

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" or the "company" or the "Group")



ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2019

DIRECTORS' COMMENTARY & COMPANY OVERVIEW

It is with great pleasure that we present the unaudited consolidated financial statements for the three months ended 30 September 2019. It is a quarter that yet again symbolizes progress and growth for ACES.

The Group has embarked on an operating strategy to develop, finance, build and own clean energy projects, while uplifting people's lives and giving a steady return to our investors. The current project and country details are set out below.

Tana Biomass Generation Limited ("Tana") – Kenya:

- Kenya Power and Light Company and Tana are still in negotiations to finalise the Power Purchase Agreement ("PPA");
- Tana is finalizing the land lease registration in terms of Kenyan law;
- All the necessary licenses are in the process of being obtained including the Nema license which includes the Environmental Impact Assessment ("EIA"). The grid study and topographical study is complete;
- An application will be made for the appropriate generating license;
- Feed stock for the biogas plant will be 'Napier grass' and/or 'Sweet sorghum' which is being tested for suitability and is currently being grown to meet the needs of the plant;
- Final engineering, procurement and construction providers are being secured; and
- Final funding (debt and equity) is still in the process of being secured.

Unergy Limited ("Unergy") – Uganda:

- Application has been submitted to the Electrical Regulatory Authority by Unergy for permit to commence the feasibility study; and
- Once the feasibility study is completed, Unergy will progress to the PPA signature.

It would be remiss of us not to once again mention the challenges that come with operating in various African countries and the challenges that ACES has overcome during the past year. The company has experienced and overcome:

- Delays resulting from administrative and legal constraints;
- Limited legal access in the country concerned;
- Instituting Group corporate governance policies; and
- Government delays of issuing permits and signing agreements.

The current financial year promises to be just as eventful as the previous one.

Fund Raising

ACES is currently looking to raise US\$5 million through the issue of new shares at US\$1.00 each by way of placing, which will close on 28 November 2019. Details of the placing are on the company's web page www.acesrenewables.com/documents.

Acquisition of the business of South Africa Clean Energy Solutions Limited

The South Africa Exchange Control Authorities has granted permission to ACES to acquire the business of South Africa Clean Energy Solutions Limited (“**SACE**”) in exchange for new shares in ACES by 31 December 2019. A circular to be distributed to the respective shareholders is being finalized for submission to the shareholders of ACES.

Since the announcement of the year end results both 5 MW Solar plants in Namibia have reached Commercial Operating Date and the PPA for the Solar Project owned by SACE Projects (Pty) Limited has been finalised.

All this progress to date would not have been made possible without the strong support of our existing shareholders, and the effort, advice and availability of the management team, the company's employees, and the Board of directors of the company.

Review of the Results

The results for the period under review is the second set of results since the company was listed on the Official Market of the Stock Exchange of Mauritius Ltd (“**SEM**”) in May 2019.

These results are in line with the expectations of Management in that during the period the company continued to develop the projects in Kenya and Uganda. As these projects are in the development stage the need to utilize cash will continue.

The company's profitability will increase once each of the projects reach financial close. It is expected that financial close for two of the projects in Kenya and Uganda is still to be reached prior to the 2020 year end, which will result in the company earning its development and management fees.

Management continues to investigate other opportunities in Africa including projects in early development stage to projects that have reached financial close and require equity partners.

The strategy of the Group remains a developer, builder and owner of renewable projects in Africa and this strategy includes the investment into projects that have reached financial close and meet the minimum Internal Rate of Returns required by the Board and are located in those countries that ACES considers suitable for long terms investment.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	Unaudited as at 30 September 2019	Audited as at 30 June 2019
	US\$	US\$
ASSETS		
Current Assets		
Amounts receivable from related parties	531,197	481,574
Other receivables	21,275	14,937
Cash and cash equivalents	34,158	4,549
Total current assets	586,630	501,060
Total assets	586,630	501,060
EQUITY AND LIABILITIES		
Equity		
Stated capital	938,635	938,635
Equity component of convertible loan	32,564	32,083
Foreign currency translation reserve	3,947	1,288
Accumulated loss	(936,387)	(871,198)
Equity attributable to owners of the parent	38,759	100,808
Non-controlling interest	(173,510)	(168,384)
Total equity	(134,751)	(67,576)
Liabilities		
Borrowings	7,436	7,917
Accruals and payables	163,031	197,969
Amounts payable to related parties	380,818	362,750
Subscription monies received in advance	170,096	-
Total liabilities	721,381	568,636
Total equity and liabilities	586,630	501,060
Number of shares in issue	26,099,042	26,099,042
Net asset value per share	0.0015	0.0039

