAX SOLAR MENA FZCO

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
Cash flows from operating activities		
Profit for the year before tax	4,121,592	189,208
Adjustments for:		
Depreciation of property, plant and equipment	61	465
Interest income	(570,302)	(1,005,118)
Finance costs	1,772,707	1,765,387
Provision on impairment on financial assets	127,557	—
Credit balances written back	—	(29,927)
Share of profit from associate	(1,138,837)	(353,153)
Share of profit from joint venture	(2,146,476)	(29,581)
Provision for staff end-of-service benefits	29,083	17,951
	<u>2,195,385</u>	<u>555,232</u>
Changes in:		
- Inventories	(34,675)	3,519,103
- Trade and other receivables	(51,794)	(3,596,796)
- Other current assets	(755,421)	(180,199)
- Contract assets	1,226,530	(384,327)
- Trade and other payables	(683,751)	1,631,501
- Other current liabilities	(35,966)	6,072
- Contract liabilities	587,806	(984,715)
Interest paid	(2,189,927)	(1,209,018)
Net cash from/(used in) operating activities	<u>258,187</u>	<u>(643,147)</u>
Cash flows from investing activities		
Investments in subsidiaries	(37,788,999)	(26,909,573)
Investments in joint venture	(2,730,912)	(1,386,755)
Investment in associates	—	(9,200,000)
Receipts from related parties (net)	1,080,491	690,051
Loans repaid by related parties (net)	11,897,962	3,777,248
Increase in margin deposits (net)	(41,000)	(9,000)
Interest received	570,302	664,110
Net cash used in investing activities	<u>(27,012,156)</u>	<u>(32,373,919)</u>
Cash flows from financial activities		
Issue of share capital	3,797,000	7,953,000
Receipts of share premium money (net)	33,576,836	9,697,413
Payment of transaction costs	(54,580)	(111,380)
Loan from shareholder (net)	—	9,200,000
(Payment to)/receipts from a related party (net)	(622,934)	815,508
Net cash from financing activities	<u>36,696,322</u>	<u>27,554,541</u>
Net increase/(decrease) in cash and cash equivalents	<u>9,942,353</u>	<u>(5,462,525)</u>
Cash and cash equivalents at beginning of year	<u>1,062,874</u>	<u>6,525,399</u>
Cash and cash equivalents at end of year (note 14)	<u>11,005,227</u>	<u>1,062,874</u>

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1 to 3.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. REPORTING ENTITY

- a) **CLEANMAX SOLAR MENA FZCO** (the "Company") is a free zone Company with limited liability incorporated in Dubai, United Arab Emirates under Implementing Regulation No. 1/98 issued by the Dubai Airport Free Zone Authority pursuant to Law No. 2 of 1996 and its amendment No. (2) of 2000 and amendment Law No. (25) of 2009 (repealed by Dubai Airport Free Zone Authority Company Regulations 2021). The Company was registered on 23 May 2017 under a commercial license no. 3348 and commenced its operations since then. The registered address is 2E M032, Dubai Airport Free Zone, Dubai, U.A.E.
- b) The Company's principal activity during the year was of solar energy systems & components trading and power generation, transmission & distribution equipment.
- c) The parent and ultimate parent company is Clean Max Enviro Energy Solutions Private Ltd., India. The management and control are vested with Ms. Shivani Agrawal, Director and Mr. Kuldeep Jain, Director, Indian nationals. Mr. Kuldeep Jain is the ultimate beneficiary owner of the Company.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements are prepared in accordance with IFRS Accounting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 April 2024.

These financial statements are the separate financial statements of the Company. The consolidated financial statements of the Company and its subsidiaries which are required to be presented in accordance with International Financial Reporting Standard 10: Consolidated Financial Statements are presented separately.

b) Basis of measurement

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) Going concern

The financial statements are prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

e) **Functional and presentation currency**

The financial statements are presented in UAE Dirhams ("AED") which is also the Company's functional currency.

3. **MATERIAL ACCOUNTING POLICIES**

The material accounting policies adopted, and which have been consistently applied, are as follows:

a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Furniture, fixture and office equipment	5 years
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Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'other operating income/administrative expenses' in profit or loss.

b) **Impairment of tangible assets**

At each reporting date, the management reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

c) Investments in subsidiaries

Subsidiaries are entities over which the Company exercises control. Control is achieved when the Company is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The investment in subsidiaries is accounted for at cost less impairment losses, if any. Consolidated financial statements of the Company and its subsidiaries are presented separately.

d) Investments in associates

Investments where the Company has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the share capital of the investee Company, are treated as associates and accounted for under the equity method of accounting stating the investment initially at cost and adjusted for the Company's share of the changes in net assets of the investee company after the date of acquisition, and for any impairment in value.

e) Investments in joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Such investments are treated as joint ventures and accounted under the equity method of accounting stating the investment initially at cost and adjusted for the Group's share of the changes in net assets of the investee company after the date of acquisition, and for any impairment in value.

