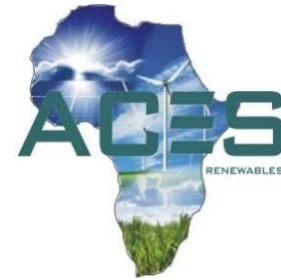




## **AFRICA CLEAN ENERGY SOLUTIONS LIMITED**

Incorporated in the Republic of Mauritius  
Registration number: 152282 C1/GBL  
Having its registered office address at  
c/o Intercontinental Trust Ltd, Level 3, Alexander House  
35 Cybercity, Ebene 72201, Mauritius  
SEM share code: ACES.N0000  
ISIN: MU0620N00008  
("ACES Renewables" or the "Company" or the "Group")



---

### **ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

---

#### **DIRECTORS' COMMENTARY & COMPANY OVERVIEW**

During the financial year management concluded that it was necessary to restructure executive management. Andrew Cox has been appointed the Chief Executive Officer with effect from 1 September 2022, Dave Kruger assumed the role of Chief Operating Officer and Melvyn Antonie remained as the Chief Financial Officer.

The 2022 financial year started off on a very slow basis. Having come out of Covid-19, matters started to progress normally. Unfortunately, during the first quarter of 2022 the Ukraine Russian conflict escalated causing the international financial markets to slow down, potentially leading to an international recession in 2023. Interest rates and inflation are on the rise across the globe. The Ukraine Russian conflict has caused major concerns in the international energy market resulting in a potential international energy crisis developing.

Notwithstanding these developments, the Government of South Africa has opened the energy market and lifted many of the restrictions. Permits and licensing processes having been streamlined for Independent Power Producers ("IPPs"), enabling Power Purchase Agreements ("PPA") to be entered into with the private sector.

During the financial year ACES Renewables has converted R9.66 million of its loan account in SACE Projects (Pty) Limited ("SACE Projects") into 149 new shares. Since the year end SACE Projects was further recapitalised by the remaining shareholders who subscribed for 90 new shares to the value of R6 million in cash. The net result is that ACES Renewables now holds 58.2% of SACE Projects.

Due to the increased demand for electricity the number of inquiries for SACE Projects has increased and at present we have submitted twenty-one quotations since the beginning of this calendar year, concluding three. This trend is likely to continue into the near future in South Africa.

SACE Projects is in the early development stage of a number of large solar ground-mounted opportunities. These range in size from 10MW to 100MW. Early development includes permitting, land use, grid access and identifying off-takers.

Notwithstanding these positive developments in South Africa, the competition levels have grown, with many

of the major financial institutions looking for projects in the renewable space.

The project in Kenya has received confirmation from KPLC (Kenya Power and Lighting Company) that our project is still under consideration, however the recent election for a new president is delaying the final implementation, as many of the Government institutions in Kenya are being restructured. We aim to secure the PPA by the second quarter of 2023.

The project in Uganda has resulted in an extension to provide the feasibility study which is likely to be completed by June of 2023. During the financial year the company acquired the 35% equity held in Uenergy Limited from Metier Private Equity (Pty) Limited at par, bringing the shareholding to 75%.

Despite the issues relating to the Ukraine Russian conflict, 2023 presents an improved opportunity for the Group, mainly because of the comments made above regarding the opening of the South African market and the increased demand for energy. The strategy which we adopted in 2021-22, being the installation of commercial roof-top solar has begun to bear fruit and although not all these projects were concluded during the 2021-22 financial year, they will come to fruition during the 2022-23 financial year.

These rooftop installations provide a very positive cash flow to the Group.

