



## 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")

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### ABRIDGED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS AND SIX MONTHS ENDED 31 DECEMBER 2019

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#### DIRECTORS' COMMENTARY & COMPANY OVERVIEW

It is with great pleasure that we present the unaudited consolidated financial statements for the three months and six months ended 31 December 2019. This quarter yet again symbolizes progress and growth for ACES.

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

- Kenya Power and Light Company ("KPLC") and Tana are in negotiations to finalise the Power Purchase Agreement ("PPA"); after KPLC announced the clause "Take and Pay" to be added to all PPA's that don't have a Commercial Operating Date ("COD"), Tana received a COD and therefore will not be affected by the policy.
- Tana will finalise the land lease registration in terms of Kenyan law, after the initialing of the PPA.
- 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 are complete.
- An application will be made for the appropriate generating license after the signature of the PPA.
- 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 ("EPC") providers are being negotiated and selected.
- Final funding (debt and equity) will be secured after the signature of the PPA.

### **Unergy Limited (“Unergy”) – Uganda:**

- The Electrical Regulatory Authority (“**ERA**”) has granted Unergy a permit to commence the feasibility study.
- The feasibility study needs to be completed by 30 June 2020 and Unergy will obtain the PPA for signature.
- The ERA has advised Unergy that the Biogas technology is the Uganda preferred renewable energy technology as it provides diversification of renewable energy and creates new employment opportunities, as most of the country’s energy arrives from Hydro, and that is dependable on good rains.
- Unergy is in discussion with a US based agricultural company to test the Napier grass as feedstock and supply it to Unergy.
- Land and feedstock meetings were held in Masindi Uganda this past week to gather information to complete the feasibility study.

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. These issues persist but in the last three months, the Group has made very good progress in reducing the delays.

### **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. Initially the placing was due to close on 28 November 2019, but the closing date has been extended to 28 February 2020. Details of the placing are on the company’s web page [www.acesrenewables.com/documents](http://www.acesrenewables.com/documents).

### **Exercise of options and listing of new shares**

The company issued share options to various Trusts and individuals at no cost, which options had to be exercised by 31 December 2019. Consequently, a total of 1,016,728 options were exercised by the various options holders at a price of USD 0.34 per option, thereby raising a total capital of USD 345,687. The new shares were subsequently issued to the option holders on 28 January 2020 and were listed on the Official Market of the Stock Exchange of Mauritius Ltd (“**SEM**”) from 31 January 2020.

### **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 2020. A circular relating to this acquisition is currently being finalized for submission to the shareholders of ACES.

Since the announcement of the year end results, both 5MW Solar plants in Namibia have reached COD and the PPA for the Solar Project owned by SACE Projects (Pty) Limited is being 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 are the third set of results since the company was listed on the Official Market of the 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 these projects reach financial close. It is expected that financial close for two of the projects in Kenya and Uganda will not be reached prior to the 2020 year end but will only be reached after the 2020 year end. Unfortunately, this will not result in the company earning its development and management fees in the current year but will earn those fees in the 2021 financial year.

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 term investment.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31 December 2019	Audited as at 30 June 2019
	US\$	US\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Amounts receivable from related parties	561,169	481,574
Other receivables	16,723	14,937
Cash and cash equivalents	26,506	4,549
<b>Total current assets</b>	<b>604,398</b>	<b>501,060</b>
<b>Total assets</b>	<b>604,398</b>	<b>501,060</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	938,635	938,635
Equity component of convertible loan	32,977	32,083
Foreign currency translation reserve	(2,849)	1,288
Accumulated loss	(1,021,543)	(871,198)
<b>Equity attributable to owners of the parent</b>	<b>(52,780)</b>	<b>100,808</b>
Non-controlling interest	(204,265)	(168,384)
<b>Total equity</b>	<b>(257,045)</b>	<b>(67,576)</b>
<b>Liabilities</b>		
Borrowings	7,024	7,917
Accruals and payables	166,608	197,969
Amounts payable to related parties	395,811	362,750
Subscription monies received in advance	292,000	-
<b>Total liabilities</b>	<b>861,443</b>	<b>568,636</b>
<b>Total equity and liabilities</b>	<b>604,398</b>	<b>501,060</b>
Number of shares in issue	26,099,042	26,099,042
Net asset value per share	(0.0020)	0.0039