f) **Share application money**

The amount received as application money for issuance of equity shares in future has been classified as share application money under equity. Further, the transaction costs relating to additional shares issues deducted from the share application under equity.

g) **Share premium**

The amount received in excess of the par value of equity shares has been classified as share premium under equity. Further, the transaction costs relating to additional shares issues deducted from the share premium under equity.

h) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is arrived at using the Weighted Average Cost (WAC) method and comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and disposal.

i) **Staff benefits**

The Company provides staff end-of-service benefits to its non-UAE national employees as per the applicable local laws. The entitlement to these benefits is based on the employees' last drawn basic salary and length of services which is accrued over the period of employment. Provision for staff end-of-services benefits are disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave and air fare for eligible employees as per the policy of the Company. Provision relating to annual leave and air fare is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

j) **Revenue recognition**

The Company is in the business of solar energy systems & components trading and power generation, transmission & distribution equipment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied. The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of goods

The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

Sales of services

The Company has concluded that revenue from sale of services should be recognised over time using input method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Construction contracts

Contract revenues are recognised over a period of time, based on the stage of completion of the contract activity. Revenue is measured based on the proportion of contract costs incurred for satisfying the performance obligation to the total estimated contract costs.

Contract revenues are recognised based on the stage of completion of the contract activity. Revenue is measured based on the proportion of contract costs incurred for satisfying the performance obligation to the total estimated contract costs, there being a direct relationship between the input and the productivity. Claims are accounted for as income when accepted by the customer.

Expected loss, if any, on contracts are recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

Contract modifications are accounted for, when additions, deletions or changes are approved either to the contract scope or contract price. Accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is a standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

k) Contract assets

A Contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised from the earned consideration that is conditional. The contract assets are transferred to receivable when the rights become unconditional.

l) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

m) Leases

As a lessee

The Company leases office premises. Rental contracts are typically annually but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

n) **Cash and cash equivalents**

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

o) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

p) **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred except those that are attributable to the acquisition and construction of an asset that necessarily takes a substantial period to get ready for its intended use ("qualifying asset"). Such borrowing costs are capitalised as part of the related qualifying asset up to the date the qualifying asset is ready for use.

q) **Provisions**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Onerous contract

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

r) Contingencies and commitments

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

s) Value added tax

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person.

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which the Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Company also files its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT payable are offset and the net amount is reported in the statement of financial position as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

t) Deferred tax

Deferred tax is recognised on temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for non-deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Deferred tax asset is recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences.

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

u) **Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period. or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period. or,
- There is no right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

v) **Financial instruments**

Classification

On initial recognition, a financial asset is classified and measured at: amortised cost; fair value through other comprehensive income – debt investment; fair value through other comprehensive income – equity investment; or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Company's business model for managing them.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrumental level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cashflows will result from collecting contractual cashflows, selling the financial assets, or both

Financial liabilities are classified as financial liabilities at fair value through profit or loss or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e., when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss, if any, using the effective interest method.

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

All other financial assets are subsequently measured at fair value.

Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of other financial assets, trade and other receivables, due from related parties and cash and cash equivalents.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities at amortised cost comprise of trade and other payables, due to related parties and loans from shareholder.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for investments in all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the 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 will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:

- 12-month expected credit losses: Expected credit losses that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit losses: Expected credit losses that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime expected credit losses, except for the following which are measured as 12-month expected credit losses:

- Bank balances, other financial assets, due from related parties and other receivables for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The Company has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses. The Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit risk assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- The customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 360 days past due.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Equity

Share capital is recorded at the value of proceeds received/receivable towards interest in share capital of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

w) **Fair value measurement**

The Company discloses the fair value of financial instruments measured at amortised cost.

The 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

x) **Events after the reporting period**

If the Company receives information after the reporting period, but prior to the date of authorisation for issue of the financial statements, about conditions that existed at the end of the reporting period, it assesses whether the information affects the amounts that it recognises in its financial statements. The Company adjusts the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Company does not change the amounts recognised in its financial statements, but discloses the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

4. **SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES**

Following are the judgments made in applying accounting policies, including climate-related risks and opportunities, that affect the application of the Company's accounting policies and the amounts recognised in the financial statements:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The Company applies expected credit loss model to measure loss allowance in case of financial assets on the basis of 12-month expected credit losses or Lifetime expected credit losses depending on credit risk characteristics and how changes in economic factors affect expected credit losses, which are determined on a probability-weighted basis.

Investments in joint arrangements

Management considers that it has joint control over Kanoo Cleanmax Renewables Asset Co W.L.L wherein it holds 50% of the voting rights. Based on the contractual arrangements, unanimous consent is required from all the parties to the arrangement for all relevant activities.