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited for the three months to 30 September 2019	Unaudited for the three months to 30 September 2018
	US\$	US\$
INCOME		
Interest on loan	5,885	5,249
EXPENSES		
Professional fees	(25,279)	(27,367)
Audit fees	(8,199)	(6,172)
Directors' fees	(3,666)	(3,145)
Licence fees	(650)	(4,942)
Accounting fees	(4,212)	(1,127)
Legal fees	-	(24,274)
Interest expenses	(5,837)	(13,136)
Bank charges	(1,735)	(846)
Consulting fees	(8,700)	(11,804)
Exchange losses	(136)	(1,422)
Other operating expenses	(21,646)	(15,021)
	(80,060)	(109,256)
Loss before taxation	(74,175)	(104,007)
Taxation	-	-
Loss for the period	(74,175)	(104,007)
Other comprehensive loss for the period	2,659	-
Total comprehensive loss for the period	(71,516)	(104,007)
Loss attributable to:		
Non-controlling interests	(8,986)	(19,675)
Owners of the company	(65,189)	(84,332)
	(74,175)	(104,007)
Total comprehensive loss attributable to:		
Non-controlling interests	(8,986)	(19,675)
Owners of the company	(62,530)	(84,332)
	(71,516)	(104,007)
Weighted average number of shares*	24,947,759	378,988,453
Basic loss per share	(0.0026)	(0.0002)

* At the general meeting held on 31 October 2018, the shareholders of the company approved a consolidation of shares on a 1 for 20 basis.

The basic loss per share for the period ended 30 September 2018 would have been USD 0.0045 should the number of shares have been consolidated at date of issue. The consolidated weighted average number of shares for the period ended 30 September 2018 is 18,949,423.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited for the three months to 30 September 2019	Unaudited for the three months to 30 September 2018
	US\$	US\$
Net cash used in operating activities	(98,604)	(95,726)
Net cash flows used in investing activities	(43,417)	(23,000)
Net cash flows generated from financing activities	171,630	67,622
Net increase/ (decrease) in cash and cash equivalents	29,609	(51,104)
Cash and cash equivalents at beginning of period	4,549	55,423
Cash and cash equivalents at end of period	34,158	4,319

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2018	Stated capital	Equity component of convertible loan	Foreign currency translation reserves	Retained earnings	Equity attributable to owners of the company	Non-controlling interest	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 01 July 2018	180,423	32,390	(5,828)	(408,368)	(201,383)	(77,991)	(279,374)
Loss for the period	-	-	-	(84,332)	(84,332)	(19,675)	(104,007)
Total comprehensive loss for the period	-	-	-	(84,332)	(84,332)	(19,675)	(104,007)
Issue of shares	16,738	-	-	-	16,738	-	16,738
Equity component of convertible loan	-	(184)	-	-	(184)	-	(184)
Balance at 30 September 2018	197,161	32,206	(5,828)	(492,700)	(269,161)	(97,666)	(366,827)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2019	Stated capital	Equity component of convertible loan	Foreign currency translation reserves	Retained earnings	Equity attributable to owners of the company	Non-controlling interest	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 01 July 2019	938,635	32,083	1,288	(871,198)	100,808	(168,384)	(67,576)
Loss for the period	-	-	-	(65,189)	(65,189)	(8,986)	(74,175)
Foreign currency translation reserves	-	-	2,659	-	2,659	-	2,659
Total comprehensive loss for the period	-	-	2,659	(65,189)	(62,530)	(8,986)	(71,516)
Non-controlling interest on sale of investment	-	-	-	-	-	3,860	3,860
Equity component of convertible loan	-	481	-	-	481	-	481
Balance at 30 September 2019	938,635	32,564	3,947	(936,387)	38,759	(173,510)	(134,751)

NOTES:

- The company is required to publish interim consolidated unaudited financial results in terms of the SEM Listing Rule 12.19.
- The abridged unaudited consolidated financial statements for the three months ended 30 September 2019 (“**abridged unaudited consolidated financial statements**”) have been prepared in accordance with the measurement and recognition requirements of IFRS, the information contained in IAS 34: Interim Financial Reporting, the SEM Listing Rules and the Securities Act 2005, using the same accounting policies as those of the audited consolidated financial statements for the year ended 30 June 2019.
- The abridged unaudited consolidated financial statements have not been reviewed or reported on by the company’s external auditors. These abridged unaudited consolidated financial statements were approved by the Board of Directors on 5 November 2019.
- Copies of the abridged unaudited consolidated financial statements and the Statement of direct and indirect interests of each officer of the company, pursuant to rule 8(2) (m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, 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.
- This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.20. The Board accepts full responsibility for the accuracy of the information contained in this communiqué. Contact person: Mrs. Smitha Algoo-Bissonauth.

By order of the Board

Intercontinental Trust Limited
Company Secretary

5 November 2019

For further information, please contact:

**SEM Authorised Representative &
Sponsor**



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Company Secretary



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