Furthermore, the opportunity for this type of installation has increased in the countries in which we operate in Africa and enquiries have been received from Kenya for three projects which are being quoted for.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Audited as at 30 June 2022	Audited as at 30 June 2021
	US\$	US\$
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	297	968
Investments in associated companies	321,820	-
Loans to related parties	1,785,542	2,248,620
<b>Total non current assets</b>	<b>2,107,659</b>	<b>2,249,588</b>
<b>Current Assets</b>		
Other receivables	22,535	5,264
Loans to related parties	156,579	84,221
Cash and cash equivalents	4,238	111,752
<b>Total current assets</b>	<b>183,352</b>	<b>201,237</b>
Non current assets classified as held for sale	-	1,170,294
<b>Total assets</b>	<b>2,291,011</b>	<b>3,621,119</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	3,407,721	3,407,721
Equity component of convertible loan	40,000	31,286
Foreign currency translation reserve	17,102	79,764
Financial assets at fair value through other comprehensive income reserve	-	(93,066)
Accumulated loss	(2,568,352)	(1,654,286)
<b>Equity attributable to owners of the parent</b>	<b>896,471</b>	<b>1,771,419</b>
Non-controlling interest	(234,455)	(48,345)
<b>Total equity</b>	<b>662,016</b>	<b>1,723,074</b>
<b>Non Current Liabilities</b>		
Amounts payable to related parties	41,236	-
<b>Current Liabilities</b>		
Borrowings	-	17,507
Accruals and payables	1,549,006	1,563,183
Amounts payable to related parties	38,753	317,355
<b>Total liabilities</b>	<b>1,628,995</b>	<b>1,898,045</b>
<b>Total equity and liabilities</b>	<b>2,291,011</b>	<b>3,621,119</b>
Number of shares in issue	29,275,770	29,275,770
Net asset value per share	0.0306	0.0605

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Audited for the year ended 30 June 2022	Audited for the year ended 30 June 2021
<b>INCOME</b>	<b>US\$</b>	<b>US\$</b>
Interest on loan	191,213	182,446
Dividend income and management fees	267,329	223,675
Gain on disposal of investments	8,684	-
Other income	-	7,477
Exchange gains	-	416,207
	<b>467,226</b>	<b>829,805</b>
<b>EXPENSES</b>		
Professional fees	(71,350)	(74,297)
Audit fees	(78,869)	(53,317)
Directors' fees	(320,750)	(343,155)
Impairment of loans receivables	(10,323)	(68,102)
Accounting fees	(65,104)	(75,367)
Bank charges	(2,994)	(1,060)
Interest expenses	(6,359)	(14,031)
Consulting fees	(24,289)	(24,256)
Goodwill written off	(129,946)	(11,283)
Share of loss of associated company	(313,346)	-
Exchanges loss	(268,077)	-
Other operating expenses	(46,078)	(42,232)
	<b>(1,337,485)</b>	<b>(707,100)</b>
(Loss) profit before taxation	(870,259)	122,705
Taxation	(16,332)	-
<b>(Loss) profit for the period</b>	<b>(886,591)</b>	<b>122,705</b>
Other comprehensive (loss) gain for the period	(18,254)	(30,686)
<b>Total comprehensive gain (loss) for the period</b>	<b>(904,845)</b>	<b>92,019</b>
<b>Profit (loss) attributable to:</b>		
Non-controlling interests	(11,040)	91,321
Owners of the company	(875,551)	31,384
	<b>(886,591)</b>	<b>122,705</b>
<b>Total comprehensive gain (loss) attributable to:</b>		
Non-controlling interests	(21,183)	72,540
Owners of the company	(883,662)	19,479
	<b>(904,845)</b>	<b>92,019</b>
<b>Weighted average number of shares</b>	<b>29,275,770</b>	<b>29,262,181</b>
<b>Basic earnings (loss) per share</b>	<b>(0.0299)</b>	<b>0.0031</b>

### CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited for the year ended 30 June 2022	Audited for the year ended 30 June 2021
	US\$	US\$
Net cash used in operating activities	(254,436)	109,861
Net cash flows from (used in) investing activities	615,945	(119,692)
Net cash flows used in financing activities	(469,023)	94,739
Net decrease in cash and cash equivalents	(107,514)	84,908
Cash and cash equivalents at beginning of period	111,752	26,844
Cash and cash equivalents at end of period	4,238	111,752