The Kanoo Cleanmax Renewables Asset Co W.L.L has been structured as a limited liability company and provides the parties to the arrangement with rights to the net assets of the limited liability company under the arrangement. Consequently, the investment is classified as a joint venture.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

The Company determined that the sale of goods and services is provided as a single component to customers and accordingly it becomes single performance obligation in respect of the goods being sold.

Determine timing of satisfaction of performance obligation

The Company concluded that the revenue from sales of goods is to be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

The Company concluded that the revenue from construction projects and operations and management services is to be recognised over time as the customer simultaneously receives the benefit as the Company performs.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Following are the key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provision

Management regularly undertakes a review of the Company's inventory, stated at AED 34,675 (previous year AED Nil) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property, plant and equipment are based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the 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 note 3(v).

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 118,255 (previous year AED 89,172), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

Contract variations and claims

Variations orders are accounted for prospectively based on the nature and price of additional products and services requested through the variation orders. During the year ended 31 March 2025, no amount of claim recognised as part of the revenue (previous year AED Nil).

The Company includes variable consideration (including claims, re-measurable contract values and discounts) in the transaction price to which it expects to be entitled from the inception of the contract. The amount of variable consideration is restricted to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Deferred tax

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and office equipment AED
Cost	
At 1 April 2022, at 31 March 2024 and 31 March 2025	7,069
Accumulated depreciation	
At 1 April 2022	6,510
Depreciation	465
At 31 March 2024	6,975
Depreciation	61
At 31 March 2025	7,036
Carrying amount	
At 1 April 2022	559
At 31 March 2024	94
At 31 March 2025	33

	2025 AED	2024 AED
7. INVESTMENTS		
a) Investment in an associate		
<i>CleanMax Alpha LeaseCo FZCO, Dubai</i>		
Fair value adjustment due to loss of control	15,685,200	15,685,200
Share capital at cost	204,000	204,000
Additional investment acquired in current year	9,176,000	9,176,000
Share of comprehensive income (cumulative)	2,481,244	1,342,407
	<u>27,546,444</u>	<u>26,407,607</u>

The nature of investment in an associate is as follows:

CLEANMAX SOLAR MENA FZCO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Name of associate	Principal activity	Country of incorporation	Proportion (%) of ownership interest	
			30.9.2024	31.3.2024
CleanMax Alpha LeaseCo FZCO ⁽ⁱ⁾	Solar energy systems rental	UAE	40.80%	40.80%

(i) Aggregated summary financial information relating to the associates are as follows:

	1.4.2024 to 30.9.2024 AED	1.4.2024 to 31.3.2024 AED
Assets	130,871,644	130,955,351
Liabilities	79,083,426	81,958,399
Revenue	11,079,705	16,472,578
Profit	2,791,266	900,902
Net assets of an associate	51,788,218	48,996,952
Interest in an associate	40.80%	40.80%
Share of profit from associate	1,138,837	353,153
b) Investment in subsidiaries		
CleanMax Alpha LeaseCo FZCO, Dubai ⁽ⁱ⁾		
Fair value of investment in associate as of the date of acquisition [refer 7(a)]	27,546,444	—
Add: Additional investment made for acquisition of control	20,641,960	—
	48,188,404	—
Sunroofs Enviro Solar Energy Systems LLC ⁽ⁱ⁾	19,520,000	13,520,000
	67,708,404	13,520,000

(i) **Acquisition of Control in CleanMax Alpha LeaseCo FZCO, Dubai**

Vide the Supplementary and Amendment Agreement dated 1 October 2024, the Company acquired a control of the CleanMax Alpha via higher board representation and control over its financial and operating policies by virtue of control over CleanMax Alpha. As a result of which 1 October 2024 is considered as date of acquisition of Controlling interest in CleanMax Alpha. Post-acquisition, the Company increased the stake in CleanMax Alpha to 50% on acquisition of stake from non-controlling shareholders.

Previously, the investment in CleanMax Alpha LeaseCo FZCO was accounted for using the equity method. Upon obtaining control, the Company has now recorded investment at cost, less any impairment allowance, if applicable.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

- (ii) In current year, the Company made an additional investment of AED 6,000,000, thereby converting it into a wholly owned subsidiary. Additionally, the Company purchased the remaining non-controlling interest of AED 153,000 at book value.