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

	Unaudited for the three months to 31 December 2019	Unaudited for the six months to 31 December 2019	Unaudited for the three months to 31 December 2018	Unaudited for the six months to 31 December 2018
<b>INCOME</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Interest on loan	6,243	12,128	5,497	10,746
<b>EXPENSES</b>				
Professional fees	(32,084)	(57,363)	(112,940)	(140,307)
Audit fees	(6,264)	(14,463)	(6,171)	(12,343)
Directors' fees	(7,667)	(11,333)	(2,070)	(5,215)
Licence fees	(650)	(1,300)	(4,031)	(8,973)
Accounting fees	(339)	(4,551)	(1,127)	(2,254)
Legal fees	(26,496)	(26,496)	(24,273)	(48,547)
Interest expenses	(5,787)	(11,624)	(13,142)	(26,278)
Bank charges	(1,023)	(2,758)	(1,318)	(2,164)
Consulting fees	(38,700)	(47,400)	(17,678)	(29,482)
Exchange losses	(179)	(353)	(1,422)	(2,844)
Other operating expenses	(2,927)	(24,573)	(21,128)	(36,149)
	<b>(122,116)</b>	<b>(202,214)</b>	<b>(205,300)</b>	<b>(314,556)</b>
Loss before taxation	(115,873)	(190,086)	(199,803)	(303,810)
Taxation	-	-	-	-
<b>Loss for the period</b>	<b>(115,873)</b>	<b>(190,086)</b>	<b>(199,803)</b>	<b>(303,810)</b>
Other comprehensive loss for the period	(6,796)	(4,137)	-	-
<b>Total comprehensive loss for the period</b>	<b>(122,669)</b>	<b>(194,223)</b>	<b>(199,803)</b>	<b>(303,810)</b>
<b>Loss attributable to:</b>				
Non-controlling interests	(30,754)	(39,741)	(19,674)	(39,349)
Owners of the company	(85,110)	(150,345)	(180,129)	(264,461)
	<b>(115,864)</b>	<b>(190,086)</b>	<b>(199,803)</b>	<b>(303,810)</b>
<b>Total comprehensive loss attributable to:</b>				
Non-controlling interests	(30,754)	(39,741)	(19,674)	(39,349)
Owners of the company	(91,915)	(154,482)	(180,129)	(264,461)
	<b>(122,669)</b>	<b>(194,223)</b>	<b>(199,803)</b>	<b>(303,810)</b>
<b>Weighted average number of shares</b>	<b>26,099,042</b>	<b>26,099,042</b>	<b>2,761,727</b>	<b>2,761,727</b>
<b>Basic loss per share</b>	<b>(0.0033)</b>	<b>(0.0058)</b>	<b>(0.0652)</b>	<b>(0.0958)</b>

### CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited for the six months to 31 December 2019	Unaudited for the six months to 31 December 2018
	US\$	US\$
Net cash used in operating activities	(206,313)	(291,472)
Net cash flows used in investing activities	(65,479)	(100,728)
Net cash flows generated from financing activities	293,749	607,931
Net increase in cash and cash equivalents	21,957	215,731
Cash and cash equivalents at beginning of period	4,549	55,423
Cash and cash equivalents at end of period	26,506	271,154

### 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	-	-	-	(264,461)	(264,461)	(39,349)	(303,810)
Total comprehensive loss for the period	-	-	-	(264,461)	(264,461)	(39,349)	(303,810)
Issue of shares	16,738	-	-	-	16,738	-	16,738
Equity component of convertible loan	-	(184)	-	-	(184)	-	(184)
Balance at 31 December 2018	197,161	32,206	(5,828)	(672,829)	(449,290)	(117,340)	(566,630)

### 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	-	-	-	(150,345)	(150,345)	(39,741)	(190,086)
Foreign currency translation reserves	-	-	(4,137)	-	(4,137)	-	(4,137)
Total comprehensive loss for the period	-	-	(4,137)	(150,345)	(154,482)	(39,741)	(194,223)
Non-controlling interest on sale of investment	-	-	-	-	-	3,860	3,860
Equity component of convertible loan	-	894	-	-	894	-	894
Balance at 31 December 2019	938,635	32,977	(2,849)	(1,021,543)	(52,780)	(204,265)	(257,045)

**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 and six months ended 31 December 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 4 February 2020.
- 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, Ebène 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

4 February 2020

For further information, please contact:

**SEM Authorised Representative &  
Sponsor**



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**Company Secretary**



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