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2021	Stated capital	Equity component of convertible loan	Subscription monies received in advance	Financial assets at fair value through other comprehensive income reserve	Foreign currency translation reserves	Accumulated loss	Equity attributable to owners of the company	Non-controlling interest	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 01 July 2020	3,247,721	32,995	140,000	-	5,479	(1,745,607)	1,680,588	(67,824)	1,612,764
Profit for the year	-	-	-	-	-	91,321	91,321	31,384	122,705
Other comprehensive income	-	-	-	(93,066)	74,285	-	(18,781)	(11,905)	(30,686)
Total comprehensive income for the year	-	-	-	(93,066)	74,285	91,321	72,540	19,479	92,019
Issue of shares	160,000	-	-	-	-	-	160,000	-	160,000
Transfer to stated capital	-	-	(140,000)	-	-	-	(140,000)	-	(140,000)
Equity component of convertible loan	-	(1,709)	-	-	-	-	(1,709)	-	(1,709)
Balance at 30 June 2021	3,407,721	31,286	-	(93,066)	79,764	(1,654,286)	1,771,419	(48,345)	1,723,074

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

2022	Stated capital	Equity component of convertible loan	Foreign currency translation reserves	Financial assets at fair value through other comprehensive income reserve	Accumulated loss	Equity attributable to owners of the company	Non-controlling interest	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 01 July 2021	3,407,721	31,286	79,764	(93,066)	(1,654,286)	1,771,419	(48,346)	1,723,074
Loss for the year	-	-	-	-	(875,551)	(875,551)	(11,040)	(886,591)
Other comprehensive loss	-	-	(8,111)	-	-	(8,111)	(10,143)	(18,254)
<b>Total comprehensive loss for the period</b>	-	-	(8,111)	-	(875,551)	(883,662)	(21,183)	(904,845)
Dividend paid to minority interest	-	-	-	-	-	-	(118,670)	(118,670)
Release to retained earnings on disposal of investment	-	-	-	93,066	(93,066)	-	-	-
Equity component of convertible loan stock	-	8,714	-	-	-	8,714	-	8,714
Acquisition of subsidiary	-	-	-	-	-	-	(40,293)	(40,293)
Disposal of investment	-	-	-	-	-	-	(5,964)	(5,964)
Release on disposal of investment	-	-	(54,551)	-	54,551	-	-	-
<b>Balance at 30 June 2022</b>	<b>3,407,721</b>	<b>40,000</b>	<b>17,102</b>	<b>-</b>	<b>(2,568,352)</b>	<b>896,471</b>	<b>(234,455)</b>	<b>662,016</b>



**NOTES:**

- The Company is required to publish the abridged audited consolidated financial statements for the year ended 30 June 2022 (“**abridged audited consolidated financial statements**”) in terms of Listing Rule 12.14 of the SEM. These abridged audited consolidated financial statements have been prepared in accordance with the measurement and recognition requirements of IFRS and the SEM Listing Rules, using the same accounting policies as those of the audited consolidated financial statements for the year ended 30 June 2021.
- The Company’s consolidated financial statements for the year ended 30 June 2022 have been audited by its external auditors, BDO & Co. These abridged audited consolidated financial statements were approved by the Board of Directors on 31 October 2022.
- No dividends were declared or paid to shareholders during the financial year ended 30 June 2022.
- Copies of the abridged audited consolidated financial statements are available free of charge, upon request at the Registered Office of the company at c/o Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius. Contact Person: Mrs Smitha Algoo-Bissonauth.
- This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.14. The Board accepts full responsibility for the accuracy of the information contained in this communiqué.

By order of the Board

Intercontinental Trust Limited  
Company Secretary

31 October 2022

For further information, please contact:

**SEM Authorised Representative & Sponsor**



**+230 402 0890**

**Company Secretary**



**+230 403 0800**