c) **Investment in wholly owned subsidiaries incorporated in Thailand**

	2025 AED	2024 AED
99,998 shares of THB 100 each converted @ THB 1 = AED 0.113, 100,000 shares of THB 100 each paid up @ 100 each converted @ THB 1 = 0.1109, 1 shares of THB 100 each paid up @ 100 each converted @ THB 1 = 0.1030 and 300,000 shares of THB 100 partial each paid up @ THB 43.87 each converted @ THB 1 = 0.1030 in Cleanmax IHQ (Thailand) Company Limited, Thailand (previous year 99,998 shares of THB 100 each converted @ THB 1 = AED 0.113 in Cleanmax IHQ (Thailand) Company Limited, Thailand).	3,593,365	3,593,365
24,998 shares of THB 1,000 each converted @ THB 1 = AED 0.11991; 12,500 shares of THB 1,000 each partial paid up @ THB 481.41 each converted @ THB 1 = AED 0.12200; 12,500 shares of THB 1,000 each partial paid up @ THB 356.13 each converted @ THB 1 = AED 0.11739; 27,500 shares of THB 1,000 partial each paid up @ THB 250.90 each converted @ THB 1 = AED 0.11316; 135,000 shares of THB 1,000 partial paid up @ THB 251.8 each converted @ THB 1 = AED 0.11499; 12,500 shares of THB 1000 partial each paid up @ THB 162.46 each converted @ THB 1 = 0.10190; 27,500 shares of THB 1000 partial each paid up @ THB 749.10 each converted @ THB 1 = 0.10190; 135,000 shares of THB 1000 partial each paid up @ THB 138.18 each converted @ THB 1 = 0.10340; 265,400 shares of THB 1,000 partial each paid up @ THB 250 each converted @ THB 1 = 0.10800; 135,000 shares of THB 1,000 partial each paid up @ THB 325.93 each converted @ THB 1 = 0.10800; 135,000 shares of THB 1,000 partial each paid up @ THB 284.09 each converted @ THB 1 = 0.11090; 265,400 shares of THB 1,000 partial each paid up @ THB 51.33 each converted @ THB 1 = 0.11090; 265,400 shares of THB 1,000 partial each paid up @ THB 20.31 each converted @ THB 1 = 0.10300; 164,348 shares of THB 1,000 partial each paid up @ THB 250 each converted @ THB 1 = 0.1089 in Cleanmax Energy	42,566,548	31,419,509

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(Thailand) Co., Ltd., Thailand (previous year 24,998 shares of THB 1,000 each converted @ THB 1 = AED 0.11991; 12,500 shares of THB 1,000 each partial paid up @ THB 481.41 each converted @ THB 1 = AED 0.12200; 12,500 shares of THB 1,000 each partial paid up @ THB 356.13 each converted @ THB 1 = AED 0.11739; 27,500 shares of THB 1,000 partial each paid up @ THB 250.90 each converted @ THB 1 = AED 0.11316; 135,000 shares of THB 1,000 partial paid up @ THB 251.8 each converted @ THB 1 = AED 0.11499; 12,500 shares of THB 1000 partial each paid up @ THB 162.46 each converted @ THB 1 = 0.10190; 27,500 shares of THB 1000 partial each paid up @ THB 749.10 each converted @ THB 1 = 0.10190; 135,000 shares of THB 1000 partial each paid up @ THB 138.18 each converted @ THB 1 = 0.10340; 265,400 shares of THB 1,000 partial each paid up @ THB 250 each converted @ THB 1 = 0.10800; 135,000 shares of THB 1,000 partial each paid up @ THB 325.93 each converted @ THB 1 = 0.10800; 135,000 shares of THB 1,000 partial each paid up @ THB 284.09 each converted @ THB 1 = 0.11090; 265,400 shares of THB 1,000 partial each paid up @ THB 51.33 each converted @ THB 1 = 0.11090; 265,400 shares of THB 1,000 partial each paid up @ THB 20.31 each converted @ THB 1 = 0.10300) in Cleanmax Energy (Thailand) Co., Ltd., Thailand.

245 shares of THB 100 each converted @ THB 1= AED 0.09841 in Cleanmax Engineering (Thailand) Company Limited.

2,394
46,162,307

2,394
35,015,268

The nature of investments in subsidiaries controlled by the Company are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Proportion (%) of legal ownership interest		Proportion (%) of Beneficial ownership interest	
			2025	2024	2025	2024
CleanMax Alpha LeaseCo FZCO, Dubai	Solar energy systems rental. The solar energy systems rentals are charged on the basis of energy consumed.	UAE	50	—	100	—
Sunroofs Enviro Solar Energy Systems LLC	Electrical fitting contracting and solar energy system installation	UAE	100	—	100	—

CLEANMAX SOLAR MENA FZCO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	Name of subsidiary	Principal activities	Country of incorporation	Proportion (%) of legal ownership interest		Proportion (%) of Beneficial ownership interest	
				2025	2024	2025	2024
	Cleanmax I HQ (Thailand) Company Limited, Thailand	Business management and general service.	Thailand	99	99	100	100
	Cleanmax Energy (Thailand) Co., Ltd., Thailand	Engaged in production, assembly, distribution and management services to build a power plant.	Thailand	99	99	100	100
	Cleanmax Engineering (Thailand) Company Limited	Business management consulting and general service	Thailand	41	41	100	100

