



ACES RENEWABLES

Africa Clean Energy Solutions Limited

SHAREHOLDER UPDATE

9th July 2026 | Strictly private and confidential

Dear Shareholder,

We are pleased to provide an update on the significant progress across ACES Renewables' project portfolio and on the Company's ongoing equity raise. The past quarter has seen material advances toward financial close on our lead projects and strong institutional interest in the capital raise, with two cornerstone Letters of Intent now in hand and debt term sheets for up to 80%.

1. Equity raise — “Group Projects”

ACES is raising ordinary equity in the listed holding company through a private placement, structured in two phases. We have received two cornerstone commitments:

Topco Investor (Phase 1 — up to US\$25 million)

- **Non-binding Expression of Interest** dated 12 May 2026, confirming interest in committing up to US\$25 million, with flexibility to invest at the Holdco level and/or directly into project SPVs.
- A leading 100% black-owned South African renewable-energy investor, holding equity in 21 renewable assets (solar PV, wind, BESS, CSP) and with a proven REIPPPP development and financing track record. Funding is to be provided from own cash and an existing Rand Merchant Bank acquisition facility.
- Investor has requested one Holdco board seat and customary minority protections. Indicative Phase 1 pricing is a modest discount to the reference price; Investor interest is contractually capped below 48% to preserve the Company's control structure, diluting to approximately 35% Investor following Phase 2.

SACE Project (Phase 2 — up to US\$25 million)

- A Letter of Intent committing up to US\$25 million to the Phase 2 tranche of the raise.
- Indicative Phase 2 pricing is being finalised at approximately US\$1.30 per share, subject to due diligence. However the investment is targeted only on the SA projects and predominately for phase 2. This means investment at SACE Project level.

Together the two phases target aggregate equity of approximately US\$50 million (Phase 1 up to US\$25 million and Phase 2 up to US\$25 million), positioning ACES to fund its project equity requirements through to financial close. Although the capital requirement to fund both phase 1 and phase 2 is 65 million USD, the 50 million USD will allow ACES majority holding in the projects.

2. Valuation

The Company's updated July 2026 forecast values ACES (both phases fully built) as follows:

Valuation of ACES (NPV)	Phase 1 & 2
at 8% discount	US\$165.6m
at 10% discount	US\$138.2m
at 12% discount	US\$117.6m

3. Project pipeline update (as at 22 June 2026)

Cullinan 130MW (South Africa — solar PV)

Strategic equity partnering — **Katigo** acquired a 40% interest in the Cullinan project SPV for R47 million (10% deposit paid; balance due within 60 days of due diligence). ACES retains a controlling 55% shareholding, consistent with the holding reflected in the Company's current valuation.

Development milestones:

- Final executed PPA targeted for 31 August 2026; WULA Phase 3 assessment in its final stage.
- NERSA generation-licence application to be submitted 7 September 2026 (Section 53 already secured); EA achieved, land valuations submitted for DPW and Rural Development for the 11KM overhead line.
- Preferred EPC bidders selected (final appointment at shovel-ready); Standard Bank term sheet received for 80% debt, Eskom budget quote to be expedited. Shovel-ready targeted Q1 2027, financial close to follow.

Ravenna 10MW (South Africa)

Strategic equity partnering — **Eco Cycle Commercial** acquired a 24.9% interest in Ravenna for R9.7 million (R2 million paid; balance due within 60 days of due diligence), diluting ACES from 75% to a controlling 50.1% shareholding.

- Escrow agreement concluded (complete); executed PPA under CoE legal review, signing targeted by 30 July 2026.
- NERSA generation-licence application to be lodged 3 July 2026 (c.21 working-day process); EPC contract and lenders' advisors appointments in progress.
- Financial-close due diligence submitted to Standard Bank; approval targeted November 2026, construction thereafter.

SM Hydro 7,6MW (Uganda — hydro)

- Project reached COD 2023, an acquisition for 100% is currently in negotiations subject to complete Due diligence. Signed PPA loaded to the data room (complete);
- Acquisition negotiations and closing targeted for September 2026.

VFU-CEL 31MW (Zambia solar)

- Feasibility approval expected end July 2026; WARMA approval 15 July; ERA construction permit 26 July; ZESCO grid-connection letter targeted End July 2026.
- Environmental Approval and clearing permit progressing, expecting 31st July, signed PPA in progress. Shovel-ready targeted August 2026, financial close by November 2026.

4. Outlook & next steps

- Conclude the equity raise, executing definitive agreements with Topco Investor (Phase 1) and SACE Projects Investor (Phase 2).
- Drive Ravenna and the Zambia project to shovel-ready and financial close through the second half of 2026 and reach financial closure for Cullinan 1st Q 2027.
- Complete the SM Hydro acquisition and integrate the signed PPA.
- Complete Phase two development and prepare shovel readiness 2nd Q 2027

- Start with construction on Ravenna and Zambia end 2026

- We have started with the June 2026 audit and will publish our results by end Sept 26.

- SACE Projects have been very active in rooftop installation to the value of R35 million and have number projects out on quote for the second half of 2026.

We thank shareholders for their continued support and will provide a further update as the raise and project milestones progress. Please contact the Company with any questions.

For and on behalf of the Board

Dave Kruger

CEO

(Africa Clean Energy Solutions Limited)

This notice is issued pursuant to SEM Listing Rule 11.3. The Board accepts full responsibility for the accuracy of the information contained in this communiqué."

This update is provided to shareholders for information only. It contains forward-looking statements and indicative, non-binding commercial terms that remain subject to due diligence, definitive documentation and board approval, and should not be relied upon as a forecast or an offer of securities.