		2025 AED	2024 AED
d)	INVESTMENT IN JOINT VENTURES		
	<i>50% interest in Kanoo Cleanmax Renewables Asset Co W.L.L, Bahrain</i>		
	Share capital at cost	49,573	49,573
	Additional investments during the year	4,018,515	1,337,182
	Share of profits	214,111	29,581
	Total A	<u>4,282,199</u>	<u>1,416,336</u>
	<i>50% interest in Kanoo Cleanmax Renewables W.L.L, Bahrain</i>		
	Share capital at cost	49,579	--
	Share of profit	1,961,946	--
	Total B	<u>2,011,525</u>	<u>--</u>
	Total A + B	<u>6,293,724</u>	<u>1,416,336</u>

The nature of investments in joint ventures is as follows:

Name of Joint venture	Principal activities	Country of incorporation	% of share capital held		% of beneficial ownership interest	
			2025	2024	2025	2024
Kanoo Cleanmax Renewables Asset Co W.L.L, Bahrain ⁽ⁱ⁾	Renting and operational leasing of machinery and equipment	Bahrain	50	50	50	50
Kanoo Cleanmax Renewables W.L.L, Bahrain ⁽ⁱ⁾	Renting and operational leasing of machinery and equipment	Bahrain	50	--	50	--

- (i) Kanoo Cleanmax Renewables Asset Co. W.L.L. and Cleanmax Solar MENA FZCO are jointly controlled ventures, with equal beneficial interest shared between the venturers under commercial registration number 157377-1. There are no quoted market prices available for their shares.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Aggregated summary financial information relating to Kanoo Cleanmax Renewables Asset Co W.L.L, not adjusted for the proportion of ownership interest held by the Company is as follows:

Summarised statement of financial position

	2025 AED	2024 AED
Non-current assets		
- Property, plant and equipment	12,795,999	2,263,080
- Capital work-in-progress	10,520,130	--
	<u>23,316,129</u>	<u>2,263,080</u>
Current assets		
- Trade and other receivables	2,427,886	196,586
- Cash and cash equivalents	999,867	2,819,865
Current assets	<u>3,427,753</u>	<u>3,016,451</u>
Total assets	<u>26,743,882</u>	<u>5,279,531</u>
Non-current liabilities	<u>146,299</u>	<u>--</u>
Current liabilities	<u>17,888,285</u>	<u>2,476,700</u>
Total liabilities	<u>18,034,584</u>	<u>2,476,700</u>
Net assets	<u>8,709,298</u>	<u>2,802,831</u>

Summarised statement of profit or loss and other comprehensive income

Revenue	1,164,143	263,326
Direct costs	(430,870)	(133,118)
Gross Profit	733,273	130,208
Administrative expenses	(364,214)	(71,047)
Net profit	<u>369,059</u>	<u>59,161</u>

Reconciliation of summarised financial information

A reconciliation of summarised financial information presented to the carrying amount of investment in joint venture is as follows:

Net assets		
Total assets	(i) 26,743,882	5,279,531
Total liabilities	(ii) 18,034,584	2,476,700
	(i-ii) 8,709,298	2,802,831
Total revenue	1,164,143	263,326
Total profit	369,059	59,161
Interest in joint venture (%)	50%	50%
Interest in joint venture	4,354,649	1,416,336
Carrying value ^(a)	<u>184,530</u>	<u>29,581</u>

CLEANMAX SOLAR MENA FZCO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
(a) Share of comprehensive income (cumulative):		--
Profit for the year ended 31 March 2024	29,581	--
Profit for the year ended 31 March 2025	184,530	--
Total	214,111	--

- (ii) During the year, the Company invested in a joint ventures, Kanoo Cleanmax Renewables W.L.L and Cleanmax Solar MENA FZCO. These ventures are jointly controlled, with equal beneficial interest shared between the venturers under commercial registration number 157376-1. There are no quoted market prices available for their shares.

Aggregated summary financial information relating to Kanoo Cleanmax Renewables W.L.L, not adjusted for the proportion of ownership interest held by the Company is as follows:

Summarised statement of financial position

	2025 AED	2024 AED
Non-current assets		
- Property, plant and equipment	7,503	--
Current assets		
- Trade and other receivables	17,809,029	--
- Cash and cash equivalents	907,721	--
Current assets	18,716,750	--
Total assets	18,724,253	--
Equity	4,020,957	--
Current liabilities	14,703,296	--
Total equity and liabilities	18,724,253	--
Net assets	4,020,957	--

Summarised statement of profit or loss and other comprehensive income

Revenue	21,488,059	--
Direct costs	(17,464,053)	--
Gross Profit	4,024,006	--
Administrative expenses	(100,115)	--
Net profit	3,923,891	--

CLEANMAX SOLAR MENA FZCO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

All balances are unsecured and are expected to be settled in cash except for the guarantees received. Repayment and other terms are set out in notes 7, 8, 18 and 32.

Significant transactions with related parties during the year were as follows:

	Parent company	Subsidiaries	Associate	Joint venture	Director/ Key management personnel	Total 2025	Total 2024
	AED	AED	AED	AED	AED	AED	AED
Revenue	—	3,596,795	—	3,029,194	—	6,625,989	
	—	8,513,243	—	—	—		8,513,243
Direct costs	1,329,738	853,956	—	—	—	2,183,694	
	4,230,293	4,496,487	—	—	—		8,726,780
Management fee income	—	218,000	—	—	—	218,000	
	—	—	—	—	—		—
Expenses recharged to a related party	75,000	221,466	—	—	—	296,466	
	125,000	585,472	—	—	—		710,472
Expenses recharged from a related party	—	126,345	—	—	—	126,345	
	189,784	2,488,960	—	—	—		2,678,744
Staff costs and other benefits	—	—	—	—	182,995	182,995	
	—	—	240,300	—	168,300		408,600
Staff end-of-service benefits	—	—	—	—	29,083	29,083	
	—	—	—	—	17,951		17,951
Interest income	—	570,302	—	—	—	570,302	
	—	133,990	871,128	—	—		1,005,118
Share of profit from joint venture	—	—	—	2,146,476	—	2,146,476	
	—	—	—	29,581	—		29,581
Share of profit from associates	—	—	1,138,837	—	—	1,138,837	
	—	—	353,153	—	—		353,153
Dividend income (note 29)	—	—	3,448,000	—	—	3,448,000	
	—	—	—	—	—		—
Finance costs	1,653,332	—	—	—	—	1,653,332	
	1,516,088	—	—	—	—		1,516,088

The Company also provides funds to/receives funds from related parties as working capital facilities at fixed rates of interest.

Certain administrative related services are availed from a related party as per agreed rates.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
13. CONTRACT ASSETS/CONTRACT LIABILITIES		
Contract assets relating to costs incurred to fulfil a contract	<u>848,112</u>	<u>2,074,642</u>
Disclosed as:		
Current contract assets	<u>848,112</u>	<u>2,074,642</u>
Contract liabilities	<u>1,225,602</u>	<u>637,796</u>
Disclosed as:		
Current contract liabilities	<u>1,225,602</u>	<u>637,796</u>
14. CASH AND CASH EQUIVALENTS		
Cash on hand	2,237	4,101
Bank balances in current accounts	<u>11,002,990</u>	<u>1,058,773</u>
	<u>11,005,227</u>	<u>1,062,874</u>

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting year at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting year are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

15. SHARE CAPITAL		
Issued and paid up:		
28,627 shares of AED 1,000 each (previous year		
24,830 shares of AED 1,000 each)	<u>28,627,000</u>	<u>24,830,000</u>
Name	No. of shares	AED
Clean Max Enviro Energy Solutions Private Ltd.	<u>28,627</u>	<u>28,627,000</u>

- (a) During the year vide an amendment to the memorandum of association, the Company has increased the share capital by issuance of additional 3,797 shares to CleanMax Enviro Energy Solutions Private Ltd. The shareholder as at 31 March 2025 and at 31 March 2024 and its interest as at that date in the share capital of the Company were as follows:

CLEANMAX SOLAR MENA FZCO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Name	At 31 March 2025				At 31 March 2024			
	No. of Shares	AED	% of holding	% of profit sharing	No. of Shares	AED	% of holding	% of profit sharing
CleanMax Enviro Energy Solutions Private Ltd.	28,627	28,627,000	100%	100%	24,830	24,830,000	100%	100%
	28,627	28,627,000	100%	100%	24,830	24,830,000	100%	100%

	2025 AED	2024 AED
16. SHARE PREMIUM^(a)		
Opening balance	44,192,401	19,830,420
Premium on additional shares issued during the year	12,104,806	24,473,361
Transaction costs	(54,580)	(111,380)
Closing balance	56,242,627	44,192,401
(a) Share premium of AED 56,055,127 (net transaction cost of AED 187,500) arising out of 23,077 shares issued during the year ended 31 March 2025.		
17. SHARE APPLICATION MONEY		
Opening balance	--	14,775,948
Share application money on additional shares	21,472,030	--
Allotment of shares	--	(14,775,948)
	21,472,030	--

This represents advance subscription received from the shareholder of the Company towards the increase in share capital. As at reporting date, the legal formalities for issuing of further share capital were not complete and on complete on of the legal formalities this amount will be reclassified as share capital.

Further vide an amendment to the memorandum of association dated 7 April 2025, the Company has increased the share capital by issuance of additional of 5,116 shares to CleanMax Enviro Energy Solutions Private Ltd., thus allotment of shares to shareholder.

18. LOANS FROM SHAREHOLDER^(a)		
Opening balance	28,121,857	18,365,488
Receipts during the year (net)	--	9,200,000
Interest credited	1,653,332	1,516,088
Interest paid	(2,070,552)	(959,719)
Closing balance	27,704,637	28,121,857

- (a) These represent interest bearing loans received from the shareholder with a maturity of one to three years from the date of receipt of loans as at reporting date. Below are the loans details:

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

- (b) Loans carry interest rate of 6% per annum.

	2025 AED	2024 AED
Disclosed under:		
Non-current portion	9,610,710	24,695,653
Current portion	18,093,927	3,426,204
	<u>27,704,637</u>	<u>28,121,857</u>
19. PROVISION FOR STAFF END-OF-SERVICE BENEFITS		
Opening balance	89,172	71,221
Provision for the year	29,083	17,951
Closing balance	<u>118,255</u>	<u>89,172</u>
20. BANK FACILITIES		
Bank facilities from Mashreq Bank are secured by financial bank guarantee of AED 7,350,000 received from parent company.		
The bank borrowings are subject to certain financial covenants such as minimum monthly account turnover routing (excluding any TR / LBD credits) of AED 500,000 which has been complied with.		
21. TRADE AND OTHER PAYABLES		
Trade payables	1,240,432	1,821,772
Accruals	266,972	369,383
	<u>1,507,404</u>	<u>2,191,155</u>
The entire trade and other payables are due for payment in one year.		
22. OTHER CURRENT LIABILITIES		
Advances received from customer	100,603	242,428
VAT payable (net)	194,997	72,133
Employee related payables	—	17,005
	<u>295,600</u>	<u>331,566</u>

23. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholder with a rate of return on its investment commensurate with the level of risk assumed.

Capital comprises equity funds as presented in the statement of financial position along with loans from the shareholder, share premium and amounts due to/from related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

CLEANMAX SOLAR MENA FZCO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The Company is subject to externally imposed capital requirements as per provisions of the bank facilities availed. The Company has complied with all the capital requirements to which it is subject.

Funds generated from internal accruals together with funds received from related parties net of funds provided to related parties are retained in the business according to the business requirements to maintain the capital at desired levels.

24. REVENUE

The Company generates revenue from the transfer goods and services over time and at a point in time. The disaggregated revenue from contracts with customers by geographical segments, type of services and timing of revenue recognition is presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	2025 AED	2024 AED
Primary geographical segments		
- U.A.E	12,306,230	20,006,631
- Thailand	36,368	459,813
- Bahrain	3,312,397	2,766,120
	<u>15,654,995</u>	<u>23,232,564</u>
Major good/service lines		
Construction/installation projects		
- Solar equipment installation	8,233,041	11,484,713
Sale of goods		
- Sale of goods	6,910,192	11,426,248
Operation and maintenance		
- Operation and maintenance	511,762	321,603
	<u>15,654,995</u>	<u>23,232,564</u>
Timing of revenue recognition		
- At a point in time	7,421,954	14,750,850
- Over time	8,233,041	8,481,714
	<u>15,654,995</u>	<u>23,232,564</u>
25. DIRECT COSTS		
Purchase of project materials	12,960,801	16,224,395
Other direct costs	2,608,965	1,644,664
	<u>15,569,766</u>	<u>17,869,059</u>
Changes in inventories	(34,675)	3,320,494
	<u>15,535,091</u>	<u>21,189,553</u>

CLEANMAX SOLAR MENA FZCO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
26. OTHER INCOME		
Management fee	218,000	--
Foreign exchange gain (net)	111,835	--
Credit balances written back	--	29,927
Other miscellaneous income	53,034	35,032
	<u>382,869</u>	<u>64,959</u>
27. ADMINISTRATIVE EXPENSES		
Staff salaries and benefits ^(a)	535,938	587,222
Staff end-of-service benefits	29,083	17,951
Short-term lease expenses	34,904	35,016
Professional fees	285,650	138,871
Marketing expenses	--	61,598
Commission and referral fees	212,519	60,409
Insurance charges	244,136	56,118
Audit fees	101,000	56,000
Travel expenses	5,062	21,266
Bank charges	91,461	8,828
Depreciation (note 6)	61	465
Foreign exchange losses (net)	--	285,847
Other expenses	244,718	211,636
	<u>1,784,532</u>	<u>1,541,227</u>
(a) It includes director's remuneration of AED 182,995 (previous year AED 168,300).		
28. INTEREST INCOME		
On loan to related parties	<u>570,302</u>	<u>1,005,118</u>
29. DIVIDEND INCOME		
Dividend income from subsidiary	<u>3,448,000</u>	<u>--</u>
Dividend income is received from the subsidiary, CleanMax Alpha LeaseCo FZCO, Dubai (previous year AED Nil).		
30. FINANCE COSTS		
On loans from shareholder	1,653,332	1,516,088
Other finance costs	119,375	249,299
	<u>1,772,707</u>	<u>1,765,387</u>

CLEANMAX SOLAR MENA FZCO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

31. INCOME TAX EXPENSE

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023.

As the Company's accounting year ends on 31 March, the first tax period will be the period from 1 April 2024 to 31 March 2025, with the respective tax return to be filed on or before 30 September 2025. UAE CT Law specifies that a tax rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000.

	2025 AED	2024 AED
Statement of financial position:		
Corporate tax payable	—	—
Statement of profit or loss:		
Current tax expense	—	—
Reconciliation of tax expense and accounting profit:		
Profit before income tax expense (a)	4,121,592	—
Less: Exempt income		
Dividend income	3,448,000	—
Share of profit from associates	1,138,837	—
(b)	4,586,837	—
Taxable income for the year (a) – (b)	—	—

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost	
	2025 AED	2024 AED
Financial assets		
Other financial assets (current and non-current)	3,371,083	15,228,045
Trade and other receivables	6,593,934	6,669,697
Due from related parties	7,801,728	8,882,219
Cash and cash equivalents	11,005,227	1,062,874
	<u>28,771,972</u>	<u>31,842,835</u>

CLEANMAX SOLAR MENA FZCO

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	At amortised cost	
	2025 AED	2024 AED
Financial liabilities		
Trade and other payables	1,507,404	2,191,155
Due to related parties	1,331,105	1,954,039
Loans from shareholder (current and non-current)	27,704,637	28,121,857
	<u>30,543,146</u>	<u>32,267,051</u>

Fair value measurement and disclosures

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, trade and other receivables, due from related parties, other financial assets (current), trade and other payables, loans from shareholder and due to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to determine the fair values of other financial assets/liabilities:

Non-current financial assets are evaluated by the Company using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible inputs are based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customers and credit risks characteristics. As at the reporting date, the carrying amounts of such receivables, net of provisions, are not materially different from their fair values.

Fair values of long-term loans to related parties, other non-current receivables are evaluated by the Company using valuation techniques including the discounted cash flow (DCF) model. The inputs to this model are taken from observable markets where possible, but where this is not feasible, inputs are based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customers and credit risks characteristics. Based on such evaluation, provisions are made for the expected credit losses of these receivables. As at the reporting date, the carrying amounts of such receivables, net of provisions, are not materially different from their fair values, except for interest-free long-term loans to shareholders, which due to their terms, have fair values lower than their carrying values.

Fair values of loans from shareholder are estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amount of such liability, is not materially different from its fair value.

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Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimizing the exposure to financial markets.

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts, trade and other receivables, due from related parties, loan to related parties and margin deposits.

The Company's bank accounts and margin deposits are placed with high credit quality financial institutions.

The management assesses the credit risk arising from trade and other receivables, amounts due from related parties and loan to related parties taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

Amounts due from related parties relate to transactions arising in the normal course of business with minimal credit risk.

At the reporting date, the Company's maximum exposure to credit risk from such receivables situated outside the U.A.E is as follows:

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

	2025 AED	2024 AED
Middle East countries	3,277,555	2,766,120

At the reporting date 83% of trade receivables were due from two customers (previous year 81% due from three customers situated in the UAE).

At the reporting date 100% of due from related parties are due from related parties (previous year 100% due from related parties).

At the reporting date, there is no significant concentration of credit risk from any particular industry as the Company's customers are from diverse industries.

The Company uses an allowance matrix to measure the expected credit losses of trade receivables and contract assets. Loss rates are calculated using a 'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables from individual customers as at the reporting date.

	Loss rate		Gross carrying amount		Loss allowance	
	2025 %	2024 %	2025 AED	2024 AED	2025 AED	2024 AED
Not past due	—	—	3,144,477	2,843,792	—	—
0 - 180 days past due	—	—	2,845,026	2,721,430	—	—
More than 180 days past due	23.49%	—	543,140	129,056	127,557	—
			<u>6,532,643</u>	<u>5,694,278</u>	<u>127,557</u>	<u>—</u>

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

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The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company limits its liquidity risk by ensuring adequate bank facilities are available.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year		One to five years		Total	
	2025	2024	2025	2024	2025	2024
	AED	AED	AED	AED	AED	AED
Trade and other payables	1,507,404	2,191,155	—	—	1,507,404	2,191,155
Due to related parties	1,331,105	1,954,039	—	—	1,331,105	1,954,039
Loans from shareholder	18,093,927	3,426,204	9,610,710	24,695,653	27,704,637	28,121,857
	<u>20,932,436</u>	<u>7,571,398</u>	<u>9,610,710</u>	<u>24,695,653</u>	<u>30,543,146</u>	<u>32,267,051</u>

Market risk

Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns.

Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirham or US Dollar to which the Dirham is fixed, except for the following:

	2025	2024
	AED	AED
Cash and bank balances		
British Pound Sterling	<u>3,603</u>	<u>3,603</u>

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Loans to related parties and loans from shareholder are subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed to fair value interest rate risk.

	2025 AED	2024 AED
33. CONTINGENT LIABILITIES		
Bankers' letter of bank guarantee [note 8 (c)]	<u>2,942,675</u>	<u>3,409,301</u>

34. **COMPARATIVE FIGURES**

Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable to those of the current period.

For **CLEANMAX SOLAR MENA FZCO**


DIRECTOR

